

Rural Co-operative Societies.

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THE Indian ryot is generally indebted. For this and other reasons he is unable to avail himself of the benefits of his labour to the fullest extent. He needs in the first instance to be relieved of the heavy rate of interest he is paying on his debt. He needs facilities for purchase, at reasonable price, and in proper time, of seed grain, manure, and agricultural implements. He needs advice preferably by actual demonstration, as to the use of better seed grain, suitable and effective manures, and improved implements, in fact, as to better farming in general. The holding of an average Indian ryot being small, he needs to recognize the necessity for intensive cultivation. He requires facilities for disposal of his surplus produce to the best advantage. For securing these objects he needs to be provided with credit accommodation, expert agricultural advice, ready means for supply of agricultural requisites and in proper time, and facilities for disposal of his surplus produce to his utmost benefit. In these ways his earnings from his holding may be increased. This by itself, however, will not serve much useful purpose, unless he is enabled to purchase his several domestic requirements, such as articles of food and other necessaries of life not grown by him on his farm, articles of clothing, etc. in proper market and at reasonable rates. Something more remains to be done and this by no means is less important. For some months in the year, the ryot and the working members of his family are obliged to remain idle without any remunerative employment. Suitable home industries require to be introduced, such as spinning yarn, weaving cloth, making mats, etc. In fact every measure of improvement and reform should be introduced which will at once have the effect of augmenting income and reducing expenditure by elimination of middlemen in purchase and sale. As regards reduction of expenditure, much can be achieved by the ryot himself by practising economy in expenditure on marriages and ceremonies. His ways of living are no doubt simple but the same thing cannot be said as regards his scale of expenditure on ceremonial occasions. Though individually reluctant to spend much, he is often obliged to do so under pressure of local public opinion. Alongside individual instruction in this respect, a healthy public opinion requires to be fostered which will enable individuals to feel that they are at liberty to regulate expenditure with reference to their income, notwithstanding long established custom and usage to the contrary.

All these mean an amount of intelligent initial survey, careful organization, and incessant propaganda. A credit society started in a village, in the way that such societies are generally started, hardly serves much useful purpose. It results, as it has actually done in several districts, in engagements remaining unfulfilled for long after the due date, as evidenced by the ever increasing overdues. Not only this. Thanks to those in charge of financing banks, the deposits from the public are ever increasing, so much so that owing to want of capacity to assimilate, to the required extent, on behalf of rural credit societies, surpluses are increasing in financing banks for which immediate outlet is not forthcoming. The anomaly of overdues which it is found difficult to recover on one side, and surpluses which it is found necessary to invest elsewhere even at unremunerative rates on the other, is by no means pleasant; but it is a lesson, a stern lesson which credit Co-operation in Madras has to teach Co-operators elsewhere. Too much emphasis cannot be laid on the necessity for a proper survey and co-ordinated organization before starting credit societies, and incessant propaganda, both before and after that event, till the ideals sought are well nigh in view.

The credit society is generally the first in the field of co-operative activity. It serves a comparatively small area, the residents of which know each other so as to be able to bear unlimited liability. The credit society can at best supply credit accommodation. Another organization, however, is needed for supply of agricultural and domestic requirements and for sale of surplus stock of produce. For these unlike credit societies, societies with much wider local jurisdiction are wanted. Business in those lines requires efficient expert management. Such management means a certain minimum cost, which, however, can be incurred only when the business to be transacted reaches a certain magnitude. Months of careful survey may be required to find out whether a given area satisfies these conditions but the survey itself cannot be dispensed with. Unless credit and non-credit activities are thus organised more or less simultaneously, there is not much hope of useful results ensuing from mere credit societies.

As regards rural credit societies, one thing in particular has to be remembered by the organiser as well as the prospective members. A rural credit society can only be helpful to the ryo: who has the means to earn, and the willingness to work and earn, and the readiness, whatever his past, to conform to Co-operative principles at least in future. There is no use in admitting as members those not answering to this description or those who being immersed in debt are past redemption. In the early stages of the society and of the movement in the area, when the available financial resources may not be unlimited, only those whose needs the society can adequately meet should be admitted, as otherwise, dissatisfaction will ensue and the society become unpopular. As the working of the society (within the initial limited sphere) improves, as the Panchayat gains experience, as the management of the society commands confidence with the financing bank and other creditors, and popularity in the village, and as the available financial resources multiply, it will be time for the society to bring within its sphere all the residents of the locality and satisfy their needs in various directions. The accomplishment of this purpose is no easy task. It involves hard sustained, disinterested work for a pretty long period.

A Co-operative credit society without genuine co-operative spirit pervading the members is no good. It will then only be another money-lending shop for the maintenance of which so much expenditure of public revenue and so much sacrifice of income to Government will not be justified. The Co-operative spirit does not end with members raising credit on their joint assets or helping each other by standing surety for one another. These activities are of one kind of the kind which at once gets members the loans they require. There, they have their privileges complied with. But later, comes their obligations to repay their loans. And it is here, that members fail in their duty both individually and collectively. The member defaults individually; and members collectively, in their corporate capacity as the society fail to keep their obligations. Co-operators must realize that, though a member here and a member there might default, all of them acting together in their corporate capacity as the society should make up their minds never to default. When once this business habit and punctuality are cultivated and maintained, improvement of the society in various other directions will follow as a matter of course.

The Co-operative organization as has been or is being built up in our country is a grand edifice, the proper upkeep of which costs money. For this purpose, either the movement should provide itself with the requisite funds or the State should grant subsidy. Institutions may not be organised until co operators are sure of finding funds from one source or another for running them efficiently. State help may not as far as possible be sought except for co operative education and propaganda, for which purposes, however co-operators have a claim upon the State for help.

Experience suggests that from early stages, the Co-operative institutions will be well advised, in depending upon themselves for getting on with their day-to-day work relying as little as possible on State help for their management, though no doubt the State will ever be ready to lend its helping hand by way of advice and guidance.

The spirit of self-help and self-reliance should be cultivated from the very beginning.

Co-operative societies, credit or non-credit, come into existence not for meeting the present requirements of a handful of persons who care to join them in the early stages, but to meet the requirements of the future as well. One of the fundamental principles is to build capital out of business, so that the credit society may enable the village community to emerge from a state of perpetual dependance on the village Sowker which has been the curse of the villager for generations; and also the non-credit society with a capital of its own may in fulness of time organize production and supply to the consumer at minimum cost.

These are high ideals, noble ideals, for the attainment of which in due course provision is doubtless made in the Act and rules and By-laws. These far-reaching aims are often ignored. These and other first principles mentioned above should be scrupulously observed. The importance of doing so, cannot be overrated. Departure therefrom will only be courting disaster. The ill-effects may not be perceptible in the early stages; but when, with the advance of time, they assume big proportions, it may become difficult to mend matters. To avoid such contingencies, there should be ceaseless propaganda on the importance of adhering to first principles and there should also be efficient and effective supervision.

Co-operative societies organized and worked on these lines will doubtless elevate the ryot socially, economically and materially. Moral principles will incidentally be practised, for without a spirit of morality adherence to principles will not be possible.—*Rural India*, Vol I. No. 5.