

**COMMITTEE ON THE WELFARE
OF SCHEDULED CASTES AND
SCHEDULED TRIBES
(1983-84)**

**(SEVENTH LOK SABHA)
FIFTY-SECOND REPORT**

**MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE & COOPERATION)
BENEFITS PROVIDED TO SCHEDULED CASTES
AND SCHEDULED TRIBES IN THE
COOPERATIVE SECTOR**



Presented to Lok Sabha on 30 APR 1984
Laid in Rajya Sabha on 30 APR 1984

**LOK SABHA SECRETARIAT
NEW DELHI**

April 1984/Chaitra 1906 (Saka)

Price : Rs. 3.00

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

<i>Sl. No.</i>	<i>Name of Agents</i>	<i>Sl. No.</i>	<i>Name of Agents</i>
BIHAR		TAMIL NADU	
1.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	10.	The Manager, M.M. Subscription Agencies, No. 2, 1st Lay Out, Sivananda Colony, Coimbatore-641012.
GUJARAT		UTTAR PRADESH	
2.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	11.	Law Publishers Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
MADHYA PRADESH		WEST BENGAL	
3.	Modern Book House, Shiv Vilas Palace, Indore City.	12.	Mrs. Manimala, Buys and Sells, 128, Bow Bazar Street, Calcutta-12.
MAHARASHTRA		DELHI	
4.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2.	13.	Jain Book Agency, Connaught Place, New Delhi.
5.	The International Book Service, Deccan Gymkhana, Poona-4.	14.	J. M. Jain & Brother, Mori Gate, Delhi.
6.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	15.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-1.
	M/s. Usha Book Depot, Law Book Sellers and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-2.	16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
	M&J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Nalgaum Dadar, Bombay-14.	17.	The Central News Agency, 23/90, Connaught Place, New Delhi.
	Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay-1.	18.	M/s. Rajendra Book Agency, IV-D/59, IV-D/50, Lajpat Nagar, Old Double Storey, Delhi-110024.
		19.	M/s. Ashoka Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.
		20.	Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.

CORRIGENDA
TO

52nd Report of the Committee on the Welfare
of Scheduled Castes and Scheduled Tribes
(1983-84) VII Lok Sabha.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
iii	-	14	Mukerjee	Mukherjee
iv	-	3	-	add *
iv	-	4	-	add **
iv	-	5	-	add ***
11	2.13	21	Agricultural	Agriculture
17	-	6	The	They
17	2.26	12	The	They
26	3.12	2	impared	imparted
37	4.27	4	assistanc	assistance
41	5.12	5	other	others
52	6.40	6	Lobour	Labour

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	iii
INTRODUCTION	v
REPORT	
A. Introductory	1
B. Membership and Reservation in Board of Management	5
C. Cooperative Education	23
D. Role of National Cooperative Development Corporation	29
E. Large Sized Multipurpose Societies (LAMPS)	38
F. Cooperatives which mainly help Scheduled Castes/Tribes	43
G. Irregularities in Cooperatives	54
APPENDIX	
Summary of conclusions and recommendations contained in the Report	56

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES
AND SCHEDULED TRIBES**

(1983-84)

Shri A. C. Das—Chairman

MEMBERS

Lok Sabha

2. Shri K. Arjunan
3. Shri Dileep Singh Bhuria
4. Shrimati Vidya Chennupati
5. Shri N. Dennis
6. Shri Chhittubai Gamit
7. Shri Jagpal Singh
8. Shri R. P. Mahala
9. Shrimati Geeta Mukerjee
10. Shri Bhola Raut
11. Shri Bajju Ban Riyan
12. Shri Ashkaran Sankhwar
13. Prof. Nirmala Kumari Shaktawat
14. Shri Nathu Ram Shakyawar
15. Shri D. B. Shingda
16. Shri Sunder Singh
17. Shri Suraj Bhan
18. Shri Narsing Suryawanshi
19. Shri Trilok Chand
20. Shri Nandi Yellaiah

Rajya Sabha

21. Shri V. C. Kesava Rao
22. Shri Leonard Solomon Saring
23. Shri H. Hanumanthappa
24. Shri Bijoy Krishna Handique
25. Shri Piare Lall Kureel *ur*
Piare Lall Talib Umnavi

(iii)

26. Shri Scato Swu
27. Shri Gulam Mohi-ud-Din Shawl
28. Shri Dinesh Goswami
29. Shri Alexander Warjri
30. Shri V. Gopalsamy

SECRETARIAT

1. Shri D. C. Pande—*Joint Secretary*
2. Shri P. C. Chaudhry—*Chief Legislative Committee Officer*
3. Shri Kuldip Sahai—*Senior Legislative Committee Officer*

-
- * Ceased to be Member of the Committee on his retirement from Rajya Sabha with effect from 9th April, 1984.
 - ** Ceased to be Member of the Committee on his retirement from Rajya Sabha with effect from 12th April, 1984.
 - *** Ceased to be Member of the Committee on his retirement from Rajya Sabha with effect from 2nd April, 1984.

INTRODUCTION

1. The Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes, having been authorised by the Committee to submit the Report on their behalf, present this Fifty-second Report on the Ministry of Agriculture (Department of Agriculture and Cooperation) Benefits provided to Scheduled Castes and Scheduled Tribes in the Cooperative Sector.

2. The Committee took the evidence of the representatives of the Ministry of Agriculture (Department of Agriculture and Cooperation) on 4th January, 1984. The Committee wish to express their thanks to the officers of the Ministry of Agriculture and National Cooperative Development Corporation for placing before the Committee material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 4th April 1984.

4. A summary of conclusions/recommendations contained in the Report is appended. (Appendix)

NEW DELHI :

April 6, 1984

Chaitra 17, 1906 (S)

A. C. DAS,
Chairman
Committee on the Welfare of
Scheduled Castes and Scheduled
Tribes.

REPORT

A. INTRODUCTORY

1.1 "Cooperatives" were introduced in India as a means to save the agriculturists from the usurious rates of interest they were required to pay to the money-lenders. The Cooperative Credit Societies Act, 1904 ushered in the cooperative movement in the country. Cooperation was introduced in India mainly as a defensive organisation for dealing with problems of rural indebtedness. A positive developmental role came to be assigned to cooperatives only after Independence and with the launching of the Five Year Plans.

1.2 The strategy of cooperative development in the successive five year plans envisaged strengthening and expansion of the cooperative structure at various levels, particularly at the village level. The focus at village level was on distribution of credit and other inputs for increasing agricultural production and creation of post-harvest facilities for processing, storage and marketing of agricultural produce. Intensification of cooperative education and training programmes to foster enlightened membership, strengthening the democratic character of the movement and promotion of professional management in cooperatives are an integral part of the strategy in the development of the cooperative movement in India.

1.3 A significant feature of cooperative development under the Plans is the extension of support policy, financial and administrative—by the Government, which has helped in accelerating the pace of development of cooperatives. The Government of India have established a Corporation called the National Cooperative Development Corporation (NCDC) which provides financial support and guidance to marketing, processing and storage activities of cooperative credit movement in the country. Recently the Government of India have established a new organisation called the National Bank for Agriculture and Rural Development, which has taken over the functions of the Reserve Bank in providing support to the Cooperative credit movement. The various Commodity Corporations like the Food Corporation, Cotton Corporation, Jute Corporation provide business support to cooperatives as the social objectives of these public sector organisations converge with those of cooperatives. The functional cooperatives like credit cooperatives, marketing cooperatives, consumer cooperatives, sugar cooperatives etc. have organised themselves into State level and National level federations for providing business support, consultancy and other services required by them.

1.4 Another significant development of cooperative movement in India is the continuous diversification of activities of cooperatives. The movement began as a credit movement in 1904. The cooperative movement now covers a wide range of economic activities in urban and rural areas. Large industrial undertakings like cooperative sugar factories, cooperative spinning mills, oil mills, etc. have been organised. The latest development is that cooperatives have entered the field of production of fertilisers.

1.5 The main thrust of cooperative movement is towards weaker sections including Scheduled Castes and Scheduled Tribes. This is sought to be achieved through (a) increasing the membership of weaker sections in existing primary agricultural cooperatives; (b) progressive increase of loans to weaker sections on more liberal terms; (c) legislative provision for representative to weaker sections in management of cooperatives; (d) organisation of cooperatives for specific activities like dairy, poultry etc. which would particularly help weaker sections and (e) organisation of large-size multipurpose societies (LAMPS) in tribal areas.

1.6 "Cooperative Societies" is a State subject. The State Governments have exclusive legislative and executive jurisdiction over cooperative societies. Every State has its own Cooperative Societies Act and administrative set-up for administering the Act under the Registrar of Cooperative Societies. The Registrar of Cooperative Societies is the head of the State Cooperative Department, and he is responsible for promotion, supervision and monitoring of the cooperative societies and their programmes and also for administration of the State Cooperative Societies Act. The policy and programme guidelines etc. regarding cooperatives are drawn up by the State Governments for implementation by Cooperative Societies. There is no Department of Cooperation at the Centre now. There is a Department of Agriculture and Cooperation.

1.7 There are some Cooperative Societies in the country whose objects relating to "Membership" extend beyond one State. The National Cooperative Federations, Regional Cooperative Federations and also some employees credit societies, like societies for railwaymen and public & private sector organisations whose offices/branches are situated in more than one State, are examples of Multi-State cooperatives. These cooperatives are governed by the Multi-unit Cooperative Societies Act, 1942, which is a Central Act, as they fall under the purview of Entry 44 of the Central List in the Constitution. The legislative and executive responsibilities in respect of these societies vest in the Central Government (in the Department of Agriculture & Cooperation).

1.8 The role of the Government of India in the Department of Agriculture and Cooperation relates mainly to the following :

- (i) Cooperation in Agriculture sector, agricultural credit and indebtedness.
- (ii) General policy in the field of Cooperation and Coordination of cooperative activities in all sectors (The Ministries concerned are responsible for cooperatives in their respective field).
- (iii) Matters relating to National Cooperative Organisations.
- (iv) National Cooperative Development Corporation.
- (v) Incorporation, regulation and winding up of cooperative Societies with objects not confined to one State.
- (vi) Training of personnel of cooperative departments and cooperative institutions (including education of members, office bearers and non-officials).

1.9 At the Centre the Department of Agriculture and Cooperation is the nodal Department for the cooperative movement. It functions as a

catalyst, provides policy guidelines to the State Governments and to the movement, coordinates with the Reserve Bank, NABARD and other public sector organisations like Food Corporation, Jute Corporation, Cotton Corporation, Indian Dairy Corporation and National Dairy Development Board, provides financial assistance for certain important activities in the sphere of agricultural credit, processing, storage and marketing of agricultural produce, dairy etc. and financial and promotes and entire range of training arrangements for cooperative personnel, besides administering the Central Act for societies whose objects extend beyond one State.

1.10 The Committee during evidence wanted to know the administrative method by which the Central Government exercised control over the cooperative movement in the country, as 'cooperatives' happened to be a State subject. The representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) stated as follows :—

“You are fully aware of what the role of a Central Ministry or Department can be in respect of the subject which is a State subject”

He added :

“There are two aspects to which I would like to draw your kind attention. First, as I submitted, this is a State subject and the system which we have in the Ministry of Agriculture and Cooperation for implementation of programmes like this is the same for all the Ministries. I am not making any claim here that we have some system which is quite different from others. By nature of things it cannot be, and the system as is laid down is the national system. I do not think I can make any comment on this system telling that in a federal system what should be the controls.

The other aspect is that this is a programme that is being implemented through a movement. There are a number of questions raised even in this document that there are certain restrictive measures and the question was posed as to what are these restrictive measures. We have given reply to that. I would submit that what we try to do in such cases is, where a programme is implemented through a voluntary movement of the people, we try to establish a balance between the democratic principle of autonomous management and the welfare of the weaker sections and see that no particular section of the society dominates that movement. That is our role. I do not think we have any right to give any directive. The other thing is that when it comes to the question of release of certain financial assistance, we do lay down guidelines and the eligible criteria with a view to achieve the policy objective. Beyond that, to say that we have a certain concrete control over the State apparatus would be, I think going beyond the scope of the system laid down in the federal structure.”

1.11 The Committee note that “Cooperative Societies” is a State subject and the State Governments have exclusive legislative and executive jurisdiction over cooperative Societies. Each State has its own Cooperative Societies Act and administrative set up for administering the Act under the

Registrar of Cooperative Societies. The policy and programme guidelines etc. regarding cooperatives are drawn up by the State Government for implementation by the cooperative societies. The Committee also note that there is no Department of Cooperation at the Centre now. There is a Department of Agriculture and Cooperation. The legislative and executive responsibilities in respect of Multi-Unit Cooperative Societies vest in it. Besides, Cooperation in Agriculture sector, agricultural credit and indebtedness and general policy in the field of Cooperation and coordination of cooperative activities in all sectors are the two main functions of the Department of Agriculture and Cooperation. This is the nodal department for the cooperative movement in the country and functions as a catalyst and provides policy guidelines to the State Governments and coordinates with the financial institutions and other public sector organisations.

As the members of Scheduled Castes and Scheduled Tribes do not automatically secure the full benefits from the cooperative movement, the Committee feel that there should be a special orientation of the movement in their favour in all the States. As it is the primary responsibility of the Central Government to safeguard the interests of Scheduled Castes and Scheduled Tribes, the Committee recommend that in every State a high level Committee under the Chairmanship of the Chief Minister should be constituted which should watch the implementation of cooperative programmes in all the fields.

1.12 The Committee need hardly stress that the economic development of Scheduled Castes and Scheduled Tribes is a common objective of all the State Governments as well as of the Central Government. With this end in view, the Scheduled Caste/Scheduled Tribe MLAs and MPs in each State should be associated with the high level Committee in the State. This high level Committee should ensure that the cooperative policy at the State level is enunciated in such a manner that the benefits of cooperation also reach these backward communities.

1.13 Department of Agriculture and Cooperation which is the nodal Department at the centre should keep close liaison with the high level Committee in each State with a view to watch the progress of cooperative movement in the country. Problems which may affect more than one State in the field of cooperation can be sorted out by this nodal department at the centre by mutual discussion with the concerned State.

B. MEMBERSHIP & RESERVATION IN BOARD OF MANAGEMENT

(a) Membership of Scheduled Castes/Scheduled Tribes

2.1 As regards membership of Scheduled Castes and Scheduled Tribes in the existing cooperative and their percentage to total membership, it has been stated in a note furnished to the Committee that the Reserve Bank of India has been publishing statistics about the Cooperative Movement in India. This work has now been taken over by the newly set-up National Bank for Agricultural and Rural Development (NABARD). Earlier, information regarding the membership of the Scheduled Castes and Scheduled Tribes in Cooperatives was not being compiled by the Reserve Bank of India separately. Information about the membership of Scheduled Castes and Scheduled Tribes has been collected and published by the Reserve Bank since 1973-74 in respect of Primary Agricultural Credit Societies. In respect of Dairy Cooperatives and Industrial Cooperatives, other than weavers' Cooperatives, such information has been published from 1976-77. The published figures in respect of Scheduled Castes and Scheduled Tribes separately are available upto 1978-79. Figures for Primary Agricultural Credit Societies including LAMPS are available upto the year 1981-82 for Scheduled Castes and Scheduled Tribes, together.

2.2 The membership of Scheduled Castes and Scheduled Tribes in Primary Agricultural Credit Societies since 1973-74 to 1981-82 is stated to be as under :—

(In lakhs)

Year	Total Membership	Membership of Scheduled Castes	Membership of Scheduled Tribes	Total Membership SC/ST	Percentage of SC to Total	Percentage of ST to Total	Percentage of SC & ST to Total
1973-74	349.6	22.4	19.1	41.5	6.4	5.5	11.9
1974-75	364.4	36.4	26.3	62.7	10.0	7.2	17.2
1975-76	395.2	46.4	30.8	77.2	11.7	7.8	19.2
1976-77	448.3	60.4	34.4	94.8	13.5	7.7	21.2
1977-78	478.6	65.4	36.2	101.6	13.7	7.6	21.3
1978-79	525.7	71.0	39.8	110.8	13.6	7.6	21.2
1979-80	548.4	N.A.	N.A.	120.9	N.A.	N.A.	22.0
1980-81	575.1	N.A.	N.A.	123.3	N.A.	N.A.	21.4
1981-82	607.1	N.A.	N.A.	129.3	N.A.	N.A.	21.3

*This does not include information on SC/ST membership from 5 States.

2.3 The membership data relating to Primary Agricultural Credit Societies indicates that :—

- (i) The membership of Scheduled Castes and Scheduled Tribes had increased from 41.50 lakhs in 1973-74 to 129.3 lakhs in 1981-82;
- (ii) As a percentage of total membership, Scheduled Caste and Scheduled Tribe account for 21.3% in 1981-82 as against 11.9% in 1973-74;
- (iii) The percentage of Scheduled Caste membership to total membership had increased from 6.4% in 1973-74 to 13.6% in 1978-79;
- (iv) The percentage of Scheduled Tribe membership to total had increased from 5.5% in 1973-74 to 7.6% in 1978-79;
- (v) The growth rate of membership of Scheduled Caste/Scheduled Tribe during the period 1974-75 to 1981-82 was of the order of 106% as against the increase in the overall membership of 66.6%.

2.4 The Committee have been further informed that Large sized Multi Purpose Societies called 'LAMPS' have been organised in pursuance of the recommendations made by the Study Team on Cooperative Structure in Tribal Development Agency Projects, appointed by the Ministry of Agriculture which submitted its report in 1973. These LAMPS are being organised in areas where there is concentration of Scheduled Tribe population. At the end of 1978-79, there were 2098 LAMPS in the country with a total membership of 22 lakhs. Of these, 2.2 lakhs or 10% were accounted for by Scheduled Caste members and 13.9 lakhs or nearly 63.2% were accounted for by Scheduled Tribes.

