

CHAPTER NO. II N T R O D U C T I O N .1.1 I N T R O D U C T I O N :

Before independence Co-operative movement in India was one of the instruments of economic policies adopted by the British Government to solve the Rural economic problems, such as low productivity of agriculture, indebtedness and the poverty of the farming community. It initiated the process of monetisation of the rural economy through the establishment of primary agricultural co-operative credit societies, consumer's co-operative Societies and multi-purpose Co-operative organisations. Although the Co-operative movement was imposed upon the people by the Government, the movement created the sufficient infrastructure in the rural areas and it helped a lot in creating the well built three-tier co-operative Credit Structure in rural areas.

It is during the planned period that the Co-operative Credit movement becomes instrumental for mobilising the financial resources to increase the rate of agricultural development. The three-tier co-operative credit movement channelises the financial resources to the door-steps of the farmers. The primary agricultural credit societies which are also

known as multi-purpose co-operative societies (Vividh Karyakari Sahakari Society) is the village level Co-operative organisation at the bottom of the three tier Co-operative Credit structure.

In view of this strategic importance of primary agricultural credit society in the agricultural development of our economy, the economic viability becomes the pre-condition for successful agricultural Credit Policy. The economic viability of primary agricultural Credit Society depends upon its capital and credit structure, the turnover and utilisation of agricultural credit by the farmers.

It is unpleasant aspect of the co-operative movement in India. It was not established with its owned financial resources i.e. share capital of the members at large. The Government's role in contributing share capital is dominating and it restricts the autonomy of the co-operative societies. The major part of the agricultural credit is contributed by the agricultural credit department of Reserve Bank of India through the State Co-operative Banks and District Central Co-operative Banks.

Moreover, primary agricultural credit societies in India also functions as multi-purpose cooperative

organisations in the fields, such as, marketing of agricultural inputs viz. seeds, fertilizers, insecticides, pesticides etc. Distribution of consumption articles, procurement and marketing of milk, supply of agricultural implements, etc. So the economic viability of primary agricultural co-operative credit societies can be determined by the capital and credit structure, business turnover, assets position.

THE PRESENT RESEARCH WORK :

It is against this back ground that proposed research work tries to study the capital and credit structure of primary agricultural co-operative credit Societies in Miraj taluka of Sangli District, with a view to analysing the importance of financial structure of primary agricultural co-operative credit organisations in Maharashtra.

I.2. THE OBJECTIVES:

The specific objectives of the present study are as follows :

- 1) To take a general survey of the agricultural Co-operative Credit movement in Maharashtra with particular reference to primary Agricultural Co-operative Credit Societies.

- 2) To analyse the capital structure of primary agricultural co-operative credit societies and to study the different trends therein.
- 3) To study and analyse the allocation and use of capital resources of the selected primary agricultural Credit Societies.
- 4) To study the financial structure of some selected primary agricultural co-operative credit Societies in advanced as well as dry regions of Sangli District.

I.3. METHODOLOGY:

The Miraj Taluka of Sangli District has been selected as a study area of the present reasearch work. The Miraj Taluka is hypothetically grouped into two parts one - Western Part of irrigated belt, which mainly consists of Krishna, Warana and Yerale rivers and second Eastern part of dry area, which comes under dry belt of the below average rain fall. We have selected two primary agricultural Co-operative Credit Societies in irrigated belf and two societies in dry belt, with a view to studying the impact of irrigated and dry areas on the Capital and credit structure of primary agricultural credit Societies.

Names of the Selected Primary Agricultural
Credit Societies :

- 1) Kasabe Digraj Vividh Karyakari Sahakari
Society Ltd. &
- 2) Sangli Wadi Sarva Seva Sahakari Society Ltd.

These are well organised and highly developed Primary agricultural Credit Societies. On the other hand we have selected. 1) Belanki Vividha Karyakari Sahakari Society Ltd. AND 2) Salagare Vividh Karyakari Sahakari Society Ltd. In dry area of Eastern part of Miraj Taluka.

In order to study the progress, capital and Credit structure of primary agricultural Co-operative Credit Societies in Miraj Taluka and selected villages, we have taken the help of office records, which were made available by the Department of Co-operation and the offices of the primary agricultural Credit Societies in the respective villages.

The period of one decade of 1971-72 to 1980-81 was considered to study the trend of the Credit Co-operative Structure of the Societies under study.

I.4 : CHAPTER SCHEME :

In addition to this first introductory chapter, the present study consists of the following chapter.

- I. Introduction
- II. Maharashtra on the Fore-front of Co-operative Movement.
- III. Capital Structure of Primary Agricultural Co-operative Credit Societies in Miraj Taluka.
- IV. Credit Structure of Primary Agricultural Co-operative Credit Societies in Miraj Taluka.
- V. Some case studies in Irrigated and Dry area.
- VI. The Findings and conclusion.

00000000000000
0000000000
000000
00