

ASSESSING ROLE AND FINANCIAL INVOLVEMENT OF URBAN AND RURAL CO- OPERATIVE CREDIT IN SUSTAINABLE DEVELOPMENT OF INDIA

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INTRODUCTION

The Cooperative Movement in India has contributed to the rural development of the country. Though the movement has developed in different States of the country not in the uniform manner, some of the States like Maharashtra, Gujrat, Karnataka and Andhra Pradesh have shown tremendous growth of the Cooperative movement in these States. The cooperatives were considered as the balancing force between the private sector and the public sector. The advantages of the private sector and the public sector could be very well achieved through the cooperative sector and the disadvantages associated with the private sector and the public sector could be eliminated in the cooperative sector.

The societies, which were promoted by the leadership having vision and who managed these cooperatives well, have become successful; whereas the cooperative societies, which suffered from the lack of dynamic leadership, were mismanaged and these cooperative societies became failure. Maharashtra State is one of those States in our country, which can boast of claiming that the cooperatives in the State are managed by the elected representatives by the members and the elections do take place regularly except in few cases where there are problems of mismanagement. Out of the total number of 1.75 lakhs cooperative societies in Maharashtra there are hardly few hundred cooperative societies, where the administrators are functioning. This shows the Cooperative Movement in Maharashtra is functioning purely on democratic principles.

PROGRESS OF COOPERATIVE

The cooperatives have made tremendous progress in Maharashtra.

Some of the sectors in cooperatives have been highly successful, whereas some of the sectors could not make any success. The examples of successful societies are found in large number in the areas of Cooperative Sugar Factories, Dairy Cooperatives, Urban Banking, whereas almost 50 per cent of the Primary Agricultural Credit Coop. Societies and 50 per cent of the District Central Cooperative Banks are in a very bad financial position. The Agro Processing Cooperatives also could not make any progress, though there is a tremendous potential for these cooperatives, considering the huge production of the fruits and vegetables as well as other agricultural produce in Maharashtra.

The Government of Maharashtra has recently passed various amendments in the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, on the lines of Model Act prepared by the Govt. of India and has introduced the provisions for establishment of Private Markets, Farmer Consumers Markets, Direct Marketing, Single License for the Traders and the Contract Farming. These amendments will have very good effect on the growth of agro- processing sector, exports of fruits and vegetables and value added produce from agriculture and the development of retail chain management, as these sectors will be able to source the requirement of their produce directly from the farmers. This will also have good impact on large private investment coming in to agricultural sector, development of infrastructure like pre-cooling units, cold storages, cold chain for transportation of perishable produce, putting up of the processing industries etc.

The employment generation in agriculture and allied sectors will also be improved. It is envisaged that because of these changes the overall economy will grow and the farmers will get better returns for their produce. This will also have the positive effect on quality and productivity improvement in agriculture. Besides 20,000 Primary Agricultural Credit Coop. Societies, 34 District Central Cooperative Banks and the Maharashtra State Cooperative Bank, there are about 25,000 Urban Cooperative Credit Societies in Maharashtra. While the Primary Agricultural Credit Cooperative Societies give loans to the farmers for agriculture and for crop production, the urban credit societies cater to the needs of the urban population, particularly to meet their requirements of credit for consumer articles.

FINANCIAL INCLUSIONS

The cooperative credit sector is operating in both Urban and Rural areas. The Urban credit societies cater to the needs, primarily, of the urban population. It also caters to the household needs of the rural population.

Recently the urban cooperative credit societies in rural areas have started financing the agricultural needs of farmers. This effort was initiated and promoted by the Government by issuing the Govt. Resolution. The presence of credit societies in the vicinity provides confidence of easy availability of funds, to both urban and rural masses.

The credit societies are now intending to diversify by extending their services such as cash transfers and other permitted banking operations. The credit societies' Federation is trying to play a prominent role to have joint venture operations along with the similar international organizations. The State Federation of Urban Credit Societies in Maharashtra has decided to extend the insurance to the Depositors of Urban Credit Societies, by forming their own Deposit Insurance Scheme. This is a unique revolutionary decision and it will go a long way in building confidence of the depositors in these societies.

The huge membership base available for both the urban cooperative banks and cooperative credit societies must be utilized for the ultimate upliftment of both the members and the organizations. This base can be utilized as channels - both forward and backward -in respect of different managerial aspects such as marketing, distribution, services etc. For achieving this, both these organizations should have integrated approach in functioning and their policy framing like Rates of Interest on deposits, Rates of Interest on loans etc. It is necessary that borrowers get loans at reasonable rate of interest so that any business becomes viable and borrower is able to repay loans. The financial involvement of both the urban and rural masses in the cooperative credit societies by way of deposits always demanded its safety. The consolidated effort to qualitatively strengthen the organization and increase its scope is the need of the time.

CONCLUSIONS

Cooperative societies have been managed efficiently and have been able to serve their members and public in a most desirable manner. The urban co- operative credit societies in the State and in the country must remember that they have to face competition with big Multi-National Banks and the Commercial Banks. These societies should therefore, be vigilant in advancing loans and in no case loans, which cannot be recovered should ever be sanctioned. These societies must adopt the modern management practices including computerization in their working, professional training to their employees and to their members of the Board and should keep their level of functioning very competitive. This only can bring success to these societies.

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