2.5 The membership of Scheduled Castes and Scheduled Tribes in Dairy Cooperatives and Industrial Cooperatives other than Weavers from 1976-77 to 1978-79 is stated to be as under :

(In '000)

Type of Societies	1976-77				1977-78				1978-79						
	Membership				Membership				Membership						
	Total	SC	ST	SC/ST	% of SC/ST to the Total	Total	SC	ST	SC/ST	% of SC/ST to the Total	Total	SC	ST	SC/ST	% of SC/ST to the Total
1. Milk Supply Societies (Union and Primary)	2183	99	42	141	6.5	1915	154	67	221	11.5	2850	302	94	396	13.9
2. Industrial Societies (other than Weaver) (Primary & Central)	1078	N.A.	N.A.	91	8.5	1068	N.A.	N.A.	130	12.2	1216	N.A.	N.A.	216	17.7

2.6 It will be seen that in respect of Industrial Cooperatives, out of a total membership of 12.16 lakhs in 1978-79, 2.16 lakhs or 17.7% were accounted for the Scheduled Castes and Scheduled Tribes as against only about 8.5% in 1976-77. As regards Dairy Cooperatives, the membership Scheduled Castes had increased from 99,000 in 1976-77 to 3.02 lakhs in 1978-79. The membership of Scheduled Tribes in these Cooperatives had increased from 42,000 in 1976-77 to 94,000 in 1978-79. The percentage of Scheduled Caste members has thus increased from 4.5% in 1976-77 to 10.6% in 1978-79 and of Scheduled Tribes from 1.9% to 3.3% during the same period. It may be observed from the above that due to greater attention being focussed on weaker sections in Cooperatives, the membership of Scheduled Castes and Scheduled Tribes in Cooperatives has registered considerable growth in recent years.

2.7 The following statement regarding functional cooperatives for the years 1976-77, 1977-78 and 1978-79 has been furnished in a note to the Committee :—

Sl. No.	Type of Primary Society	No. of Societies			Membership in			SC/ST Membership			%age to total		
		1976-77	1977-78	1978-79	1976-77	1977-78	1978-79	1976-77	1977-78	1978-79	1976-77	1977-78	1978-79
1.	Dairy Cooperatives	23851	20703	29407	21.2	17.1	27.9	1.39	2.1	3.92	6.56	12.28	14.05
2.	Fishery Coops.	4346	4338	5873	5.1	5.2	6.6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Poultry Coops.	926	1033	1083	0.5	0.6	0.6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Labour contract including forest cooperatives	9262	10422	12868	6.49	7.0	8.4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Weavers, Cooperatives	10109	14251	14975	8.0	10.9	15.4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6.	Small Industries (Cottage Industries)	34915	24804	30277	15.7 (10.6)*	14.6 (10.3)*	16.9	1.0	1.3	2.1	6.37*	8.9*	12.4*
7.	Housing Coops.	29516	29593	31897	18.0	16.4	18.1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Membership of Active Societies.

2.8 It has been stated that there are very few primary societies organised exclusively for Scheduled Castes. They are members of primary societies organised in their areas. The information received from the State Governments in reply to the questionnaire confirm this. Very few primary societies have been organised for Scheduled Castes. The information furnished by the State Governments is as follows :—

State	Type of Society	Number	Membership	Remarks
Karnataka	Cotton—Silk Handloom Coops.	19	N.A.	Includes both SC/ST Societies.
	House Building Societies	187	N.A.	
Kerala	Harijan Societies	335	89080	
Punjab	Handloom Weavers' Coops.	40	553	
	Soap-making industrial Coops.	7	117	
	Scheduled Caste Coops.	437	12961	
	Leather Coops.	17	295	
Tripura	Cobblers Coops.	7	N.A.	
	Fisheries Coops.	109	N.A.	
Chandigarh	Housing Coops.	3	N.A.	
	Dairy Coops.	6	N.A.	

2.9 In a note furnished to the Committee it has been stated that there is no scheme under which assistance is provided by the Central Government in the Ministry of Agriculture for enrolment of Scheduled Castes/Scheduled Tribes as members of cooperative societies. However, it has been observed from the State plan document that many of the State Governments are providing assistance for enrolment of Scheduled Castes/Scheduled Tribes as members of cooperative societies.

2.10 The Committee note that the Reserve Bank of India has been publishing statistics about the Cooperative Movement in India. Information about the membership of Scheduled Castes and Scheduled Tribes has been collected and published by the Reserve Bank since 1973-74 in respect of Primary Agricultural Credit Societies. In respect of other cooperatives the figures relating to Scheduled Castes and Scheduled Tribes are available only from 1976-77 to 1978-79. Figures for Primary Agricultural Societies including LAMPS are available upto 1981-82. This work of publishing statistics about cooperative movement has now been taken over by National Bank for Agriculture and Rural Development (NABARD).

The Committee are concerned to note that no uniform procedure has been followed in the compilation of the statistics relating to cooperative movement in the country. The Committee need hardly stress that maintenance of such figures alone can reveal the success of the cooperative movement from year to year. The Committee, therefore, suggest that Department of Agriculture and Cooperation should issue suitable guidelines to the State Governments and Union Territory Administrations for furnishing data relating to cooperative societies in a prescribed proforma. The prescribed proforma should be comprehensive so that the various details

relating to the functioning of the cooperatives can be obtained from the State Governments. The Committee feel that in the absence of maintenance of such statistics, the Central Government cannot make a claim that greater attention is being focussed on the Scheduled Castes/Scheduled Tribes and other weaker sections.

2.11 The Committee find that whatever data is available has not been analysed with a view to identify the areas where cooperative movement has not picked up to the desired extent. The Committee, therefore, recommend that there should be a monitoring cell in the Department of Agriculture and Cooperation which should make an in-depth study of the data furnished by State Governments relating to the functioning of cooperatives.

2.12 As welfare of Scheduled Castes and Scheduled Tribes is the main responsibility of the Central Government, Department of Agriculture and Cooperation should issue suitable guidelines to the States/Union Territory Administrations with a view to achieve greater participation of Scheduled Castes and Scheduled Tribes in the Cooperative movement of the country. The Committee feel that the Central Government must ensure that all the State Governments and Union Territory Administrations make concerted efforts to bring Scheduled Castes and Scheduled Tribes within the cooperative fold, in much larger numbers.

2.13 The Committee are distressed to note that the percentage of Scheduled Castes and Scheduled Tribes in the total membership of primary agricultural credit societies is not equal to their percentage in the total population of the country. The Committee would like to point out that the objective of the cooperative movement is to safeguard the weaker sections from the usurious rate of interests charged by the money-lenders and the agriculturists belonging to Scheduled Castes and Scheduled Tribes constitute a vulnerable target for them. The Committee are of the view that the State Governments/Union Territory Administrations should be motivated to take necessary steps to increase the membership of Scheduled Castes/Scheduled Tribes and other weaker sections in Primary Agricultural Credit Societies. In order to achieve results each State Government should fix targets and try to achieve them as per schedule. The progress made in this regard should be reviewed by the respective State Government once in each year.

In the Committee's opinion this is the only method by which increase in the intake of Scheduled Castes/Scheduled Tribes in Primary Agricultural Societies can be properly assessed. The statistics received from the State Governments should clearly reflect the increase in the membership of Scheduled Castes and Scheduled Tribes in cooperative societies so that the monitoring cell of the Department of Agricultural and Cooperation can make a correct appraisal about the participation of Scheduled Castes and Scheduled Tribes in the Cooperative Movement.

2.14 The Committee regret to point out that there are very few Primary Cooperative Societies organised exclusively for Scheduled Castes in the States. The fact that few such societies exist indicates that no serious efforts have been made by the State Governments to bring Scheduled Castes

within the cooperative fold in larger numbers. In certain States like Punjab and Haryana there are no Scheduled Tribes and as such the need for setting up cooperatives exclusively for the benefit of Scheduled Castes is all the more essential. The Committee therefore recommend that State Governments should identify the areas of Scheduled Caste concentration in their respective States and prepare programmes for setting up cooperative societies of Scheduled Castes in various fields.

2.15 The Committee regret to note that there is no scheme under which assistance is provided by the Central Government in the Ministry of Agriculture for enrolment of Scheduled Castes and Scheduled Tribes as members of cooperative societies in the States. The Committee recommend that the Ministry of Agriculture should introduce a scheme of providing central assistance to the States for enrolling Scheduled Castes and Scheduled Tribes as members of the cooperatives. The Committee hope that this will act as a sure incentive to the States to proceed in the desired direction.

(b) *Safeguards and concessions to Members*

2.16 In reply to a question regarding the safeguards provided to the Scheduled Castes and Scheduled Tribe members in the cooperative societies, the Committee have been informed that a cooperative organisation is essentially an organisation of the weak. The Government's emphasis has, therefore, been that the benefits flowing from cooperatives should accrue, on a priority basis, to the weaker sections, which include Scheduled Castes and Scheduled Tribes. This sought to be achieved through (a) open membership in cooperatives i.e. the Cooperative Acts of the States provide that membership of primary societies should be open to all without any discrimination. There is also a provision that a person, whose admission for membership is rejected by a cooperative, should have a right to appeal. The State Cooperative laws of Andhra Pradesh, Bihar, Haryana, Karnataka, Punjab, Rajasthan, U.P. and West Bengal have been amended to provide for automatic membership in PACS and persons who are duly qualified for admission as a member under the provisions of the Act, Rules and the Bye laws from the date of their making application for admission. The provision is intended primarily to ensure enrolment of Weaker Sections including persons belonging to Scheduled Castes and Scheduled Tribes as member of Cooperatives.

2.17 In the field of agricultural credit, cooperatives are expected to give a certain percentage of their lending to weaker sections. Presently 40% of the agricultural credit is going to weaker sections and this is expected to go upto 50% by the end of the 6th Plan.

2.18 For Tribals, separate cooperatives, called Largesized Multipurpose Societies (LAMPS) are organised. For persons belonging to Scheduled Castes, no separate credit societies are normally organised because such persons form part of the general population in a village. Separate credit societies for them may not be a viable proposition. However, activities like dairies, poultry, fisheries, are being organised on an increasing scale on cooperative basis so that the weaker sections who generally undertake such activities get the benefits from operations of these societies.

2.19 Regarding the concessions available in the matter of grant of credit to Scheduled Castes and Scheduled Tribes by the cooperatives it has been stated in a note furnished to the Committee that great emphasis is being placed on flow of credit to the weaker sections in cooperatives, including Scheduled Castes and Scheduled Tribes. To facilitate this, certain concessions are also given to these weaker sections in the matter of share capital linking, rate of interest, security norms, etc. These are briefly indicated below :

(i) *Lower share linking*

The norms of share linking to borrowings is 5% for these weaker sections as against the normal 10% for all short-term credit. In the case of long-term loans, the weaker sections are allowed to contribute to the share capital upto the requisite 5% of their borrowings in 4 instalments—2% in the first year and 1% each in the next three years.

(ii) *Lower rate of interest*

Cooperatives have been advised by NABARD to charge a lower rate of interest in respect of loans for weaker sections as compared to others. With effect from 1st April, 1983, Cooperatives have been advised to charge small farmers and other weaker sections borrowing short-term agricultural loans upto Rs. 5,000, a rate of interest not exceeding 11.5%. In the case of medium term loans, the rate of interest for the small farmers and weaker sections is to be 10.25%. For long-term investment, agricultural cooperatives have been advised to charge these categories of persons 0.75% to 1% less than others. Besides, some of the State Cooperative Banks namely Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Karnataka have introduced on a voluntary basis, schemes for differential rate of interest to small farmers/weaker sections under which such borrowers are provided loans at 2% to 4% lower than the normal rate of interest.

(iii) *Security Norms*

NABARD has also recommended liberal security norms in respect of short-term agricultural loans to the tenant cultivators, oral lessees and agricultural labourers. Under the crop loan system, short term agricultural loans are secured by charge on land or charge on standing crops or by surety of one or two members of the society. However, in the case of weaker section borrowers who do not own land and have no recorded right in the land cultivated by them such as oral lessees and share croppers, the borrowers are asked to produce solvent surety of one or two members who are owners of land/registered tenants. Those who can provide collateral security in the form of gold, silver ornaments need not provide such sureties. Where borrowers are able to furnish the above security, cooperatives have been advised to advance short-term production loans to them only in kind, provided the value of all inputs does not exceed Rs. 500 per individual borrower. Similarly, tangible security is not insisted upon in the case of medium-term loans to weaker sections for all activities. Cooperative banks have been advised to issue such loans to these borrowers upto the cost of an economic unit on surety basis. Security of mortgage of land is generally insisted upon in the case of long-term loans advanced by LDBs to those who have lands to mortgage. However, where the value of land is not enough to cover the loan, the deficit

in security could be covered by Government guarantee in the case of small farmers.

(iv) *Medium term conversion loan-relaxation norms*

While converting the dues under short-term agricultural loans into medium-term conversion loans in the event of natural calamities, the payment of interest accrued on short-term agricultural loans is not insisted upon in the case of small borrowers the gross value of whose produce does not exceed Rs. 5,000/- as a pre-requisite for conversions.

(v) *Fresh finance to non-wilful defaulters*

Cooperatives have also been advised to provide fresh finance to non-wilful defaulter small farmers, whose defaults on account of circumstances beyond their control do not exceed 10 per cent of their eligibility.

(vi) *Additional concessional finance to banks*

The Coooperative banks are given the benefit of access to NABARD's concessional finance to the full extent of their advances to small farmers/ weaker sections, under the scheme of linking borrowings from NABARD with deposit mobilisation by them.

(vii) *Earmarking of funds for weaker sections*

Weaker sections account for 40% of the total loans given by the primary agricultural credit societies which is to be stepped up to 50% by the end of the 6th Plan. At present, the Central Cooperative Banks are required to ensure that not less than 20% of their short-term agricultural loan to PACs are issued to weaker sections. The banks are precluded from making further drawals on credit limits sanctioned by NABARD in excess of 70% of the limits unless the requisite level of advances to small farmers and others have been achieved by them.

2.20 In view of the various measures taken for increasing flow of credit to weaker section, the loans given to Scheduled Castes and Scheduled Tribes members had increased from Rs. 58 crores in 1974-75 to 177.32 crores in 1979-80, an increase of 205.2%. During the same period the total loans issued by these cooperatives increased from Rs. 900.8 crores to Rs. 1628.67 crores, an increase of only about 80%.

2.21 The following information has been received from the State Governments mentioned below regarding the concessions given to Scheduled Castes and Scheduled Tribes in the matter of grant of credit :—

(i) *Gujarat* : In Gujarat, agricultural finance is provided at 2% below the bank rate to the small and marginal farmers and generally, Scheduled Caste and Scheduled Tribe members are covered under the small and marginal farmers.

(ii) *Haryana* : A provision has been incorporated in the State Cooperative Societies Act to the effect that atleast a third of the total amount of loan to be sanctioned by credit and service societies, farmers service societies or primary land development bank in a year shall be sanctioned to members of weaker sections, if they apply for grant of loan.

(iii) *Himachal Pradesh* : A scheme for the advancement of short and medium term loans to Scheduled Castes and Scheduled Tribes on concessional rate of interest has been formulated on the pattern of DIR Scheme. The amount of subsidy given was Rs. 8.55 lakhs to Scheduled Castes and Rs. 0.90 lakh to Scheduled Tribes during the years 1980-81, 1981-82 and 1982-83.

(iv) *Karnataka* : The following facilities are provided :

- (a) Grant-in-aid to enrol Scheduled Castes and Scheduled Tribes as members;
- (b) loan towards additional share capital contribution;
- (c) interest subsidy on Short Term Loans advanced to Scheduled Castes;
- (d) Subsidy on loan advanced by Urban Cooperative Bank; and
- (e) Additional subsidy on medium term and long term loans sanctioned under IRDP to Scheduled Castes.

(v) *Kerala* : The State Government is implementing a scheme for the payment of share capital grant to Harijan/Girijan/Primary Agricultural Credit Societies for enrolling new members belonging to Scheduled Castes/Scheduled Tribes. In terms of another scheme, the entire amount of interest on loans outstanding on 31-3-83 against Harijan/Girijan members was written off. The Government have accorded sanction to continue the scheme for payment of cent per cent interest subsidy on all types of loans issued to Harijan/Girijan members.

(vi) *Uttar Pradesh* : 1% rebate is given to Scheduled Caste/Scheduled Tribe members (in loaning). Interest free loan for the purchase of shares is provided to the Scheduled Castes and Scheduled Tribes.

(vii) *West Bengal* : Scheduled Castes and Scheduled Tribes members having annual income of not exceeding Rs. 3,500/- are given production finance from cooperatives at a concessional rate of 4% per annum. If the Scheduled Caste/Scheduled Tribe members belong to the category of share cropper, 50% of finance is given as subsidy and 20% as margin money free of interest under special component plan and tribal subsidy plan.

(viii) *Pondicherry* : Agricultural credit societies and leather cooperative provide share capital loan free of interest repayable in 5 years. Under housing scheme, 50% subsidy and 50% loan is given to cycle rickshaw worker, leather workers, etc. who belong to Scheduled Castes.

(ix) *Madhya Pradesh* : Weaker sections, Scheduled Castes and Scheduled Tribes holding land upto 5 acres (irrigated) and 10 acres (unirrigated) are provided agricultural S.T., M.T. and L.T. loans at the concessional rate of interest at 4% per annum.

2.22 When asked to comment on the current policy of the nationalised banks of allowing Differential Rate of Interest concession only on individual basis and not if they form a group or cooperative, the Ministry of

Agriculture (Department of Agriculture and Cooperation) have, in a note furnished to the Committee, stated as follows :

“Regarding advance of public sector banks under the differential rate of interest scheme to Scheduled Castes/Tribe, the Ministry of Finance have indicated the following position :

For Scheduled Castes/Tribes

Banks may give loans to members of Scheduled Castes/Tribes through State Corporations set up for their welfare. The Corporations are expected to formulate specific and commercially viable schemes for the individual members. The establishment and other costs are borne by Corporations/State Governments. It will be responsibility of Corporations to repay loans on due dates, irrespective of the state of recovery from beneficiaries, and also to ensure that the funds are utilised for the purpose for which they have been given. Repayment of loans is to be guaranteed by State Government.

For Tribals

Banks may provide loans through Cooperative Societies/large-sized Multipurpose Societies organised specifically for the benefit of tribals in areas identified by Government on the same terms and conditions applicable to Corporations for welfare of Scheduled Castes/Tribes.

2. It may be observed from the above that LAMPS which are organised specifically for Tribals could avail of assistance under the D.R.I. scheme subject to the conditions mentioned above. However, in the case of Scheduled Castes(assistance can be given by the banks through the State Corporations specifically organised for the Scheduled Castes,

2.23 The Committee are glad to note that the State Cooperative laws of Andhra Pradesh, Bihar, Haryana, Karnataka, Punjab, Rajasthan, U.P. and West Bengal have been amended to provide for automatic membership in primary Agricultural Societies to all persons, who are duly qualified for admission as a member from the date of their making an application for admission. The Committee recommend that Department of Agriculture and Cooperation should persuade the remaining State Governments to fall in line and amend their respective Cooperative Act to incorporate a similar provision in them.

2.24 The Committee note that presently 40% of the agricultural credit disbursed through cooperatives goes to the weaker sections in the country. Government have stated that by the end of Sixth Five Year Plan 50% of the agriculture cooperative credit is expected to go to the weaker sections. The Committee recommend that, keeping in view the economic backwardness of Scheduled Castes and Scheduled Tribes, specific shares of these communities in the total agricultural cooperative credit should be earmarked. The Committee feel that the share of Scheduled Castes and Scheduled Tribes, in any case, should not be less than their percentage in the total population of the concerned State.

2.25 The Committee note that the States of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh and Karnataka have introduced on a voluntary

basis, schemes for differential rate of interest to small farmers/weaker sections under which such borrowers are provided loans at 2% to 4% lower than the normal rate of interest. The Committee appreciate the differential rate of interest scheme and strongly recommend that other States should also consider the adoption of a similar scheme in the matter of grant of cooperative credit to Scheduled Castes and Scheduled Tribes. The further desire that NABARD should consider this scheme in depth and commend it to the States for further reduction in the rate of interest on loans taken by Scheduled Castes and Scheduled Tribes.

The Committee hope that while implementing this scheme, there is some fixed income criteria for judging if a person is or is not eligible to get loan at the concessional rate of interest.

2.26 The Committee note that various State Governments give a number of concessions to Scheduled Castes and Scheduled Tribes in the matter of grant of cooperative credit. They consider the following facilities provided by Karnataka worth emulating by other States :

- (a) Grant-in-aid to enrol Scheduled Castes and Scheduled Tribes as members
- (b) loan towards additional share capital contribution
- (c) interest subsidy on Short Term loans advanced to Scheduled Castes
- (e) Additional subsidy on medium term and long term loans sanctioned under IRDP to Scheduled Castes.

The, therefore, recommend that other State Governments should also fall in line and provide the above facilities to Scheduled Caste/Tribe members of the cooperatives.

(c) Board of Management

2.27 Regarding the process of election to the Board of Directors of the cooperatives, the Committee were informed during evidence that the provision in the by-laws of the society is that there should be election every three years for the Board of Directors. In some States it has not been held for some time. Of course, they are trying to do it. The Chairman was not elected by the General Body. The normal provision in the Cooperative Act and by-laws is that the General Body elected the Board of Directors and the Board of Directors from among themselves elect a Chairman. This is the normal procedure.

2.28 In a note furnished to the Committee, it has been stated that in the context of large reliance placed on cooperatives for rural economic development and the financial and other support extended by the States to cooperative sector, the Conference of Chief Ministers and State Ministers of Cooperation held in Madras in 1968 considered certain aspects of internal management of cooperatives. The main objective of this being to ensure that the management of cooperative did not tend to be perpetually dominated by any one or a group of individuals belonging to a particular section of the community and that the benefits available through cooperatives percolated in larger measure to weaker sections of the community. One of the measures *inter-alia* suggested by the conference was to have a certain number of seats

reserved for this class of membership on the Board of Management of co-operative institutions. Such reservation would ensure a proper share of the benefits made available by cooperatives to small and marginal farmers and other weaker sections of the membership of societies. The recommendations of the Conference were communicated to the State Governments for implementation, vide letter of 30th July, 1968. The progress made by the State Governments in this regard has been reviewed from time to time.

2.29 In pursuance of the recommendations of the above mentioned Conference, the State Governments of Andhra Pradesh, Bihar, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Orissa, Maharashtra, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal and Delhi have amended their cooperative legislation accordingly.

2.30 According to Andhra Pradesh Cooperative Societies Act, on the committee of such society or class of societies, as may be notified by the Government, such number of seats, as may be specified by them, shall be reserved for the members of the weaker sections. In the case of primary agricultural cooperative credit societies, a Farmers Service Cooperative Society, Agricultural Development Bank, a marketing cooperative, a central cooperative bank etc. not less than one-half of the total number of seats shall be reserved for members of the weaker sections. In Bihar, two seats shall be reserved for such societies as the State Government may notify, for members belonging to Scheduled Castes and Scheduled Tribes and three seats for small or marginal farmers on the managing committees of such societies or class of societies as the State Government may determine. According to Gujarat Cooperative Societies Act, two seats shall be reserved, one for persons belonging to Scheduled Castes and Scheduled Tribes and one for persons who are small farmers and marginal on the managing committee of a co-operative society. Likewise, in Haryana, in certain societies 1/3rd of the members of the managing committee shall belong to weaker sections of whom at least one such member shall belong to Scheduled Castes. The reservation of one seat for members belonging to Scheduled Castes and another seat for Scheduled Tribes is provided for in the Himachal Pradesh Cooperative Societies Act. In Jammu & Kashmir, two seats are reserved for members belonging to Scheduled Castes and other backward classes. In the case of Maharashtra, two seats shall be reserved, one for member belonging to Scheduled Castes or Scheduled Tribes or vimukta jattis and one for weaker sections of the members.

2.31 As a general rule, 3 seats on the committee of a cooperative society in Madhya Pradesh are kept reserved one each for members belonging to Scheduled Castes, Scheduled Tribe and economically weaker sections. In a resource society, where not less than half of the total number of members belong to Scheduled Castes, Scheduled Tribes and economically weaker sections, not less than half of the total number of seats of the committee shall be reserved for members belonging to these categories. However, in a resource society operating in Scheduled Area, not less than 2/3rd of the total number of seats of members on the committee shall be reserved for members belonging to Scheduled Tribes. If in a resource society, its bye-laws provide for the office of the President/Chairman and Vice-President/Vice-Chairman, one of the said offices shall be held by a member belonging to Scheduled Castes or Scheduled Tribes or economically weaker sections in accordance with the rules made by the State Government in this behalf. In the case of a resource society operating in a Scheduled Area; the President/

Chairman shall be elected from amongst members belonging to the Scheduled Tribes.

2.32 In the case of primary agricultural societies and service cooperative societies, atleast one-third of the members of the committee of a cooperative society, shall be persons owning less than 3 standard acres of land or persons who are landless cultivators in Orissa. In the case of farmers service cooperative societies and large-sized multi-purpose cooperative societies atleast 2/3rd of the members of the committee shall be small farmers and members belonging to Scheduled Tribes.

2.33 In Punjab, two seats are reserved on the committee of society, one for persons belonging to Scheduled Castes or Scheduled Tribes or backward classes. In Rajasthan, in certain categories of societies such as village service societies and FSS, primary land development banks etc. atleast 1/3rd of the members of the committee shall belong to weaker sections. In accordance with the Tamil Nadu Cooperative Societies Act, seats for Scheduled Castes and Scheduled Tribes on the committee of management of central cooperative banks and land development banks vary from 1-2 seats. In U.P. seats are reserved on the Committee of cooperative societies for weaker sections including the members belonging to Scheduled Castes/Scheduled Tribes. The number varies from 2-3. According to West Bengal Cooperative Societies Act, the State Government, may, by notification provide for reservation of not more than 1/4th of the seats on the committee of management of a cooperative society for such community, class or groups of persons which in the opinion of the State Government are socially, economically or educationally backward. In terms of section 31 of the Delhi Cooperative Societies Act, two seats shall be reserved, one for the member belonging to Scheduled Castes and one for economically weaker sections, on the managing committee of a cooperative society. In the case of primary agricultural credit society, the reservation shall not be less than one-half of the total strength of the committee.

2.34 The State Cooperative Societies Acts also provide for cooption by the Registrar seats so reserved, if adequate number of persons do not get elected to the committee of management of a cooperative society.

2.35 It was added during evidence in this regard as follows :—

“The basic guideline issued by the Central Government was as under :—

To thwart any attempt to keep the Board of Directors as a close preserve would have a salubrious effect and some unrepresented sections particularly weaker sections of the community are brought into the Board, for example in every village society at least one seat may be reserved for members holding two acres so that in the Board such a stipulation could be made in the election rules and in the by-laws of the institutions and enforced by the administrative machinery, that is the State machinery.”

This basic guideline was issued on the basis of the recommendations of the Chief Ministers Conference. We have been reviewing the position from time to time and we have been advising the State Government on this matter.

“We have sent this basic general guidelines to the State Government.”

2.36 During evidence the Committee were informed that the States which had not implemented the guidelines were Meghalaya, Nagaland, Manipur and Tripura. This was because in the North-Eastern Region, the Assam State Cooperative Societies Act was also applicable to the other States. The matter was being pursued with the concerned State Governments.

2.37 It was further stated that the Central Government had recommended to the State Governments that where it was essentially a tribal cooperative, two-thirds of the Members of the Board of Management should be from the tribals and the Chairman also should be a tribal. In only one State, such a provision was made either for the Chairman or Vice-Chairman.

The representative of the Department of Agriculture and Cooperation assured the Committee that the matter would be followed up.

2.38 The following details have been furnished to the Committee regarding the number of cooperative societies which were under suspension and the number of societies where elected management had been restored :

S. No.	Name of the State/Union Territory	No. of Societies under suspension at the end of the year			No. of Cooperatives where Management restored		
		1976-77	1977-78	1978-79	1976-77	1977-78	1978-79
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	98	67	102	11	46	14
2.	Assam	—	—	32	—	—	10
3.	Gujarat	291	337	387	74	68	61
4.	Haryana	188	2423	24	100	—	128
5.	Himachal Pradesh	10	19	19	5	5	6
6.	Jammu & Kashmir	—	73	86	—	12	22
7.	Karnataka	352	329	327	256	122	83
8.	Kerala	47	17	5	41	45	8
9.	Madhya Pradesh	366	4398	2652	121	150	1770
10.	Maharashtra	752	795	905	211	221	271
11.	Orissa	528	586	539	142	111	182
12.	Punjab	—	—	—	—	—	38
13.	Tamil Nadu	536	569	441	8	48	218
14.	Tripura	12	13	12	—	1	1
15.	Uttar Pradesh	3777	2387	224	22	1840	2228
16.	West Bengal	53	65	85	8	14	55
17.	Arunachal Pradesh	—	—	24	—	—	—
18.	Chandigarh	—	—	1	—	—	—
19.	Dadra & Nagar Haveli	2	4	5	—	—	2
20.	Goa, Daman & Diu	—	13	9	—	3	2
21.	Pondicherry	—	8	4	—	2	1
22.	Lakshadweep	8	7	7	2	1	2
23.	Manipur	—	522	—	—	408	—
Total		7020	12632	5890	999	3097	5102

2.39 For the years 1979-80 to 1982-83, the details in this regard has been stated to be as under :

Sl. No.	Name of the State/Union Territory	No. of large cooperatives under supersession				No. of cooperatives which elected management restored			
		1979-80	1980-81	1981-82	1982-83	1979-80	1980-81	1981-82	1982-83
1.	Gujarat*	391	390	413	—	36	51	41	—
2.	Haryana	21	29	20	—	—	9	4	—
3.	Himachal Pradesh	19	27	31	—	3	5	6	—
4.	Karnataka	—	374	368	390	—	75	48	10
5.	Madhya Pradesh	2690	543	274	—	2234	361	34	—
6.	Nagaland**	—	1	—	—	—	2	—	—
7.	Orissa	—	—	—	—	—	—	—	222
8.	Punjab	396	445	520	—	364	362	485	—
9.	Tripura	1	1	—	—	—	—	—	—
10.	West Bengal	—	6	6	6	—	—	—	—
11.	Arunachal Pradesh	—	28	28	28	—	95	101	1
12.	Lakshadweep	—	8	8	7	—	—	1	2
13.	Delhi***	—	—	—	—	—	—	—	—

* At the end of 1980-81, 372 societies are under supersession.

** Figures are given for State level cooperatives only.

*** None of the SC/ST Cooperative societies have been brought under supersession.

2.40 The Committee note that only 14 States and one Union Territory have amended their cooperative legislation in pursuance of the recommendations of the Conference of Chief Ministers held in 1968 to provide for reservation of seats for Scheduled Castes and Scheduled Tribes in the Board of Management of the cooperative societies. The Committee recommend that other State Governments should also amend their respective legislation accordingly in order to safeguard the interests of Scheduled Castes and Scheduled Tribes, especially in the States of Meghalaya, Nagaland, Manipur and Tripura which are predominantly inhabited by Scheduled Tribes. The Committee recommend that in the National level Cooperative Federations, there should be reservations for Scheduled Castes and Scheduled Tribes in their Board of Management.

2.41 The Committee are surprised to note that a large number of cooperative societies continued to be under supersession without elected management being restored for long. They therefore, recommend that all the State Governments should be advised to take expeditious action in the matter of restoring elected management of societies as the prolonged suspension of democratic processes would adversely affect the interests of Scheduled Caste, Scheduled Tribes and other weaker sections.

2.42 The Committee feel that there should be a provision in the cooperative legislation fixing a time-limit for supersession of cooperative society and it should be mandatory to restore the elected management on the expiry of the period prescribed.

C. COOPERATIVE EDUCATION

(a) *Education of the Members*

3.1 In a note furnished to the Committee it has been stated that the National Cooperative Union of India (NCUI) monitors Cooperative Education of members, prospective members and office-bearers of cooperative societies in principles and practices of cooperation. The programme is implemented by the State Cooperative Union. In respect of primarily agricultural cooperatives, this programme is at present being implemented through nearly 1000 peripatetic educational instructors. Special educational programmes for women and youth are also conducted. Keeping in view the growing needs of diversification of cooperative sector, the Union has also sponsored educational projects for various sectors of the movement namely industrial cooperatives; handloom cooperatives; consumer cooperatives. The Union is also implementing special projects for the intensification of cooperative education in under-developed States; a special feature of which is integration of farm guidance activities with cooperative education.

3.2 The National Cooperative Union of India can trace its origin back to 1925 when the All India Cooperative Institutes' Association was formed under the presidentship of the celebrated cooperative leader, Shri Lallubhai Samaldas. About twenty years later, in 1949, the Indian Provincial Banks' Association, which had come into being more or less at the same time, merged with the former thus resulting in the creation of the Indian Cooperative Union. In 1951, its name was changed to All India Cooperative Union and, still later, in 1961 National Cooperative Union of India.

3.3 The objectives of the Union are wide-ranging and comprehensive. Its principal objective is "to promote and develop the cooperative movement in India to educate, guide and assist the people in their efforts to build up and expand the cooperative sector; and to serve as an exponent of cooperative opinion in accordance with basic cooperative principles." The Union is the national apex and the spokesman of the cooperative movement in the country. Training, education and publicity are among the important functions of the National Cooperative Union of India.

3.4 The Union has the character of a National Confederation of cooperatives of India and its membership is open to all national and state level cooperative organisations as well as multi-state cooperatives. As on 30th June, 1982 the membership of the Union consisted of 14 national level cooperative organisations and 121 state cooperative Institutions and 4 multi-unit cooperative societies.

3.5 In reply to a question regarding details of Cooperative education imparted to Scheduled Caste and Scheduled Tribe members, the Ministry of Agriculture (Department of Agriculture and Cooperation) have stated in a note that Cooperative education is important for promoting enlightened membership and informed leadership. The member education programme

is conducted by the State Cooperative Unions. Peripatetic instructors conduct training camps for members and prospective members of cooperatives and also for office-bearers of cooperatives.

3.6 The National Cooperative Union is also implementing an intensive member education programme in 15 projects in 9 States. Of these, two projects—One each in Orissa and Rajasthan—cover three tribal development blocks each. In the Orissa project in Keonjhar, a total of 39,284 persons covering 3 LAMPS were trained during the period 1978 to 1983. In the Udaipur project in Rajasthan, 23,857 persons in three tribal blocks having 24 cooperatives were covered from the period 1976-77 to 1982-83. Similarly, in another project of NCUI in Ranchi in Bihar, 13,000 persons were trained covering 5 LAMPS during the period 1976-77 to 1982-83.

3.7 Regarding the member education programmes implemented by the various State Cooperative Unions/Union Territory Administrations, information has been received from the following States :

Name of the State	Total members trained	SC/ST trained	SCs trained	STs trained	Percentage of SCs/STs trained to the total members
Karnataka					
1980-81	40,029	3,663	—	—	9.15
1981-82	44,206	3,318	—	—	7.51
1982-83	49,842	4,299	—	—	8.63
Kerala					
1980-81	N.A.	560*	—	—	—
1981-82	N.A.	646*	—	—	—
1982-83	N.A.	1,198*	—	—	—
Madhya Pradesh					
1980-81	65,066	—	—	13,903	21.37
1981-82	58,040	—	—	10,401	17.92
1982-83	62,780	—	—	22,639	36.06
					%age is only for STs.
Punjab					
1978-79	20,379	—	1,019	—	5.00
1979-80	20,609	—	1,443	—	7.00
1980-81	18,490	—	1,480	—	8.00
1981-82	14,256	—	1,282	—	8.99
1982-83	11,040	—	7,102	—	64.33
Delhi					
1978-79	804	—	54	—	6.72
1979-80	905	—	65	—	7.18
1980-81	822	—	87	—	10.58
1981-82	789	—	112	—	14.20
1982-83	1,183	—	113	—	9.55

*Special courses were held in Kerala for Harijans/Girijan members.

3.8 In reply to a question on Cooperative Education during evidence the Committee were informed that employees of the State cooperative unions were running the educational programme. The Instructors team went round the villages and educated the respective members and the existing managing Committee members of the cooperative societies. About the number of Scheduled Castes and Scheduled Tribes trained in different States, the Committee were informed as follows :—

“... Unfortunately, we do not have information for Scheduled Caste and Scheduled Tribe separately. The estimated figure which we have got from the State Cooperatives Union is about 15 lakh per year...”

3.9 In this connection the representative of the Department of Agriculture and Cooperation stated :

“We will re-emphasise the point made by you that training to Scheduled Caste and Scheduled Tribe must receive greater attention at least in proportion to their membership, if not higher.”

3.10 Asked whether the effect of the educational programmes had been periodically assessed, the representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) replied during evidence that there was certainly a need for it and they had set up a monitoring and evaluation Committee recently. It was further stated :

“The programmes have already been evaluated by the team which has only one member from NCDC and two representatives of the Government of India. They have categorically stated that these projects have done a very useful work and they should be expanded. The Government has appointed a comprehensive evaluation team; and probably recommendations of the earlier team will be taken up along with the recommendations of this comprehensive team for the programmes which have been implemented by the State Unions. We have issued detailed guidelines for the evaluation; and one State has already completed this evaluation; and the result is that in those societies where education programme has been completed, the membership, the share capital have definitely increased at a much faster rate than in the societies which are not covered by it. There is one Educational Instructor who has been allotted a certain area. He makes a pre-study of these societies; he is trying to find out how they are working, what is the audit report, what is the inspection report, etc. On the basis of his pre-study, he will design a sort of curriculum for that society. He will request the society to convene a class and then he will try to clarify doubts of the members. He impresses upon the members that they are co-owners of these societies and their faith is linked with them.”

3.11 The Committee are concerned to note that the Ministry of Agriculture Department of Agriculture and Cooperation do not have information about the number of Scheduled Castes and Scheduled Tribes members of Cooperative societies who have been imparted cooperative education in various States/Union Territories. They would like to stress that

unless such statistical data relating to the members of weaker sections are properly maintained, there could be no effective planning for their education. The Committee recommend that statistical data about the number of Scheduled Caste and Scheduled Tribe members of Cooperative societies who have been imparted Cooperative education in each State should be maintained separately in order to facilitate effective planning for their education and to evaluate the impact of Cooperative education on the functioning of the societies. The Committee need hardly stress that the success of a Cooperative depends upon the capacity of its members and office-bearers to understand the basic principles of Cooperation and put them into practice effectively. It is through Cooperative education alone that the members of the weaker sections can be made to appreciate fully their rights and to obtain benefits from Cooperatives to which they are entitled.

3.12 The Committee note that even in the few States for which data relating to training imparted under cooperative education programme is available, the percentage of Scheduled Caste and Scheduled Tribe members trained in relation to the total number of members trained is not impressive. The representative of Department of Agriculture and Cooperation had admitted during evidence that training to Scheduled Castes and Scheduled Tribes must receive greater attention at least in proportion to their membership, if not higher. The Committee trust Government will adopt a methodology in Cooperative education whereby Scheduled Castes/Scheduled Tribe members would receive greater attention particularly in States/Union Territories where they are in great majority.

3.13 The Committee note that the study made by Evaluation Team has revealed that in the societies where cooperative education programme has been completed, the membership and the share capital have definitely increased at a much faster rate than in the societies which are not covered by it. The Committee, therefore, recommend that the cooperative education programme should be intensified in all States/Union Territories with special focus on the Scheduled Castes and Scheduled Tribes. The Committee suggest that the number of Instructors should be increased and while appointing them the factors like geographical area to be covered and difficult means of communications in tribal areas should receive due consideration. In order to have sufficient appreciation of the tribal economy and its problems, the Committee recommend that special effort should be made by the State Cooperative Unions to recruit persons belonging to Scheduled Tribes as instructors in tribal areas.

(b) *Training of Personnel*

3.14 In reply to a question on the training of personnel it has been stated in a note that training of cooperative employees, both institutional and departmental is one of the major tasks of the NCUI. This is being discharged through its special standing committee known as National Council for Cooperative Training. This Council is constituted by the Union with approval of the Government of India and consists of representatives of various interests, viz. non-official cooperative leaders, administrators of cooperative training programme and experts in the field of training programme and experts in the field of training and management.

3.15 The cooperative training structure in the country comprises three tiers. There are 85 cooperative training centres for junior category of cooperative personnel and 17 cooperative training colleges for catering to the

training requirements of intermediate personnel. At the apex level there is National Institute of Cooperative Management at Poona for looking after the need of senior personnel. The National Council for Cooperative Training administers the National Institute as well as the cooperative training colleges. In respect of junior cooperative training centres, the role of the Council is largely that of overall coordination and academic guidance.

3.16 In the recent past, a number of steps have been taken to enlarge and diversify the cooperative training programmes. The programmes conducted at the colleges include foundation courses in cooperation and specialised diploma courses in cooperative banking, cooperative audit, marketing, consumer cooperative management and land development banking. Besides, short-term Orientation/functional courses in various sectors of cooperative movement are also conducted.

3.17 The cooperative training facilities provided by National Council for Cooperative Training of the Union are not confined to personnel from India. Nearly 50 Afro-Asian countries also avail of these training facilities every year under various international technical assistance programme.

3.18 To build up functional efficiency of cooperative educators, the Union has set up National Centres for Cooperative Education. The Centre conducts courses for cooperative educational instructors and non-official leaders of the cooperative movement.

3.19 The Committee have been informed that the objective of Cooperative Training in India is to equip the personnel engaged in cooperatives with necessary skills and knowledge and thereby improve their operational efficiency. Various training programmes conducted under the auspices of National Council for Cooperative Training, through the Vaikunth Mehta National Institute of Cooperative Management, Pune and 17 Cooperative Training Colleges in different parts of the country are designed not only to impart knowledge on operational aspects of the cooperatives but also to orient the participants about their social obligations towards the target groups, especially the Scheduled Castes/Scheduled Tribes.

3.20 In the syllabus of Higher Diploma in Cooperation (Regular) and Higher Diploma on Cooperation (Condensed) there are special topics pertaining to the role of cooperatives in the upliftment of weaker sections of the society. In Higher Diploma in Cooperation (Regular and condensed) topics on Labour Cooperatives & Consumer Societies, Forest Cooperatives, Poultry, Dairy Cooperatives, Fishery Cooperatives are covered. In each sectoral diploma course few topics are invariably related to the welfare of the Scheduled Castes and Scheduled Tribes. Besides, Diploma Course in LAMPS (12 weeks) is organised on regular basis at Cooperative Training College, Bhubaneswar.

3.21 A number of Short-term orientation programmes are conducted at the National Institute and 17 Cooperative Training Colleges which also cater to the needs of Scheduled Castes/Tribes. Short-term course for Dairy/Milk Cooperatives, Short-term Course for Fishery Cooperatives and Special Programme for LAMPS, short-term Courses on Forest Cooperatives, Special component plan, Labour and Labour Contracts Cooperatives, Gram Panchayat Level societies & short-term Course for the Secretaries of Scheduled Caste/Tribe Cooperatives are also organised.

3.22 Regarding training imparted to personnel in Cooperatives, it has been stated in a note that the training institutions for junior personnel are under the control of State Governments/State Cooperative Unions. In reply to the questionnaire, information has been received from the States of Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Meghalaya, Nagaland, Punjab, Tripura, Uttar Pradesh, West Bengal and the Union Territories of Andaman & Nicobar, Delhi and Lakhadeep. This information is given below :—

Unit	1980-81		1981-82		1982-83	
	Total	SC/ST	Total	SC/ST	Total	SC/ST
(a) National Institute of Cooperative Management (Senior Personnel)	945	18	1073	15	854	36
(b) Training Colleges (for intermediate personnel)	7096	282	7364	492	7942	387
(c) Training Institutions (for junior personnel)	6024	638	5030	1008	3214	432

3.23 The Committee note that the percentage of Scheduled Caste/Tribe cooperative personnel trained at various levels in relation to the total number of personnel trained in some of the States for which details are available, is not at all satisfactory. They desire that larger number of Scheduled Caste/Tribe cooperative personnel should be trained at all levels, as they are in a better position to appreciate the problems of the weaker sections and help in the better management of Cooperatives particularly of Scheduled Castes and Scheduled Tribes.

D. ROLE OF NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

4.1 In a background note furnished to the Committee it has been stated that the Government of India have set up at the national level, a Statutory Corporation called the National Cooperative Development Corporation, on which are represented the Central Government, State Governments, and the National and State Levels Cooperative Federations. This Corporation is a promotional and financing institution for promoting programmes for processing, storage and marketing of agricultural produce, foodstuffs, certain notified commodities and cooperatives for weaker sections in the agricultural sector, including tribal cooperatives. The Govt. of India's assistance for this programme is routed through this Corporation which provides assistance to the cooperatives through the State Government or on the guarantee of the State Government. The Administration of NCDC Act is listed in the Allocation of Business for the Department of Agriculture and Cooperation.

4.2 The National Cooperative Development Corporation, under the administrative control of the Union Department of Agriculture and Cooperation, was established on 14th of March, 1963. It is a successor organisation to the erstwhile National Cooperative Development and Warehousing Board which was established on 1st September, 1956 in pursuance of the recommendations of the Rural Credit Survey Committee. NCDC is essentially a promotional and developmental organisation and is responsible for the country-wide planning and promoting programmes through Cooperatives for marketing, agro-processing, storage and supply of agricultural inputs to the farmers. Since "Cooperative Societies" is a State subject, NCDC has no supervisory or controlling power over the Cooperatives in the State; it assists the Cooperative Societies only through the State Governments who have the legislative and executive jurisdiction over these societies. The basic objective of the NCDC is to provide, at the national level, a forum for non-official leadership, State and Central Government and Public Sector financing and commercial organisations and be the focal point for the planning, initiating, developing and financing of a nation wide cooperative programme for processing, marketing, storage, distribution of agricultural inputs etc.

4.3 In the context of the recommendations of the Public Accounts Committee (1969-70), the Government of India had set up an expert committee in October, 1970 to review the working of the NCDC and to examine whether there was need for the continuance of the Corporation; and if so to suggest modifications, if any, in the scope of its existing activities. The Expert Committee further recommended that the NCDC's activities should embrace the entire field of agricultural cooperatives including Dairy, Poultry, Fishery etc. to enable the Corporation to play an effective role in promoting integrated agricultural cooperative development. The Committee further observed that Dairy, Poultry and Fishery are indeed important activities which provide income and employment opportunities to the weaker sections of the rural community and call for large cooperative programmes for these activities.

4.4 In the light of the recommendations of the Expert Committee, the NCDC Act was further amended in 1974 enlarging the scope of its functions and widening its resource base. The activities of the NCDC have undergone significant diversification particularly since the beginning of the Fifth Five Year Plan. The Corporation is now aiding in addition to its activities mentioned earlier, programmes relating to weaker sections of the society namely, Fishery, Poultry, Dairy, Tribals, Scheduled Castes, Handloom Weavers, etc. It is also financing cooperative consumer activities in rural areas. NCDC has been in the recent past recognised as a suitable lending agency by the World Bank and European Economic Community for rural development through cooperatives.

4.5 Upto 1982-83, NCDC has given a total assistance of Rs. 39.72 crores to cooperatives for weaker sections—Cooperatives for Fishery, Dairy, Tribals, Scheduled Castes, Handloom Weavers, etc., of this Rs. 21.59 crores or nearly 55% was given during the first three years of the Sixth Plan.

4.6 For tribal Cooperatives NCDC has upto 31-3-83 provided as assistance of Rs. 19.64 crores. The Tribal Cooperatives assisted by the NCDC include large sized agricultural multi-purpose societies (LAMPS) and Tribal Development Cooperative Corporations. This assistance, on more liberal terms, is primarily available for development of cooperative marketing, processing, storage and supply activities in the tribal areas.

4.7 The Committee have been informed in a note that the total assistance provided by NCDC to cooperatively underdeveloped States upto 31-3-1983 was Rs. 136.40 crores, which was 23.2% of the total assistance provided by NCDC. Over 48% of this amount was provided by NCDC during the first three years of the Sixth Plan. The annual amount provided to the States increased from Rs. 9.72 crores in 1978-79 to Rs. 25.61 crores in 1981-82 and Rs. 22.98 crores in 1982-83.

4.8 In reply to a question on the cooperatively under-developed States, the representative of the Ministry of Agriculture stated during evidence that the under-developed States were Assam, Bihar, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Orissa, Rajasthan, Tripura, West Bengal, Sikkim and Nagaland.

The under-developed Union Territories were Andaman and Nicobar Islands, Arunachal Pradesh, Lakshadweep and Mizoram.

4.9 When the Committee enquired about the steps being taken to improve the Cooperative movement in the under-developed States and Union Territories, the representative of the Ministry of Agriculture stated :

“The Department of Agriculture and Cooperation, Government of India, has a role to play. In Central sphere, we have a specific scheme for helping these States. The main problem in their case is that the flow of credit is very low. The Cooperative institutions in those States at the district and State levels are not strengthened and, as a result, they are not in a position to avail of the full extent of the credit limit sanctioned by Reserve Bank earlier. We have a planned provision from which we release assistance to them. They do not have that much funds with them. We give funds.”

The witness further added :

“Recently we modified that Scheme and made it applicable to all the Central Cooperative Bank areas where the population of Scheduled Castes and Tribes is 20% or more. Even to some of the States which are not otherwise considered weak in cooperatives and where there is concentration of Scheduled Castes and Tribes, we have also extended the Scheme.”

4.10 When asked during evidence whether the Central Government had specific programmes for the Members in the cooperatively under-developed States, the representative of the Ministry of Agriculture stated that no scheme of the Central Government was individual-oriented. The Central Government helped the institutions e.g. State Cooperative Banks or District Cooperative Banks and cooperative societies. They did not have provision of advancing the money as loan direct to the members.

4.11 In reply to a question regarding the help rendered by NCDC in organising LAMPS in tribal areas, the Committee have been informed in a note that the NCDC Act was amended in 1974 to specifically provide for assistance by NCDC to cooperatives dealing with collection, processing, storage and export of minor forest produce. The Study Team appointed by the Ministry of Agriculture on Cooperative Structure in Tribal Development Agency Projects recommended in 1973 the formation of LAMPS in Tribal areas which will undertake provision of credit, distribution of agricultural inputs, distribution of consumer articles and also processing, storage and marketing of agricultural as well as minor forest produce. LAMPS are thus expected to provide a package of services to the tribals. These LAMPS are primary cooperatives and they are to be provided support at the higher level for credit activities by the cooperative banks, for marketing of agricultural produce and distribution of inputs by the cooperative marketing structure and for minor forest produce and consumer activities by the State level Tribal Development Cooperative Federation/Corporations. So far 2586 LAMPS and 420 PACs have been organised in 19 States and 5 Union Territories. There are 9 State level Tribal Development Cooperative Federations.

4.12 Organisation of LAMPS is the primary responsibility of the State Governments. NCDC's assistance is for institution building for serving the needs of tribals. NCDC's assistance is not beneficiary oriented in the sense of direct assistance to the individuals. Accordingly, NCDC provides assistance through the State Government to LAMPS and also to Tribal Development Cooperative Corporations/Federations for the following purposes :—

- (i) Strengthening of the share capital for marketing activities;
- (ii) provision of margin money to these cooperatives to enable them to have access to bank credit for their working capital requirements. (The margin money is made available only to Federations);
- (iii) construction of godowns to facilitate distribution of inputs, distribution of consumer articles and storage of agricultural and minor forest produce;
- (iv) purchase of transport vehicles;

- (v) establishment of processing units for agricultural and minor forest produce;
- (vi) maintenance of technical and promotional cells at the level of State level Tribal Federations for promoting the programmes of LAMPS and
- (vii) mobile shops for distribution of consumer goods.

4.13 Upto 31-3-1983, NCDC has sanctioned the following assistance for Tribal cooperatives for various purposes :—

	(Rs. in lakhs)
(i) Margin money	615.50
(ii) Share capital assistance	84.11
(iii) Godowns (1146 rural godowns and 283 marketing godowns)	782.72
(iv) Vehicles (including mobile shops—157)	169.86
(v) Processing units (114)	640.89
(vi) Distribution of consumer articles	729.94
(vii) Technical and Promotional Cells	3.9
Total	3036.00

Of the above amount of Rs. 3036 lakhs, NCDC has already released an amount of Rs. 1963.87 lakhs. NCDC has been stepping up its assistance to the tribal cooperatives since the beginning of the Sixth Plan. Of the total amount sanctioned so far for tribal cooperatives, Rs. 1928.33 lakhs or 63.11% was given during the first three years of the Sixth Plan. Of the total amount of Rs. 1963.87 lakhs released so far Rs. 1356.88 lakhs or 69.09% was released during the first three years of the Sixth Plan.

4.14 NCDC provides subsidy to the extent of 25% of the cost for purchase of transport vehicles and construction of godowns. In addition, State Governments also are required to provide 25% subsidy for construction of godowns by the tribal cooperatives.

4.15 It has been further added that NCDC also assisted the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) for setting up a Tribal Cell to extend marketing/technical intelligence and other support to the State level Tribal Development Corporations. The margin money provided by NCDC to the State level Federations is also intended to help these Federations to collect agriculture and minor forest produce from tribals through the LAMPS and arrange for their internal marketing and also for export. NCDC will step up its assistance further for the tribal cooperatives subject to suitable proposals being received from the State Governments for this purpose.

4.16 Regarding the help rendered to Scheduled Caste Cooperative Societies, it has been stated in a note furnished to the Committee that NCDC introduced a scheme of financial assistance in 1976. Cooperatives with a minimum membership from the Scheduled Castes community of 50 percent or more are eligible for this assistance. NCDC assistance is provided to

these cooperatives through the State Governments for various purposes viz. share capital, margin money assistance, purchase of transport vehicles, construction of godowns and establishment of processing units. NCDC assistance is also available for rehabilitation, expansion and modernisation of existing processing units. In 1980 NCDC liberalised its pattern of assistance for the Scheduled Castes Cooperatives in terms of which 100% of assistance is available to the State Governments. Even so, upto the end of March, 1983, only the State Governments of Assam, Tripura, West Bengal and Kerala availed of NCDC's assistance to the extent of Rs. 78.208 lakhs against the sanctioned amount of Rs. 205.179 lakhs. This assistance was for activities covering fisheries, weaving and also agricultural marketing and processing societies. NCDC has earmarked an outlay of Rs. 815 lakhs during the Sixth Plan for assisting the Scheduled Castes Cooperatives. The problem in this case is that NCDC is not receiving adequate proposals from the State Governments. If suitable proposals are received NCDC will be able to step up its assistance for the Scheduled Castes Cooperatives. Recently, a growers cooperative spinning mills of Scheduled Castes has been organised in Maharashtra and NCDC has committed itself to provide assistance to this cooperative on a priority basis. The share capital assistance to be provided by NCDC will be of the order of about Rs. 2 crores. If more such proposals are received, NCDC will be providing the assistance.

4.17 The Committee pointed out that most of the State Governments had not sent any proposal to avail of the assistance offered for Scheduled Caste Cooperatives by NCDC, although the scheme had been in operation since 1976 and desired to know what useful role the Department of agriculture and Cooperation in the Minister of Agriculture can play in this regard. The Ministry have replied in a note as follows :—

“With a view to creating an awareness of its scheme for Scheduled Caste Cooperatives, NCDC organised Regional Meetings of representatives of State Governments, State Departments of Social Welfare and Cooperation at Calcutta, Bhopal and Bangalore. Representatives of the Ministry of Home Affairs, Department of Agriculture and Cooperation and National Agricultural Cooperative Marketing Federation were also present in these Meetings. In these Meetings the need for availing assistance from NCDC was impressed upon them. The Department of Agriculture and Cooperation have also written to State Governments to avail themselves of NCDC's assistance for Cooperative Programmes for Scheduled Castes.”

4.18 The N.C.D.C. made the following suggestions to State Governments in July, 1980 :—

- (i) Wide publicity of National Cooperative Development Corporation schemes for financing Scheduled Castes cooperatives should be given so that the existing cooperatives, if any, or the cooperatives that may be organised in future, may avail financial assistance from National Cooperative Development Corporation.
- (ii) A drive for enrolment of Scheduled Caste persons in cooperative marketing, credit, consumer, housing and other societies may be launched.

- (iii) A special programme for setting up of cooperative societies in areas of Scheduled Castes concentration may be taken up.

4.19 The State Governments of Assam, Madhya Pradesh, Maharashtra, Rajasthan, etc. have circulated the scheme of NCDC to concerned Department to formulate suitable proposals. The NCDC also followed it up with the various State Governments and in the Regional Meetings held in December, 1981 and July, 1982 at Bhopal, Calcutta and Bangalore. Consequently, further proposals have been received from the State Governments of Assam, Tripura, Kerala and West Bengal.

4.20 The Committee enquired about the action taken by various State Governments on the recommendations made in the meeting organised by NCDC on 10th November, 1980 at New Delhi relating to problems of Scheduled Caste cooperatives. In a note furnished to the Committee, it has been stated that the NCDC has been following up these recommendations with the State Governments. The action taken by various State Governments communicated to NCDC is as follows :

1. The State Governments should take all necessary steps to identify the societies exclusively or predominantly of Scheduled Caste members and secure liberal financial assistance for them from National Cooperative Development Corporation.

The State Governments of Assam, Kerala, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and West Bengal circulated the NCDC scheme to the concerned Departments. The State Governments of Gujarat, Nagaland, Sikkim and Tamil Nadu etc. informed that the Scheduled Castes Cooperatives were not covered by the charter of NCDC as they were industrial societies. The Nagaland and Sikkim informed that there were no scheduled castes in their State.

2. To qualify for a Scheduled Caste Cooperative, 51 per cent members of such a society should belong to the Scheduled Castes. Scheduled Castes in various States sometimes form a majority of membership of fishery, dairy, weavers, poultry and sericulture cooperatives. Each State may take stock of the position and formulate suitable proposals to avail of financial assistance from the National Cooperative Development Corporation for expansion of their activities.

The State Governments of Assam, Kerala, Tripura and West Bengal have formulated the proposals under different schemes and availed of an assistance of Rs. 205.179 lakhs by the end of March, 1983.

3. The Scheduled Castes Cooperatives can set up Agro-Service Centres for which National Cooperative Development Corporation's assistance is available.

No such proposal was received from the State Governments.

4. National Cooperative Development Corporation can also provide financial assistance to cooperatives of Scheduled Castes for marketing and processings of jute, coir and salt.

A few societies in Assam, Tripura and West Bengal have availed of assistance for jute baling units and fishery development. Salt is not under the purview of NCDC Act.

5. The societies in which 100 per cent members belong to Scheduled Castes, should be provided with financial assistance in the form of share capital instead of loan by the State Governments.

The State Governments have yet to implement this recommendation.

6. In the States of Assam, West Bengal, Orissa and Tripura the fishermen mostly belong to Scheduled Castes; fishery cooperatives may be formed in these States and if already organised necessary financial assistance be availed of from National Cooperative Development Corporation for them by the respective State Governments.

The concerned State Governments have been availing of financial assistance from NCDC.

7. It was felt that cooperatives with majority membership of Scheduled Caste engaged in sericulture would be benefited from financial assistance from National Cooperative Development Corporation for marketing, processing and storage purposes.

No proposal has been received by NCDC from the State Governments for this.

8. It was felt that there was need for a coordinating agency in each State for coordinating the efforts of various State agencies striving to help the Scheduled Castes e.g. State Cooperative Department, Harijan Welfare Department, State Cooperative for Scheduled Castes, etc.

The State Governments have not reported the action taken by them.

9. The States may send the details of the schemes for development of Scheduled Castes cooperatives in their States for the current as well as for 1981-82 Annual Plan so that the Planning Commission and the National Cooperative Development Corporation would be aware of their requirements of funds.

The States have not sent the details.

10. Under the National Cooperative Development Corporation's scheme of financial rural cooperatives for distribution of consumer articles suitable proposals may be made to set up consumer shops by cooperatives in or near the Harijan localities.

The State Governments have not reported the action taken by them.

4.21 It has been stated in a subsequent note furnished to the Committee that the poor response from the State Governments to this Programme was discussed in the national and regional level meetings convened by NCDC. The major factor responsible for the poor response is that State Governments could not identify societies with more than 50% of Scheduled Castes as Scheduled Castes population is scattered all over and is not concentrated in a compact area like the tribals.

4.22 Another reason is that in some of the activities which Scheduled Castes undertake like training, shoe-making etc. do not come under the purview of the NCDC.

4.23 Initially, NCDC envisaged an assistance of 80% of the cost from NCDC and the remaining had to be made by State Government/Cooperative Societies. NCDC has since liberalised the pattern of assistance in terms of which 100% of the requirements could be met by NCDC. Even so, the response has not been very encouraging. NCDC is, therefore, reviewing the whole programme with a view to evoking greater response from the State Governments.

4.24 The Committee note that National Cooperative Development Corporation (NCDC) was set up in March, 1963 and it is essentially a promotional and developmental organisation at the national level. It serves as the focal point for planning, initiating, developing and financing of a nation-wide cooperative programme for processing, marketing, storage and distribution of agricultural inputs etc.

The Committee further note that "Cooperative Societies" is a State subject and NCDC has no supervisory or controlling power over the cooperatives in the States. It assists the Cooperative Societies only through the State Governments.

The Committee find that the activities of NCDC have undergone significant diversification particularly since the beginning of the Fifth Five Year Plan and it is now aiding other programmes relating to Fishery, Poultry, Dairy, Tribals, Scheduled Castes, Handloom weavers etc. It is also financing cooperative consumer activities in the rural areas.

The Committee regret to point out that the total assistance provided by NCDC to Cooperatively under-developed States up to 31-3-1983 was Rs. 136.40 crores which is 23.2% of the total assistance provided by NCDC. Over 48% of this amount was provided by NCDC during the first 3 years of the Sixth Plan. The Committee feel that earlier NCDC was not seized of the problem of cooperatively under-developed States and it had not paid much attention to this aspect during the previous Plans even though it was set up in 1963 primarily for giving a fillip to the cooperative movement in the country. The Committee recommend that NCDC should pay greater attention to the under-developed States and lay down specific guidelines for strengthening the cooperative infrastructure in those States.

The Committee note that no scheme of the Central Government is individual-oriented and NCDC also does not provide direct assistance to the Cooperative Societies. But nothing prevents NCDC to diagnose the inherent weaknesses in the cooperative structure in under-developed States and to suggest remedial measures to strengthen the cooperative base.

4.25 The Committee find that NCDC had introduced a scheme in 1976 to help Scheduled Caste Cooperatives having more than 50 per cent members from that community. Under the scheme, 80 per cent of the cost was to be met by NCDC and the remaining 20% of the cost had to be met by the State Government/Cooperative Society concerned. In 1980 NCDC liberalised its pattern of assistance for Scheduled Caste Cooperatives and

100% assistance is now available to them. Even though NCDC has earmarked an outlay of Rs. 815 lakhs during the Sixth Plan for assisting the Scheduled Caste Cooperatives, there is poor response from the State Governments and suitable proposals are not forthcoming.

The Committee are not convinced that the major factor responsible for the poor response from the States is that the State Governments cannot identify Scheduled Caste Cooperatives having more than 50% Scheduled Castes as they are not concentrated in a compact area like the tribals. The Committee feel that the main reason is that some of the activities which the Scheduled Castes undertake like tanning, shoe-making etc. do not come under the purview of NCDC and as such State Governments are helpless in sending proposals on the basis of vocation of the Scheduled Castes population in their States.

As such, the Committee recommend that NCDC ACT should be suitably amended so that all Scheduled Castes including those engaged in shoe-making and tanning etc. can be brought within the cooperative fold and made eligible to the benefits under the scheme.

4.26 The Committee also urge the State Governments to encourage the setting up of Scheduled Caste Cooperatives in their States as Scheduled Castes constitute the poorest section of the society.

4.27 The Committee also recommend that as a fair proportion of Scheduled Castes are engaged in agriculture, it should be possible to set up Scheduled Caste Cooperatives for running Agro-service Centres and the State Governments should take full advantage of NCDC assistance in this regard

E. LARGE SIZED MULTIPURPOSE SOCIETIES (LAMPS)

5.1 In a note furnished to the Committee, it has been stated that Large sized Multi Purpose Societies call 'LAMPS' have been organised in pursuance of the recommendations made by the Study Team on Cooperative Structure in Tribal Development Agency Projects, appointed by the Ministry of Agriculture which submitted its report in 1973. These LAMPS are being organized in areas where there is concentration of Scheduled Tribe population. At the end of 1978-79, there were 2098 LAMPS in the country with a total membership of 22 lakhs. Of these, 2.2 lakhs or 10% were accounted for by Scheduled Castes members and 13.9 lakhs or nearly 63.2% were accounted for by Scheduled Tribes.

5.2 In reply to a question on the measures taken by the Government in organising cooperatives among tribals, the representative of the Ministry of Agriculture stated during evidence as follows :—

“What the hon. Member is trying to find out is the concrete measures that we have taken. Number one is the organisation of separate large-sized society for the tribal areas that we call LAMPS. We are not very happy with the functions of the society. There are lot of weaknesses in it. Further steps that are required to be taken are engaging our attention. It is not a one-time process, it is a continuing process. It is a very difficult area where we ought to keep on making very strenuous efforts.

At the State level we have a higher infrastructure. There is a State level corporation or federation. The task given to this federation is that it should collect minor produce from its members. Take niger, for example. There was a time when the tribal could not get even Rs. 1.5 per kg. for niger but as a result of the efforts made by NAFED, etc., the price has gone up to Rs. 4.5 per kg. NAFED has good prospects for export also. Our guidelines to them are to enlarge that area of co-operation to some other forest produce in which there is scope for export, we are helping such societies in a variety of manners, such as, arranging working capital, arranging godowns for them, giving money for transport, vehicles, processing and so on.”

5.3 When asked during evidence about the criteria for becoming a member of Large Multipurpose Cooperative Societies (LAMPS) and whether anybody in that area could become a member of LAMPS, the representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) stated as follows :—

“The concept of LAMPS is that it will cover a wider area than an agricultural credit society. In Orissa, for example, it covers more or less the entire block and the earlier societies which were there in those areas have also been merged into this LAMP and it will be only in areas with concentration of Scheduled Tribes. But if there are others also the society should not deny benefits to them. So, the membership of a LAMP will consist of tribals essentially, plus the Scheduled Castes and others also. But we have also taken care to see that in these societies two-thirds of

the Members of the Board of Management shall be only tribals. I think this particular aspect has been incorporated in the legislation and also in the by-laws of the society."

5.4 Asked whether LAMPS had been organised in Meghalaya the witness stated that Meghalaya had Cooperative Societies. Though the tribal cooperatives functioned like LAMPS, yet they had not been called LAMPS. In many cases, the Cooperatives continued to be agricultural credit societies. The Committee which had gone into this question in 1971 had recommended different pattern for different areas. The National Cooperative Development Corporation had been treating all cooperatives in Meghalaya as tribal cooperatives.

5.5 In reply to a question about the absence of LAMPS in Andhra Pradesh, it was stated as follows :—

"There was a regional cooperative corporation in Andhra Pradesh. We said that society will continue and they have some depots which were converted into primary societies. 'LAMPS' is the other name of the society which we have in other areas. Here we did not specifically recommend LAMPS, we allowed those societies which are existing, we asked them to continue in place of LAMPS."

5.6 The Committee pointed out that non-tribal members who came in "others" category cornered most of the benefits which should normally go to the tribals. In this connection, the representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) stated as follows :—

"In their Board of Management it is ensured that 'others' do not dominate. Two-thirds of the Members of the Board of Management should be only from tribals. Secondly, the State Government tries to ensure that a large part of the credit which flows goes to the tribals. Even in these societies the percentage of loans given by the LAMPS going to tribals is roughly 47 or 48 per cent. And about other services, normally it is the tribals who are engaged in it. All the facilities provided by the LAMPS only go to the tribals. And the other thing which the LAMPS are supposed to do is the distribution of consumer articles. Here, they serve every one in the area irrespective of the fact whether he is a Scheduled Castes/Tribes person or not. These are the main functions performed by the LAMPS."

The witness added :

"Regarding the Board of Management, in some States as for example, in Madhya Pradesh, the Act specifically provides, 'Where the President or Vice-President or Chairman or Vice-Chairman are there, one of the posts shall go to the tribals'. This is provided in the Act itself."

5.7 When the Committee pointed out that in the absence of comprehensive guidelines regarding structure of LAMPS Scheduled Tribes were not getting a fair deal in States like Bihar the representative of Ministry of Agriculture (Department of Agriculture and Cooperation) explained that in Singhbhum District and Chota Nagpur district of Bihar, LAMPS were organised as the Primary Cooperative Societies and two-third of the Board of Management would be from tribals.

5.8 The Committee desired to know the rate of interest at which banks gave loans to LAMPS and also the rate of interest at which the loans were given to the borrowers by the LAMPS. The representative of the National Bank for Agriculture and Rural Development (NABARD) replied as follows :—

“While position varies from state to state, generally LAMP gets at 7½ to 9 per cent and the ultimate borrower gets at 11 to 11½ percent. Further, Sir, NABARD has now revised its policy. Where it is difficult to form weavers and artisans societies we have extended one concession, that is, if a tribal is an artisan then he can be a member of LAMP and get loan for non-agricultural activity also.”

5.9 When asked how many LAMPS were functioning properly and how many were dormant, the representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) stated as follows :—

“Reserve Bank of India had commissioned a study and it was conducted in 1981. It has revealed that most of the LAMPS are not viable. They do not have the minimum business of 5 lakhs as prescribed and a number of them do not have full-time Managing Director or Secretary and the technical Staff. They are burdened with the problem of heavy overdues. Study has also revealed a disturbing situation and it is necessary that immediate remedial steps are taken.”

5.10 In reply to a question whether any LAMPS had given any dividend, the representative of NABARD stated that no LAMPS had given any dividend as per their information. It was added that most of the LAMPS were in the red and were not making any profit.

5.11 Regarding the measures that are to be taken for the improved performance of Tribal Cooperative Development Corporations/Federations in the marketing of their produce, the Committee have been informed in a note that the performance of Tribal Cooperative Development Corporations (TDCCs)/Federations, is to be ultimately judged by the benefits they confer on the tribals in securing better price for their produce. For this purpose, the TDCCs which are Federations of the tribal cooperatives at the base level (LAMPS) should have a firm link-up. The LAMPS in turn, should collect the produce from the individual tribal members and offer it to the TDCCs. While the collection of minor forest produce will be the responsibility of the LAMPS, its further processing wherever necessary, storage and disposal in remunerative market should be the responsibility of the TDCCs. The broad policy, administrative and financial measures that would be necessary for more effective functioning of the TDCCs, are as follows :

- (a) The State Governments should adopt a policy of leasing out the forest areas to the cooperatives on a long term basis to facilitate the marketing of produce by cooperatives to the exclusion of private traders.
- (b) For minor forest produce, processing would be necessary for sale of produce at remunerative prices. The TDCCs should equip themselves with such processing facilities. The financial assistance from the NCDC could be availed of for installation of processing units and also construction of godowns.

- (c) For sale of minor forest produce at the most favourable prices, the TDCCs should have adequate market intelligence. The marketing cell in the TDCC should be strengthened with adequate staff. For this purpose also, financial assistance from NCDC could be availed of.
- (d) The TDCCs should forge an effective link with actual users and also consumer cooperatives for the sale of minor forest produce. The State Government should pay special attention to selection of suitable persons for the top management posts of Managing Director, Finance Director, etc. for toning up the administration and financial operations of the TDCCs.
- (e) One basic feature of the working of these tribal cooperatives is that the linkage between the members and the LAMPS, as also the linkage between the LAMPS and the TDCCs continues to be weak. Besides streamlining the administration of TDCCs, the State Governments should therefore focus attention on selection and posting of suitable persons for the LAMPS.
- (f) At the national level, there is a tribal development cell in the National Agricultural Cooperative Marketing Federation of India Limited (NAFED). The need for a special national level cooperative marketing organisation for tribal cooperatives is under consideration and is proposed to be discussed in a Workshop to be convened in November/December, 1983.

5.12 The Committee note that large sized multipurpose societies called LAMPS have been organised in areas where there is concentration of tribal population. At the end of 1978-79 there were 2098 LAMPS in the country. The membership of LAMPS consists of tribals Scheduled Castes and other also. But in order to safeguard the interests of tribals, there is a stipulation that two-thirds of the members in the Board of management shall be tribals only.

LAMPS undertake the distribution of consumer articles, they collect the minor forest produce from the tribals and ensure remunerative price for it and also disburse loans to its members. On a rough estimates, 47 to 48% of the loans given by LAMPS go to the tribal people.

The Committee feel concerned that the study made by the Reserve Bank of India in 1981 has revealed that most of the LAMPS are not viable and they do not have the minimum business of Rupees five lakhs. Most of them are burdened with the problem of heavy overdues. The Committee recommend that all the State Governments should be advised to make a critical appraisal about the functioning of LAMPS in their respective states and take effective steps to make them viable institutions. The state level tribal development cooperative corporations should have a firm linkup with the LAMPS and they should exercise complete control over their functioning.

5.13 The Committee recommend that a survey should be made about the market potential of each minor forest produce available in the forests in different States. The possibility of exporting certain items like tamarind might be explored.

5.14 The Committee recommend that the Tribal Development Corporations should be given maximum facilities for their efficient functioning. The State Governments should lease out forest areas to Tribal Development Corporation on a long term basis to facilitate the marketing of minor forest produce to the exclusion of private traders. They desire that the Tribal Development Cooperative Corporations should also equip themselves with modern processing facilities and strengthen their marketing arrangements so that there is no problem to sell the minor forest produce collected by LAMPS.

5.15 The Committee need hardly stress that the top level posts in Tribal Development Cooperative Corporations should be filled by dedicated and efficient administrators who have the vision and capacity to turn them into viable institutions.

5.16 The Committee feel that LAMPS can be viable institutions only when the loans disbursed by them are returned by the beneficiaries in time. The Committee recommend that the State Governments should review the position regarding recovery of loans in each LAMPS and Tribal Development Corporations should be charged with the responsibility of keeping close watch on the recovery position of loans in each LAMPS.

F: COOPERATIVES WHICH MAINLY HELP SCHEDULED CASTES/TRIBES

6.1 In a note furnished to the Committee it has been stated that labour cooperatives and cooperatives for dairy, fishery and poultry help weaker sections. The overall position of these cooperatives as on 30th June, 1981 is estimated as follows :—

	No. of Societies	Member-ship (in lakhs)	Sales turnover (Rs. in crores)
(i) Dairy Cooperatives	29,169	26.7	277.2
(ii) Fishery Cooperatives*	4,760	5.5	17.7
(iii) Poultry Cooperatives	1,291	0.7	7.6
(iv) Labour contract societies including forest labour	12,842	8.7	89.1

*Does not include figures of Andhra Pradesh being not available.

Nation level cooperative organisations have been organised for Labour, Dairy and Fishery Cooperatives.

(a) Labour Cooperatives

6.2 The Committee during evidence enquired about the number of labour cooperatives in the country and the steps taken by the Government to assist them. The representative of the Ministry of Agriculture replied as follows :—

“Sir, about labour cooperatives, the overall position is that there are about 12000 such labour cooperatives all over the country including forest labour. The value of works executed by them during 1978-79 was Rs. 89 crores. What the Ministry has done is, firstly we had a Labour Cooperative Advisory Committee some time ago. We are trying to revive it. This Labour Advisory Committee consisted of representatives of various Ministries in the Central Government.”

6.3 Asked if any survey had been made about the Labour cooperatives, the witness added :

“We have not made any study in respect of labour co-operatives. For the last two years we have promoted Labour Federation—national level cooperatives. We are assisting that federation for the technical promotion, surveys and all that. That federation is undertaking some survey about the labour co-operatives.”

6.4 About the problems faced by the labour cooperatives in the country, the Committee were informed that the labour cooperatives were not getting awards from the work awarding agencies. Ministry of Agriculture and Cooperation had advised the State Governments that upto a certain limit, say upto Rs. 1 lakh, unskilled workers should be given the work

without tender. The Ministry had also advised that in respect of labour cooperatives, the security deposit or earnest money should not be insisted upon. State Governments should have district level cooperatives and technical personnel, tools and machinery should be given on easy terms. At the national level, it was proposed to have a high-powered labour cooperative advisory Committee and the proposals were under consideration.

6.5 When asked whether preferential treatment was given to labour cooperatives in the award of contracts, the Committee were informed that in Gujarat Indian Farmers Fertiliser Cooperative Ltd. and Krishak Bharati Cooperative Limited, work had been given by them on priority basis. There were other two labour cooperative societies, which are getting preference.

6.6 When asked whether instructions regarding preferential treatment were properly implemented, the representative of the Ministry of Agriculture stated during evidence as follows :

“Whenever any particular case comes to us, we write to the State Government concerned or the Department to see that the cooperatives are given preference. If the State Government or Public Works Department do not give, problem does arise. The position is, no doubt, not as satisfactory as it should be, but the situation has greatly improved.”

6.7 In this connection, Additional Secretary, Ministry of Agriculture and Cooperation stated :

“We have been persuading the various implementing agencies and the State Governments—wherever they are good and efficient labour co-operative societies, certainly they should be given preference for work.”

6.8 About the ways in which labour cooperatives were assisted by the State Governments, the representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) stated as under :—

“The labour cooperatives are assisted in a variety of ways by the State Government in various planned schemes and some of the State Governments have provided financial assistance to such labour cooperatives. Maharashtra has done quite a lot.”

The witness added :—

“In some States, we have State-level Federations. In Maharashtra, there are district-level Federations which are very strong. The State Government has been providing not only assistance for buying machinery, equipment and tools but also subsidies for employing the technicians like Executive Engineers and Assistant Engineers. The pattern we had earlier recommend to the States is as follows :

“It is no use having only primary cooperative societies because they will not be able to take bigger contracts. They should have Federations either at the district-level or State-level. The Federation should be organised. They should be provided assistance to equip themselves with both technical man-power as well as technical

equipment so that they will be rendered eligible to take works of a bigger order involving bigger technical equipment."

"The State Government in Maharashtra are providing large assistance to the cooperative. I believe in Maharashtra, they are now again thinking of revising subsidies. They are all being provided assistance from the State planned scheme for these activities. The assistance is for share capital contribution to these Federations and the working capital, wherever needed."

6.9 The Committee were also informed that the State Government were giving assistance for employing Assistant and Executive Engineers and other technical personnel and also assistance for buying equipment. These were the broad heads under which assistance was being given.

6.10 In reply to a question on the assistance rendered by National Cooperative Development Corporation to labour cooperatives belonging to Scheduled Castes and Scheduled Tribes, the representative of the Ministry of Agriculture stated as follows :—

"The role of National Cooperative Development Corporation is specified by the charter under the statute. Labour cooperatives do not fall within that. In fact, some of the other types of cooperative societies were not included in the Charter. As a result of 74th Amendment, those were brought in. We will go into this matter.

For the time being, the Statute or the Charter of National Cooperative Development Corporation does not permit them to extend financial assistance to the labour cooperatives."

6.11 In a subsequent note furnished to the Committee, it has been stated that the assistance that labour cooperative received from State Governments, is towards share capital, working capital, subsidy for managerial and technical staff, loan and subsidy for purchase of tools and equipments and margin money for the working capital. A Statement indicating the assistance given by the various State Governments to labour and forest labour cooperatives, during the first 3 years of the Sixth Plan, the provision for 1983-84 and proposed outlay for 1984-85, is as given below :—

Financial assistance to Labour Cooperatives

(Rs. in lakhs)

State/UTs	Sixth Five Year Plan 1980-85	Actual Expenditure			1983-84 anti.	Proposed outlay 1984-85
		1980-81	1981-82	1982-83		
1	2	3	4	5	6	7
1. Andhra Pradesh	33.68	5.50	5.00	—	—	3.00
2. Assam			nil			
3. Bihar	29.35	5.25	4.65	4.30	10.50	18.75
4. Gujarat	6.00	0.84	0.93	1.20	10.20	10.00
5. Haryana	38.73	3.95	9.16	8.70	8.38	8.47
6. Himachal Pradesh			nil			
7. Jammu & Kashmir	5.00	0.92	0.32	0.30	0.50	1.00

1	2	3	4	5	6	7
8. Karnataka . . .	16.33	2.00	1.05	2.50	2.50	2.50
9. Kerala . . .	5.50	0.25	0.20	0.03	1.50	0.50
10. Madhya Pradesh	20.00	1.20	0.53	1.63	3.45	3.00
11. Maharashtra . .	42.00	5.19	6.67	8.60	10.00	30.30
12. Manipur . . .			nil			
13. Meghalaya . . .	3.50	—	0.50	—	1.25	1.00
14. Nagaland . . .			nil			
15. Orissa	8.00	2.50	0.50	0.50	0.60	1.0
16. Punjab	5.00	1.00	0.75	0.84	1.00	0.50
17. Rajasthan . . .	1.79	0.29	0.21	0.35	0.37	0.38
18. Tamil Nadu	3.91	1.60	1.55	1.80	1.90	2.02
19. Tripura . . .	9.45	1.05	0.56	0.31	0.51	1.50
20. Uttar Pradesh	42.11	6.38	2.43	4.06	10.60	6.04
21. W. Bengal	39.60	0.22	0.78	0.05	1.98	5.08
22. Andaman & Nicobar . . .						
23. Arunachal Pradesh						
24. Chandigarh						
25. Dadra & Nagar Haveli . . .						
26. Delhi . . .	1.60	0.11	0.26	0.78	0.52	2.84
27. Goa, Daman & Diu . . .						
28. Lakshadweep . .						
29. Mizoram . . .			nil			
30. Pondicherry . . .			nil			
All India . . .	318.64	38.31	36.05	36.55	65.90	98.21

Source : Plan Documents of all States/UTs.

6.12 The Committee have been informed that based on the recommendations of the National Advisory board on Labour Cooperatives, the State Governments were advised to take specific measures for the strengthening and expansion of the Laour cooperatives. The broad policy, technical and financial support that should be provided by the State Government to the labour cooperatives were also indicated.

(b) Dairy and Fishery Cooperatives

6.13 In a note furnished to the Committee, it has been stated that dairy Cooperatives have been made rapid strides under the Operation Flood Project. The Operation Flood Project aims at the twin objectives of ensuring a remunerative price to the milk producers, bulk of whom are small and marginal farmers and landless labourers, by organising them into producers cooperatives and at the same time providing regular rsupply of milk to consumers at reasonable price. Under the Operation Flood Programme,

23,494 milk producers cooperatives covering 26 lakh farmer families have been organised upto March, 1983. The milk producers cooperatives and the District Cooperative Union provide extension services like artificial insemination, animal health cover and distribution of improved varieties of seeds of green fodder, balanced cattle food to the farmers and carry out the processing, packaging and transportation and marketing of milk.

6.14 During evidence, the Committee were informed that the projects for national assistance are undertaken by the National Dairy Development Board; for example Operation Flood-II project which is a large dairy project is being handled by them. At village level, it is implemented through co-operatives.

6.15 In reply to a question the Committee were informed that there are 36 dairy cooperatives in Meghalaya. Meghalaya has recently joined the Operation Flood II and the Central Government is keen to push up the programme in Meghalaya. This is not a programme exclusively for the tribals. Anyone who is keeping cattle and is providing milk is being assisted.

6.16 In reply to a question during evidence about the number of fishery cooperative societies belonging to Scheduled Castes and Scheduled Tribes, the representative of the National Cooperative Development Corporation stated as follows :—

“In Assam, Tripura and West Bengal they are classified as Scheduled Castes. We do not have the information of the total number of fishery cooperatives in these States, but we have assisted 58 fishery cooperatives in these States. There, practically the membership is 100% Scheduled Castes.”

6.17 It was added that in States like Karnataka, Kerala etc. the fishermen were not classified as Scheduled Castes. When asked what steps were being taken to eliminate the exploitation by middlemen in the fisheries co-operatives, the representative of the Ministry of Agriculture department of Agriculture and Cooperation) stated that some instances had come to the notice of the Ministry where the office bearers of the fishermen cooperative societies happened to be private and middlemen belonging to non-fishermen community. Government of Tamil Nadu had amend their byelaws to eliminate this possibility. Model byelaws had been suggested to all the State Governments.

6.18 It was added that in the model byelaws the definition of a fisherman had been suggested to be as follows :—

“Any person who actively and personally engages himself in fishing, is residing in that area and is of 18 years of age etc.”

6.19 When the Committee suggested that only those persons who were fishermen by caste should be declared eligible to become members of fisheries cooperatives and this should be provided in the model bye-laws, the representative of the Ministry of Agriculture stated as follows :—

“On the question of model bye-laws, frankly speaking I do not think it is possible to confine the membership of societies for fisheries, dairies, etc. to a particular caste or sub-caste. Take dairying for example. All of us know in which caste or sub-caste, the people traditionally keep animals by and large. But

there are others also who do the same. After all, how are you going to improve the income of the people who do not have land. It is essential to do this by farm-based activities like dairying, poultry and few other things. So, the people who are generally involved in that activity, and not as middlemen, they should be really allowed to become members of the societies. Unless the Committee has certain other guidelines to be given to us, I think this is fairly well and we would like to implement whatever is laid down in the model bye-laws."

6.20 The Committee enquired as to how the Government would help the Scheduled Castes and Scheduled Tribes in the event of not confining the membership of fisheries and poultry cooperatives to Scheduled Castes and Scheduled Tribes only. The representative of the Ministry of Agriculture replied that the National Cooperative Development Corporation had a special scheme for Scheduled Castes. Where their membership was more than 50 percent, additional incentives were also given.

6.21 When pointed out that fishing as a profession was confined to more or less Scheduled Castes and Scheduled Tribes and if other people were brought in, exploitation would continue, the Committee were informed as follows :—

"According to the byelaws suggested to the State Governments, all these ²⁰¹¹⁻¹² ^{NA} ts will be covered. The definition is—any person who actively and personally engages himself in fishing as profession.

We are totally opposed to bring in traditionally fishing trade people into the fishing cooperatives."

6.22 During evidence the representative of National Cooperative Development Corporation stated as follows :—

"As far as inland fishery is concerned, there are four World Bank assistance projects which are being implemented through the State Fishery Corporations. That is the implementing agency at the State level. But even these fishery corporations are functioning at basic village level through cooperative societies. So these projects are already on-going for inland fishery. We have been in the fishery line for the last three years as I indicated earlier. We have been commissioning a survey through the Council for Social Development. Meanwhile we also had a detailed report through the Indian Institute of Management which was commissioned by the Government. So, we would take all these factors into account in the next phase because NCDC—IV is projected for 1987."

6.23 The Committee pointed out that in Assam, the Scheduled Tribes who lived by the riverside were traditionally fishermen and asked whether more attention would be given to their plight.

6.24 The representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) replied as follows :—

"Our policy thrust is that wherever there are regional variations in implementation of development programmes. We must make

all efforts to reduce the disparity and the implication is that much more efforts are required."

(c) *Poultry Cooperatives*

6.25 When asked during evidence about the steps taken to encourage more and more Scheduled Castes and Scheduled Tribes to take to poultry to improve their economic condition, the representative of the National Cooperative Development Corporation stated as follows :—

"As far as pultry is concerned, we have assisted NAFED for the marketing of eggs because one of the problems is to get a remunerative price and they have in many States, such as Andhra Pradesh and others, helped in stabilising the prices of eggs when there was a tendency of the prices going down. As far as the cooperatives are concerned. We have recently assisted a Scheduled Castes Poultry Cooperative in Kerala. We have also assisted some poultry cooperatives in few other States.

For poultry cooperatives the main work that we have done is to provide assistance to NAFED for marketing and this support has helped poultry cooperatives in general. Poultry cooperatives of Scheduled Castes and Scheduled Tribes are in Himachal Pradesh and Kerala. This is an area where there is considerable scope for further work. In the State of Rajasthan they have recently drawn up a poultry development programme which is under discussion between the Rajasthan Government and the National Cooperative Development Corporation. This is a general poultry development programme which will benefit all sections including the Scheduled Castes and Scheduled Tribes."

6.26 The Committee enquired how the cooperative movement would take care of the Poultry Cooperatives which had not succeeded due to non-availability of necessary assistance and inputs from departments concerned even though bank loan and subsidy was sanctioned to them initially. The representative of the Ministry of Agriculture stated that if weaker sections were to be helped through the medium of Poultry cooperatives, then these should be run on the same lines on which dairy cooperatives were run.

6.27 When the structure and functioning of Poultry cooperatives at village, district, State and national level would be the same as in the case of dairy cooperatives, these would certainly succeed. In dairy cooperatives, at village level, not only there was arrangement for procurement of milk from the farmers but they were also helped in all possible ways. Cattle feed and all other facilities were made available to them.

(d) *Weavers Cooperatives*

6.28 Regarding the assistance provided to weavers cooperatives by NCDC it was stated during evidence that the corporation wanted to provide marketing support to the weavers cooperatives and credit to the individuals came from NABARD.

6.29 When asked whether there were any specific schemes to help the Scheduled Caste weavers only, the representative of the Handloom Development Commissioner stated as follows :—

“We do not have specific schemes only for Scheduled Caste people, but the weavers in the country are the poorest among the poor. We have a scheme for giving assistance to primary societies. Our assistance to these societies for the last 5 years has been :

1979-80	..	Rs. 210.38 lakhs
1980-81	..	Rs. 372.80 lakhs
1981-82	..	Rs. 350 lakhs
1982-83	..	Rs. 315.88 lakhs.”

6.90 Asked if there was any any proposal to give assistance to Scheduled Caste Handloom Cooperatives on a priority basis the representative of Handloom Development Commissioner stated that this was one of the programmes provided for in the Seventh Plan. They had taken up the matter with the Planning Commission that the quantum of assistance should be more liberal for Scheduled Castes and Scheduled Tribes. It was hoped that Planning Commission would give its approval.

6.31 In this connection, the representative of the Ministry of Agriculture (Department of Agriculture and Cooperation) stated :—

“National Cooperative Development Corporation have a scheme under which if the membership of a particular society consists of more than 50% of Scheduled Caste members certain special facilities are provided. They have been waiting for such proposals from these societies. From Assam they got three proposals, they have sanctioned and released assistance for them. The only question is that there should be adequate response. We are looking into why there has been poor response.”

6.32 In reply to a question about assistance granted by National Cooperative Development Corporation to handloom weavers societies in Andhra Pradesh, it was stated that Rs. 10.85 crores had been sanctioned for handloom weavers societies and out of that Rs. 465 lakhs were earmarked for Andhra Pradesh. The State-wise break-up in this regard was stated to be as follows :—

Assam	·	Rs. 38.054 lakhs
Haryana	·	Rs. 12.6 lakhs
Himachal Pradesh	·	Rs. 3.85 lakhs
Karnataka	·	Rs. 50,000
Kerala	·	Rs. 40.06 lakhs
Madhya Pradesh	·	Rs. 16.44 lakhs
Maharashtra	·	Rs. 38.24 lakhs
Manipur	·	Rs. 2.5 lakhs
Orissa	·	Rs. 24.7 lakhs
Punjab	·	Rs. 14.85 lakhs
Rajasthan	·	Rs. Nil
Tamil Nadu	·	Rs. 375.1 lakhs
Tripura	·	Rs. Nil
U.P.	·	Rs. 7.32 lakhs
Union Territories and others	·	Rs. 45 lakhs

6.33 When the Committee enquired about the assistance given to the Scheduled Tribe weavers in the North-Eastern region, the representative of NCDC stated as follows :—

“The assistance to weaver cooperatives for building storage facilities and for processing facilities has been :—

Manipur	.	Rs. 2.5 lakhs
Assam	.	Rs. 38.05 lakhs
Tripura	.	Rs. Nil lakhs
Meghalaya	.	Nil
Nagaland	.	Nil

6.34 The Committee was informed that there was a welfare scheme in Tamil Nadu under which each weaver contributed 6 paise out of each rupee he earned and the State Government contributed 3 paise to constitute a welfare fund for the individual weaver so that by the time he retired he would have earned Rs. 15,000/-.

6.35 The Committee note that National Advisory Board on Labour Cooperatives have advised the State Governments to take specific measures for strengthening and expansion of labour Cooperatives. The Committee are pained to observe that inspite of such advice to States, many of the States like Assam, Himachal Pradesh, Manipur and Nagaland and Union Territories like Arunachal Pradesh, Pondicherry, Goa, Daman and Diu etc. have not even bothered to ear-mark funds for assisting the Labour Cooperatives during the current plan.

As Labour Cooperatives can play a vital role for providing employment to the unemployed and under-employed people, the Committee urge that all the State Governments and Union Territory Administrations should ear-mark sufficient funds for assisting the Labour Cooperatives. It is needless to point out that a large percentage of the labour force consists of Scheduled Castes and Labour Cooperatives can play a pivotal role in providing work to them on a regular basis. The Committee, therefore, recommend that the Central and State Governments should accord the highest priority to organise Labour Cooperatives on a large scale in all parts of the country. The Committee suggest that there should be a constant review of the progress made in the establishment of Labour Cooperatives in all the States.

6.36 The Committee further recommend that the proposal to set up a high-powered Labour Cooperative Advisory Committee at the National level should be given a concrete shape immediately.

6.37 The Committee are concerned to note that the Labour Cooperatives are not getting awards from the work awarding agencies, despite the advice from the Ministry of Agriculture (Department of Agriculture and Cooperation) that unskilled works upto specified limit should be given to Labour Cooperatives without tender and security deposit/earnest money should also not be insisted upon. The Committee recommend that all State Governments should adopt a policy to award contracts of all unskilled works upto a specified amount to labour cooperatives only.

6.38 The Rural Landless Employment Guarantee Programme (RLEGP) aims at providing job opportunities to at least one member of each landless family in rural India. The Scheme is funded 100% by the Central Government. This Scheme envisages the creation of 300 million man days of work

during 1984-85 in addition to the creation of 300-400 million mandays of work annually under National Rural Employment Programme. The Committee recommend that both these schemes should have proper linkages with the labour Cooperatives in areas having large concentration of unemployed landless labour so that unemployed labour can get proper job opportunities. The Committee suggest that wages should be paid to the labour through the Cooperatives or which they are the members.

6.39 The Committee feel that small Labour Cooperatives are likely to face difficulty in handling bigger contracts. The Committee recommend that there should be State Level Labour Cooperative Federations for coordinating the activities of such district level cooperative federations.

6.40 The Committee are surprised to note that Labour Cooperatives do not fall within the scope of the charter of National Cooperative Development Corporation and as such they cannot extend financial assistance to the Labour Cooperatives. It is needless to point out that the scope of functioning of National Cooperative Development Corporation should be widened so that it can provide necessary assistance to Labour Cooperatives which provide immense helps to the down-trodden sections of the society, who are otherwise exploited by private contractors. The Committee, therefore, recommend that immediate steps should be taken to amend the Charter of National Cooperative Development Corporation so that this national level Corporation can provide maximum assistance to Labour Cooperatives through the State Level Federations.

6.41 The Committee note that Dairy and Fishery Cooperatives which have more than 50% of Scheduled Caste/Scheduled Tribe members are entitled to get additional incentives under the scheme prepared by National Cooperative Development Corporation in this regard. The Committee recommend that as fishermen are generally from Scheduled Caste community, the State Governments should encourage the setting up of more fishery cooperatives with a view to organise the fishing trades on a sound footing and to eliminate the middlemen, who try to exploit the fishermen.

The Committee suggest that there should be proper marketing arrangements so that the fishermen get remunerative price for the fish and thereby they are saved from exploitation by middle-men. The Committee also recommend that the fisherman should be provided with subsidy for the purchase of fishing nets, boats etc.

6.42 The Committee find that in certain States like Karnataka and Kerala fishermen are not classified as Scheduled Castes and as such these Cooperatives would not be entitled to the additional benefits under the Special Scheme of National Cooperative Development Corporation. The Committee recommend that the concerned States should provide the necessary facilities to such cooperatives from their own Plan Schemes so that fishing trade does not suffer any setback in their respective States.

6.43 The Committee regret to point out that in 1981 there were hardly 1,291 Poultry Cooperatives in the entire country. As Poultry can play a useful role in providing supplementary means of income to the weaker sections, the Committee recommend that all State Governments should accord highest priority to the setting up of Poultry Farms and Poultry Cooperatives in each District. At the State Level, a Federation should be set up to coordinate the activities of various Poultry Cooperatives and to ensure proper marketing arrangements.

6.44 The Committee also recommend that all the State Governments should start organising Scheduled Caste/Scheduled Tribe Poultry Cooperatives immediately emulating the examples of Himachal Pradesh and Kerala. In order to make them viable and profitable, the Committee recommend that these cooperatives should be run on the same lines on which Dairy Cooperatives are run.

6.45 During visits to several states the Study Groups of the Committee have noted that a large number of poultry Cooperatives are on the verge of closure because the birds have perished on account of some disease. In such cases, the Committee recommend that poultry cooperatives should be helped by providing more funds so that they do not close down. In deserving cases, the question of write-off of the loan given to such cooperatives should be considered.

6.46 The Committee are concerned to note that there is no specific scheme to provide assistance to Scheduled Castes Handloom Cooperatives on a priority basis. The Committee were informed during evidence by the representative of Handloom Development Commissioner that there is one such programme included in the Seventh Five Year Plan and the matter is under the consideration of the Planning Commission. The Committee feel surprised why such a scheme to assist the Scheduled Caste Handloom Cooperatives was not contemplated during the Sixth Plan Period. The Committee recommend that Scheduled Caste/Tribe Handloom Cooperatives should be given assistance on priority basis and the quantum of assistance should be more liberal than it is for others. The Committee desire that Government should also examine as to why there has been no proper response from the States for the Scheme of NCDC for Weaver Cooperatives having more than 50% Scheduled Caste members.

6.47 The Committee note that the Government of Tamil Nadu have a scheme under which each weaver contributed 6 paise out of each rupee he earned and the State Government contributed 3 paise to constitute a welfare fund for the individual weaver so that by the time he retired he would have earned Rs. 15,000/-. They recommend that other States should follow suit in this regard.

G. IRREGULARITIES IN COOPERATIVES

7.1 During evidence the Committee pointed out that there were complaints that the loans sanctioned to Scheduled Castes and Scheduled Tribes did not reach them. The representative of Ministry of Agriculture replied that they had issued general direction that loans should reach the person to whom it had been sanctioned. Certain States deposited the amount in the account of the loanee instead of making cash payment.

7.2 It was also added that a direction was issued to the effect that it should be examined and a survey be conducted at the society level and wherever such cases came to light, their credit should be written off.

7.3 The Committee also pointed out during evidence that funds received from the Central Cooperative Bank were not properly financed as these autonomous bodies appointed such person who did not work properly and they were not transferred also. The executive officer started his service there and also retired from that very place. They indulged in undesirable activities and paid little attention towards Scheduled Castes and Scheduled Tribes. The Committee enquired whether it was not possible to appoint any officer of the Government in order to do away with such irregularities.

7.4 The representative of the Ministry of Agriculture replied that one government official should be included in the Board of Management at the bank level who should see that the benefits meant for the weaker sections were being actually availed of by them. It was felt that there should be a cadre at the state cooperative Bank level. They would also try that on the lines of secretaries at the primary level, there should be a cadre at the district level also.

7.5 The Committee note that there are complaints that loans sanctioned to Scheduled Castes/Tribes do not reach them. They, therefore, recommend that the loan amount should be deposited in the Bank account of the loanee instead of making cash payment to the loanee. They also recommend that a survey should be conducted at the Society Level in each State and wherever such cases come to light and there is sufficient evidence that the money was not paid to the person concerned, such loans should be written off and disciplinary action should be taken against persons responsible for the fraud and falsification of accounts.

The Committee further recommend that in such cases a fresh loan should be sanctioned to the person who had not received the original loan shown in his name.

7.6 The Committee have received complaints that the personnel employed in the cooperatives indulge in undesirable activities and pay little attention towards the welfare of Scheduled Castes and Scheduled Tribes as their job is non-transferable and they consider themselves immune from any action. The Committee recommend the creation of a cadre at the District Level for the personnel employed in Cooperative Societies in the District.

7.7 The Committee also recommend that one government officer should be included in the Board of Management at the State Cooperative Bank level to ensure that the benefits meant for weaker sections are actually availed of by them.

NEW DELHI;
April 6, 1984
Chaitra 17, 1906 (S)

A. C. DAS
Chairman
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes

APPENDIX

(Vide para 4 of Introduction)

Summary of Conclusions/Recommendations Contained in the Report

Sl. No.	Reference to Para No. in the Report	Summary of Conclusions/Recommendations
1	2	3
1	1.11	<p>The Committee note that "Cooperative Societies" is a State subject and the State Government have exclusive legislative and exclusive jurisdiction over cooperative societies. Each State has its own Cooperative Societies Act and administrative set up for administering the Act under the Registrar of Cooperative Societies. The policy and programme guidelines etc. regarding cooperatives are drawn up by the State Government for implementation by the cooperative societies. The Committee also note that there is no Department of Cooperation at the Centre now. There is a Department of Agriculture and Cooperation. The legislative and executive responsibilities in respect of Multi-Unit Cooperative Societies vest in it. Besides, Cooperation in Agriculture sector, agricultural credit and indebtedness and general policy in the field of Cooperation and coordination of cooperative activities in all sectors are the two main functions of the Department of Agriculture and Cooperation. This is the nodal department for the cooperative movement in the country and functions as a catalyst and provides policy guidelines to the State Governments and coordinates with the financial institutions and other public sector organisations.</p> <p>As the members of Scheduled Castes and Scheduled Tribes do not automatically secure the full benefits from the cooperative movement, the Committee feel that there should be a special orientation of the movement in their favour in all the States. As it is the primary responsibility of the Central Government to safeguard the interests of Scheduled Castes and Scheduled Tribes, the Committee recommend that in every State a high level Committee under the Chairmanship of the Chief Minister should be constituted which should watch the implementation of cooperative programmes in all the fields.</p>
2	1.12	<p>The Committee need hardly stress that the economic development of Scheduled Castes and Scheduled Tribes is a common objective of all the State Governments as well as of the Central Government. With this end in view, the Scheduled Caste/Scheduled Tribe MLAs and MPs in each State should be associated with the high level Committee in the State. This high level Committee should ensure that</p>

- | 1 | 2 | 3 |
|---|------|--|
| | | the cooperative policy at the State level is enunciated in such a manner that the benefits of cooperation also reach these backward communities. |
| 3 | 1.13 | Department of Agriculture and Cooperation which is the nodal Department at the centre should keep close liaison with the high level Committee in each State with a view to watch the progress of cooperative movement in the country. Problems which may affect more than one State in the field of cooperation can be sorted out by this nodal department at the centre by mutual discussion with the concerned State. |
| 4 | 2.10 | The Committee note that the Reserve Bank of India has been publishing statistics about the Cooperative Movement in India. Information about the membership of Scheduled Castes and Scheduled Tribes has been collected and published by the Reserve Bank since 1973-74 in respect of Primary Agricultural Credit Societies. In respect of other cooperatives the figures relating to Scheduled Castes and Scheduled Tribes are available only from 1976-77 to 1978-79. Figures for Primary Agricultural Societies including LAMPS are available upto 1981-82. This work of publishing statistics about cooperative movement has now been taken over by National Bank for Agriculture and Rural Development (NABARD).

The Committee are concerned to note that no uniform procedure has been followed in the compilation of the statistics relating to cooperative movement in the country. The Committee need hardly stress that maintenance of such figures alone can reveal the success of the cooperative movement from year to year. The Committee, therefore, suggest that Department of Agriculture and Cooperation should issue suitable guidelines to the State Government and Union Territory Administrations for furnishing data relating to cooperative societies in a prescribed proforma. The prescribed proforma should be comprehensive so that the various details relating to the functioning of the cooperatives can be obtained from the State Governments. The Committee feel that in the absence of maintenance of such statistics, the Central Government cannot make a claim that greater attention is being focused on the Scheduled Castes/Scheduled Tribes and other weaker sections. |
| 5 | 2.11 | The Committee find that whatever data is available has not been analysed with a view to identify the areas where cooperative movement has not picked up to the desired extent. The Committee, therefore, recommend that there should be a monitoring cell in the Department of Agriculture and Cooperation which should make an in-depth study of the data furnished by the State Governments relating to the functioning of cooperatives. |

1	2	3
---	---	---

6 2.12 As welfare of Scheduled Castes and Scheduled Tribes is the main responsibility of the Central Government, Department of Agriculture and Cooperation should issue suitable guidelines to the States/Union Territory Administrations with a view to achieve greater participation of Scheduled Castes and Scheduled Tribes in the Cooperative movement of the country. The Committee feel that the Central Government must ensure that all the State Governments and Union Territory Administrations make concerted efforts to bring Scheduled Castes and Scheduled Tribes within the cooperative fold, in much larger numbers.

7 2.13 The Committee are distressed to note that that percentage of Scheduled Castes and Scheduled Tribes in the total membership of primary agricultural credit societies is not equal to their percentage in the total population of the country. The Committee would like to point out that the objective of the cooperative movement is to safeguard the weaker sections from the usurious rate of interests charged by the money-lenders and the agriculturists belonging to Scheduled Castes and Scheduled Tribes constitute a vulnerable target for them. The Committee are of the view that the State Government/Union Territory Administrations should be motivated to take necessary steps to increase the memberships of Scheduled Castes/Scheduled Tribes and other weaker sections in Primary Agricultural Credit Societies. In order to achieve results each State Government should fix targets and try to achieve them as per schedule. The progress made in this regard should be reviewed by the respective State Government once in each year.

In the Committee's opinion this is the only method by which increase in the intake of Scheduled Castes/Scheduled Tribes in Primary Agricultural Societies can be properly assessed. The statistics received from the State Governments should clearly reflect the increase in the membership of Scheduled Castes and Scheduled Tribes in cooperative societies so that the monitoring cell of the Department of Agriculture and Cooperation can make a correct appraisal about the participation of Scheduled Castes and Scheduled Tribes in the Cooperative Movement.

8 2.14 The Committee regret to point out that there are very few Primary Cooperative Societies organised exclusively for Scheduled Castes in the States. The fact that few such societies exist indicates that no serious efforts have been made by the State Governments to bring Scheduled Castes within the cooperative fold in larger numbers. In certain States like Punjab and Haryana there are no Scheduled Tribes and as such the need for setting up cooperatives exclusively for the benefit of Scheduled Castes is all the more essential. The Committee therefore recommend that State

1 2

3

Governments should identify the areas of Scheduled Caste concentration in their respective States and prepare programmes for setting up cooperative societies of Scheduled Castes in various fields.

9 2.15 The Committee regret to note that there is no scheme under which assistance is provided by the Central Government in the Ministry of Agriculture for enrolment of Scheduled Castes and Scheduled Tribes as members of cooperative societies in the States. The Committee recommend that the Ministry of Agriculture should introduce a scheme of providing central assistance to the States for enrolling Scheduled Castes and Scheduled Tribes as members of the cooperatives. The Committee hope that this will act as a sure incentive to the States to proceed in the desired direction.

10 2.23 The Committee are glad to note that the State Cooperative laws of Andhra Pradesh, Bihar, Haryana, Karnataka, Punjab, Rajasthan, U.P. and West Bengal have been amended to provide for automatic membership in primary Agricultural Societies to all persons, who are duly qualified for admission as a member from the date of their making an application for admission. The Committee recommend that Department of Agriculture and Cooperation should persuade the remaining State Governments to fall in line and amend their respective Cooperative Acts to incorporate a similar provision in them.

11 2.24 The Committee note that presently 40% of the agricultural credit disbursed through cooperatives goes to the weaker sections in the country. Government have stated that by the end of Sixth Five Year Plan 50% of the agriculture cooperative credit is expected to go to the weaker sections. The Committee recommended that, keeping in view the economic backwardness of Scheduled Castes and Scheduled Tribes, specific shares of these communities in the total agricultural cooperative credit should be earmarked. The Committee feel that the share of Scheduled Castes and Scheduled Tribes, in any case, should not be less than their percentage in the total population of the concerned State.

12 2.25 The Committee note that the States of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh and Karnataka have introduced on a voluntary basis, schemes for differential rate of interest to small farmers/weaker sections under which such borrowers are provided loans at 2% to 4% lower than the normal rate of interest. The Committee appreciate the differential rate of interest scheme and strongly recommend that other States should also consider the adoption of a similar scheme in the matter of grant of cooperative credit to Scheduled Castes and Scheduled Tribes. They further desire that NABARD should consider this scheme in depth and

- | 1 | 2 | 3 |
|----|------|--|
| | | commend it to the States for further reduction in the rate of interest on loans taken by Scheduled Castes and Scheduled Tribes. |
| | | The Committee hope that while implementing this scheme, there is some fixed income criteria for judging if a person is or is not eligible to get loan at the concessional rate of interest. |
| 13 | 2.26 | <p>The Committee note that various State Governments give a number of concessions to Scheduled Castes and Scheduled Tribes in the matter of grant of cooperative credit. They consider the following facilities provided by Karnataka worth emulating by other States :</p> <ul style="list-style-type: none"> (a) Grant-in-aid to enrol Scheduled Castes and Scheduled Tribes as members (b) loan towards additional share capital contribution (c) interest subsidy on Short Term loans advanced to Scheduled Castes (d) Subsidy on loan advanced by Urban Cooperative Banks and (e) Additional subsidy on medium term and long term loans sanctioned under IRDP to Scheduled Castes. <p>They, therefore, recommend that other State Governments should also fall in line and provide the above facilities to Schedule Caste/Tribe members of the cooperatives.</p> |
| 14 | 2.40 | <p>The Committee note that only 14 States and one Union Territory have amended their cooperative legislation in pursuance of the recommendations of the Conference of Chief Ministers held in 1968 to provide for reservation of seats for Scheduled Castes and Scheduled Tribes in the Board of Management of the cooperative societies. The Committee recommend that other State Governments should also amend their respective legislation accordingly in order to safeguard the interests of Scheduled Castes and Scheduled Tribes, especially in the States of Meghalaya, Nagaland, Manipur and Tripura which are predominantly inhabited by Scheduled Tribes.</p> <p>The Committee recommend that in the National level Cooperative Federations, there should be reservations for Scheduled Castes and Scheduled Tribes in their Board of Management.</p> |
| 15 | 2.41 | <p>The Committee are surprised to note that a large number of cooperative societies continued to be under supersession without elected management being restored for long. They therefore, recommend that all the State Governments</p> |

- | 1 | 2 | 3 |
|----|------|---|
| | | should be advised to take expeditious action in the matter of restoring elected management of societies as the prolonged suspension of democratic processes would adversely affect the interests of Scheduled Castes, Scheduled Tribes and other weaker sections. |
| 16 | 2.42 | The Committee feel that there should be a provision in the cooperative legislation fixing a time-limit for supersession of cooperative society and it should be mandatory to restore the elected management on the expiry of the period prescribed. |
| 17 | 3.11 | The Committee are concerned to note that the Ministry of Agriculture (Department of Agriculture and Cooperation) do not have information about the number of Scheduled Castes and Scheduled Tribes members of Cooperative societies who have been imparted cooperative education in various States/Union Territories. They would like to stress that unless such statistical data relating to the members of weaker sections are properly maintained, there could be no effective planning for their education. The Committee recommend that statistical data about the number of Scheduled Caste and Scheduled Tribe members of Cooperative Societies who have been imparted Cooperative education in each State should be maintained separately in order to facilitate effective planning for their education and to evaluate the impact of Cooperative education on the functioning of the societies. The Committee need hardly stress that the success of a Cooperative depends upon the capacity of its members and office-bearers to understand the basic principles of Cooperation and put them into practice effectively. It is through Cooperative education alone that the members of the weaker sections can be made to appreciate fully their rights and to obtain benefits from Cooperatives to which they are entitled. |
| 18 | 3.12 | The Committee note that even in the few States for which data relating to training imparted under cooperative education programme is available, the percentage of Scheduled Caste and Scheduled Tribe members trained in relation to the total number of members trained is not impressive. The representative of Department of Agriculture and Cooperation had admitted during evidence that training to Scheduled Castes and Scheduled Tribes must receive greater attention at least in proportion to their membership, if not higher. The Committee trust Government will adopt a methodology in Cooperative education whereby Scheduled Caste/Scheduled Tribe members would receive greater attention particularly in States/Union Territories where they are in great majority. |
| 19 | 3.13 | The Committee note that the study made by Evaluation Team has revealed that in the societies where cooperative education programme has been completed, the membership |

1 2

3

and the share capital have definitely increased at a much faster rate than in the societies which are not covered by it. The Committee, therefore, recommend that the cooperative education programme should be intensified in all States/ Union Territories with special focus on the Scheduled Castes and Scheduled Tribes. The Committee suggest that the number of Instructors should be increased and while appointing them the factors like geographical area to be covered and difficult means of communications in tribal areas should receive due consideration. In order to have sufficient appreciation of the tribal economy and its problems, the Committee recommend that special effort should be made by the State Cooperative Unions to recruit persons belonging to Scheduled Tribes as instructors in tribal areas.

20 3.23 The Committee note that the percentage of Scheduled Caste/Tribe cooperative personnel trained at various levels in relation to the total number of personnel trained in some of the States for which details are available, is not at all satisfactory. They desire that larger number of Scheduled Caste/Tribe cooperative personnel should be trained at all levels, as they are in a better position to appreciate the problems of the weaker sections and help in the better management of Cooperatives particularly of Scheduled Castes and Scheduled Tribes.

21 4.24 The Committee note that National Cooperative Development Corporation (NCDC) was set up in March, 1963 and it is essentially a promotional and developmental organisation at the national level. It serves as the focal point for planning, initiating, developing and financing of a nation-wide cooperative programme for processing, marketing storage and distribution of agricultural inputs etc.

The Committee further note that "Cooperative Societies" is a State subject and NCDC has no supervisory or controlling power over the cooperatives in the States. It assists Co-operative Societies only through the State Governments.

The Committee find that the activities of NCDC have undergone significant diversification particularly since the beginning of the Fifth Five Year Plan and it is now aiding other programmes relating to Fishery, Poultry, Dairy, Tribals, Scheduled Castes, Handloom weavers etc. It is also financing cooperative consumer activities in the rural areas.

The Committee regret to point out that the total assistance provided by NCDC to Cooperatively under-developed States upto 31-3-1983 was Rs. 136.40 crores which is 23.2% of the total assistance provided by NCDC. Over 48% of this

1

2

3

amount was provided by NCDC during the first 3 years of the Sixth Plan. The Committee feel that earlier NCDC was not seized of the problem of cooperatively underdeveloped States and it had not paid much attention to this aspect during the previous Plans even though it was set up in 1963 primarily for giving a fillip to the cooperative movement in the country. The Committee recommend that NCDC should pay greater attention to the undeveloped States and lay down specific guidelines for strengthening the cooperative infrastructure in those States.

The Committee note that no scheme of the Central Government is individual-oriented and NCDC also does not provide direct assistance to the Cooperative Societies. But nothing prevents NCDC to diagnose the inherent weakness in the cooperative structure in underdeveloped States and to suggest remedial measures to strengthen the cooperative base.

22 4.25

The Committee find that NCDC had introduced a scheme in 1976 to help Scheduled Caste Cooperatives having more than 50 per cent members from that community. Under the scheme, 80 per cent of the cost was to be met by NCDC and the remaining 20% of the cost had to be met by the State Government/Cooperative Society concerned. In 1980 NCDC liberalised its pattern of assistance for Scheduled Caste Cooperatives and 100% assistance is now available to them. Even though NCDC has earmarked an outlay of Rs. 815 lakhs during the Sixth Plan for assisting the Scheduled Caste Cooperatives, there is poor response from the State Governments and suitable proposals are not forthcoming.

The Committee are not convinced that the major factor responsible for the poor response from the States is that the State Governments cannot identify Scheduled Caste cooperative having more than 50% Scheduled Castes as they are not concentrated in a compact area like the tribals. The Committee feel that the main reason is that some of the activities which the Scheduled Castes undertake like tanning, shoe-making etc. do not come under the purview of NCDC and as such State Governments are helpless in sending proposals on the basis of vocation of the Scheduled Castes population in their States.

As such, the Committee recommend that NCDC ACT should be suitably amended so that all Scheduled Castes including those engaged in shoe-making and tanning etc. can be brought within the cooperative fold and made eligible to the benefits under the scheme.

23 4.26

The Committee also urge the State Governments to encourage the setting up of Scheduled Caste Cooperatives in

1	2	3
		their States as Scheduled Castes constitute the poorest section of the society.
24	4.27	The Committee also recommend that as a fair proportion of Scheduled Castes are engaged in agriculture, it should be possible to set up Scheduled Caste Cooperatives for running Agro-service Centres and the State Governments should take full advantage of NCDC assistance in this regard.
25	5.12	<p>The Committee note that large sized multipurpose societies called LAMPS have been organised in areas where there is concentration of tribal population. At the end of 1978-79 there were 2098 LAMPS in the country. The membership of LAMPS consists of tribals Scheduled Castes and other also. But in order to safeguard the interests of tribals, there is a stipulation that two-thirds of the members in the Board of management shall be tribals only.</p> <p>LAPMS undertake the distribution of consumer articles, they collect the minor forest produce from the tribals and ensure remunerative price for it and also disburse loans to its members. On a rough estimate, 47 to 48% of the loans given by LAMPS go to the tribal people.</p> <p>The Committee feel concerned that the study made by the Reserve Bank of India in 1981 has revealed that most of the LAMPS are not viable and they do not have the minimum business of Rupees five lakhs. Most of them are burdened with the problem of heavy overdues. The Committee recommend that all the State Governments should be advised to make a critical appraisal about the functioning of LAMPS in their respective states and take effective steps to make them viable institutions. The state level tribal development cooperative corporations should have a firm linkup with the LAMPS and they should exercise complete control over their functioning.</p>
26	5.13	The Committee recommend that a survey should be made about the market potential of each minor forest produce available in the forests in different States. The possibility of exporting certain items like tamarind might be explored.
27	5.14	The Committee recommend that the Tribal Development Corporations should be given maximum facilities for their efficient functioning. The State Governments should lease out forest areas to Tribal Development Corporation on a long term basis to facilitate the marketing of minor forest produce to the exclusion of private traders. They desire that the Tribal Development Cooperative Corporations should also equip themselves with modern processing facilities and strengthen their marketing arrangements so that there is no problem to sell the minor forest produce collected by LAMPS.

- | 1 | 2 | 3 |
|----|------|---|
| 28 | 5.15 | The Committee need hardly stress that the top level posts in Tribal Development Cooperative Corporations should be filled by dedicated and efficient administrators who have the vision and capacity to turn them into viable institutions. |
| 29 | 5.16 | The Committee feel that LAMPS can be viable institutions only when the loans disbursed by them are returned by the beneficiaries in time. The Committee recommend that the State Governments should review the position regarding recovery of loans in each LAMPS and Tribal Development Corporations should be charged with the responsibility of keeping close watch on the recovery position of loans in each LAMP. |
| 30 | 6.35 | The Committee note that National Advisory Board on Labour Cooperatives have advised the State Governments to take specific measures for strengthening and expansion of Labour Cooperatives. The Committee are pained to observe that inspite of such advice to States, many of the States like Assam, Himachal Pradesh, Manipur and Nagaland and Union Territories like Arunachal Pradesh, Pondicherry, Goa, Daman and Diu etc. have not even bothered to ear-mark funds for assisting the Labour Cooperatives during the current plan.

As Labour Cooperatives can play a vital role for providing employment to the unemployed and under-employed people, the Committee urge that all the State Governments and Union Territory Administrations should ear-mark sufficient funds for assisting the Labour Cooperatives. It is needless to point out that a large percentage of the labour force consists of Scheduled Castes and Labour Cooperatives can play a pivotal role in providing work to them on a regular basis. The Committee, therefore, recommend that the Central and State Governments should accord the highest priority to organise Labour Cooperatives on a large scale in all parts of the country. The Committee suggest that there should be a constant review of the progress made in the establishment of Labour Cooperatives in all the States. |
| 31 | 6.36 | The Committee further recommend that the proposal to set up a high-powerful Labour Cooperative Advisory Committee at the National level should be given a concrete shape immediately. |
| 32 | 6.37 | The Committee are concerned to note that the Labour Cooperatives are not getting awards from the work awarding agencies, despite the advice from the Ministry of Agriculture (Department of Agriculture and Cooperation) that unskilled works upto a specified limit should be given to Labour Cooperatives without tender and security deposit/earnest money should also not be insisted upon. The Committee recommend that all State Governments should adopt |

- | 1 | 2 | 3 |
|----|------|---|
| | | a policy to ward contracts of all unskilled works upto a specified amount to labour cooperatives only. |
| 33 | 6.38 | The Rural landless Employment Guarantee Programme (RLEGP) aims at providing job opportunities to at least one member of each landless family in rural India. The Scheme is funded 100% by the Central Government. This Scheme envisages the creation of 300 million mandays of work during 1984-85 in addition to the creation of 300-400 million mandays of work annually under National Rural Employment Programme. The Committee recommend that both these schemes should have proper linkages with the labour Cooperatives in areas having large concentration of unemployed landless labour so that unemployed labour can get proper job opportunities. The Committee suggest that wages should be paid to the labour through the Cooperatives of which they are the members. |
| 34 | 6.39 | The Committee feel that small Labour Cooperatives are likely to face difficulty in handling bigger contracts. The Committee recommend that there should be State Level Labour Cooperative Federations for coordinating the activities of such district level cooperative federations. |
| 35 | 6.40 | The Committee are surprised to note that Labour Cooperatives do not fall within the scope of the charter of National Cooperative Development Corporation and as such they cannot extend financial assistance to the Labour Cooperatives. It is needless to point out that the scope of functioning of National Cooperative Development Corporation should be widened so that it can provide necessary assistance to Labour Cooperatives which provide immense helps to the down-trodden sections of the society, who are otherwise exploited by private contractors. The Committee, therefore, recommend that immediate steps should be taken to amend the Charter of National Cooperative Development Corporation so that this national level Corporation can provide maximum assistance to Labour Cooperatives through the State Level Federations. |
| 36 | 6.41 | The Committee note that Dairy and Fishery Cooperatives which have more than 50% of Scheduled Caste/Scheduled Tribe members are entitled to get additional incentives under the scheme prepared by National Cooperative Development Corporation in this regard. The Committee recommend that as fishermen are generally from Scheduled Caste community, the State Government's should encourage the setting up of more fishery cooperatives with a view to organise the fishing trade on a sound footing and to eliminate the middlemen, who try to exploit the fishermen. |
| | | The Committee suggest that there should be proper marketing arrangements so that the fishermen get remunera- |

- | 1 | 2 | 3 |
|----|------|---|
| | | tive price for the fish and thereby they are saved from exploitation by middle-men. The Committee also recommend that the fishermen should be provided with subsidy for the purchase of fishing nets, boats etc. |
| 37 | 6.42 | The Committee find that in certain States like Karnataka and Kerala fishermen are not classified as Scheduled Castes and as such these Cooperatives would not be entitled to the additional benefits under the Special Scheme of National Cooperative Development Corporation. The Committee recommend that the concerned States should provide the necessary facilities to such cooperatives from their own Plan Schemes so that fishing trades does not suffer any set back in their respective States. |
| 38 | 6.43 | The Committee regret to point out that in 1981 there were hardly 1,291 Poultry Cooperatives in the entire country. As Poultry can play a useful role in providing supplementary means of income to the weaker sections, the Committee recommend that all State Governments should accord highest priority to the setting up of Poultry Farms and Poultry Cooperatives in each District. At the State Level, a Federation should be set up to coordinate the activities of various Poultry Cooperatives and to ensure proper marketing arrangements. |
| 39 | 6.44 | The Committee also recommend that all the State Governments should start organising Scheduled Caste/Scheduled Tribe Poultry Cooperatives immediately emulating the examples of Himachal Pradesh and Kerala. In order to make them viable and profitable, the Committee recommend that these cooperatives should be run on the same lines on which Dairy Cooperatives are run. |
| 40 | 6.45 | During visits to several states the Study Groups of the Committee have noted that a large number of Poultry Cooperatives are on the verge of closure because the birds have perished on account of some disease. In such cases, the Committee recommend that poultry cooperatives should be helped by providing more funds so that they do not close down. In deserving cases, the question of write-off of the loan given to such cooperatives should be considered. |
| 41 | 6.46 | The Committee are concerned to note that there is no specific scheme to provide assistance to Scheduled Castes Handloom Cooperatives on a priority basis. The Committee were informed during evidence by the representative of Handloom Development Commissioner that there is one such programme included in the Seventh Five Year Plan and the matter is under the consideration of the Planning Commission. The Committee feel surprised why such a scheme to assist the Scheduled Caste Handloom Cooperatives was |

1

2

3

not contemplated during the Sixth Plan Period. The Committee recommend that Scheduled Caste/Tribe Handloom Cooperatives should be given assistance on priority basis and the quantum of assistance should be more liberal than it is for others. The Committee desire that Government should also examine as to why there has been no proper response from the States for the Scheme of NCDC for Weaver Cooperatives having more than 50% Scheduled Caste members.

42 6.47 The Committee note that the Government of Tamil Nadu have a scheme under which each weaver contributed 6 paise out of each rupee he earned and the State Government contributed 3 paise to constitute a welfare fund for the individual weaver so that by the time he retired he would have earned Rs. 15,000/-. They recommend that other States should follow suit in this regard.

43 7.5 The Committee note that there are complaints that loans sanctioned to Scheduled Castes/Tribes do not reach them. They, therefore, recommend that the loan amount should be deposited in the Bank account of the loanee instead of making cash payment to the loanee. They also recommend that a survey should be conducted at the Society Level in each State and wherever such cases come to light and there is sufficient evidence that the money was not paid to the person concerned, such loans should be written off and disciplinary action should be taken against persons responsible for the fraud and falsification of accounts.

The Committee further recommend that in such cases a fresh loan should be sanctioned to the person who had not received the original loan shown in his name.

44 7.6 The Committee have received complaints that the personnel employed in the cooperatives indulge in undesirable activities and pay little attention towards the welfare of Scheduled Castes and Scheduled Tribes as their job is non-transferable and they consider themselves immune from any action. The Committee recommend the creation of a cadre at the District Level for the personnel employed in Cooperative Societies in the District.

45 7.7 The Committee also recommend that one government officer should be included in the Board of Management at the State Cooperative Bank level to ensure that the benefits meant for weaker sections are actually availed of by them.