

CHAPTER - IA HISTORICAL PERSPECTIVE OF CONSUMERS
CO-OPERATION IN INDIA

A) CONSUMER CO-OPERATIVE:I) ORIGIN AND MEANING OF CONSUMERS' CO-OPERATIVES:

Britain is the homeland of co-operative store movement. It was the outcome of radical changes that took place in the latter half of the 18th Century in the economic and social systems of Britain under the impact of industrial revolution. The development of consumers' co-operation as an economic system is well associated with the name of Rochdale Pioneers. The story goes back to 1844, when a batch of 28 weavers in Rochdale formed a society that shot into world fame as the Rochdale Society of "Equitable Pioneers". The movement gradually spread over other countries of the continent of Europe and played a significant role in holding the price line in food and consumer articles specially during the crucial post-second war era. The movement has achieved spectacular success in some of the western countries like Sweden, Denmark, Finland and Britain.

Consumers' co-operatives are the voluntary organisations of consumers based on co-operative principles. Consumers as an individual lack the necessary bargaining power to obtain supplies of their daily necessities at reasonable prices and of a good quality. Unorganised consumers are easily exploited

by the class of merchants. To avoid this exploitation the consumers' co-operatives came into existence.

Consumers' co-operatives are the organizations owned by the consumers to protect and promote their own interests. In these organisations consumers come together voluntarily for the equitable distribution of essential goods as well as services on beneficial terms. Consumers' co-operatives, like other co-operative institutions, are democratic bodies and adopt the principle of one man one vote, irrespective of the number of shares hold by a member. S.B. Rao defines consumers' co-operative as follows:

"A consumers' co-operative society is a society established for dependable permanent machinery for the equitable distribution of essential and quality goods at fair prices, to provide services attractive enough to the consumer and to create an agency to break the monopoly of the private traders in the distributive trade"¹.

Following principles are to be considered as the essential principles of consumers' co-operatives²:

1) Open Membership:

Open membership means a person can become a member of a co-operative society on voluntary basis. No person should be forced to join or to remain in a co-operative society. It helps to prevent a monopoly of few persons on in an organisation.

2) Democratic Control:

In a Co-operative society each member stands on the basis of equality and gets an equal opportunity to participate freely in the conduct of its affairs. In contrast to other forms of enterprise the influence on decision making is not related with the capital invested but to the personal participation.

3) Dividend on Purchases:

This principle is considered as a practical expression of the non-profit character of the co-operative society. The principle of dividend on purchases means, the profit is distributed not according to share holdings but according to purchases made by the members.

4) Limited interest on capital:

It means the limit on the maximum rate of interest which can be paid to members. This principle subordinates capital in a co-operative enterprise to the ultimate objective of service to its members. The main purpose of limited interest is, to safeguard the nonprofit character of the co-operative.

5) Political and religious neutrality:

It means a co-operative society should remain aloof from all racial, religious and political controversies. This principle stresses the basically economic nature of co-operative enterprises.

6) Cash trading:

The principle of cash trading enjoins a co-operative organisation to conduct their transactions in cash rather than on credit. This was done to inculcate the habit of thrift among the members and to maintain the financial soundness of the stores.

7) Promotion of education:

This principle lays emphasis on intellectual improvements of members of a society. Members' education and training of office-bearers and executives have always been considered essential for promoting enlightened membership and leadership and efficiency in management.

II) OBJECTIVES OF CONSUMERS' CO-OPERATIVES:

The main objectives of the consumers' co-operatives are summarised below:-

- i) To provide protection to the consumers against exploitation.
- ii) To protect the interest of consumers.
- iii) To service its members and customers with goods required by them for house hold consumption.
- iv) To become an effective instrument for the general sell of consumer goods.

To fulfill these objectives consumer co-operative may undertake various types of activities. Though these societies

are mainly concerned with trading activities, they can establish production or processing units. By linking the processing, pooling and storage activities these societies can become influential in the market system.

Consumers co-operatives can establish test houses and laboratories to test quality, durability, utility and contents of articles like food, oil, spice, soaps, textiles, drugs and medicines, cosmetics, utensils and appliances. They can publish a monthly magazine to educate and awaken consumers on their rights and interests; guide in their buying for getting their money's worth, inform test results of different branded articles of foods and non-foods, provide information on domestic budgetting, nutrition, cooking, child welfare and recipes. Special attention can be given to inform consumer on articles like food, drugs and medicines and cosmetics having health hazards. Arrangements for consumer information and guidance on quality, price and utility or articles for their best buy can be made through T.V. Radio and press. They can collect, process and take up consumer complaints on products and services with respective government departments for redress to the consumers and urge legal action against the producers or traders³.

B) EVOLUTION OF CONSUMER CO-OPERATIVE MOVEMENT IN INDIA:

I) PRE-INDEPENDENCE PERIOD:

In India the first consumer co-operative society was established in Madras city in the year 1904. However the consumers' co-operatives cannot make the rapid development as

the co-operative credit society Act, 1904, did not make any provision for the establishment of consumers' co-operatives. In the year 1912, the co-operative societies Act was enacted which had given a fresh impetus to the growth of co-operative movement in India. The act of 1912 and the first world war stimulated the growth of consumers' co-operative in India.

During the second world war the government of India encouraged the people to form the consumers' co-operatives and used them as agency for distribution of scarce and essential consumer goods. But the government did not provide any sort of financial support to them⁴.

Following table will show the growth of consumers' co-operatives in pre-independence period.

TABLE-1:1
PROGRESS OF CONSUMERS' CO-OPERATIVE IN INDIA
(Pre-Independence Period)

Years	No. of Societies	Membership
1904-1905	1	N.A.
1910-1911	17	N.A.
1920-1921	486	31,593
1928-1929	379	28,078
1939-1940	362	57,562
1947-48	5740	11,25,000

- Sources : 1) Goyal S.K, Consumers' Co-operative Movement In India Meenakshi Prakashan Meerut, 1972, P 55.
2) Mehta S.C., Consumer Co-operation In India, Atinaram and Sons Kashmere gate, Delhi-6, 1964. P.72.

As the table shows upto 1910-11 the growth of consumer Co-operatives was very slow. But in next 10 years 379 consumers' co-operatives were added and thus the total number of consumers' co-operatives become 486. Their number declined to 379 in the year 1928-29. The reasons of this decline were mainly two. Firstly, the war conditions were over which gave impetus to the growth of consumers' movement and secondly the occurrence of great depression of 1929⁵. Due to the second world war again the number of consumers' co-operatives increased. As a result in 1947-48, there were 5740 consumers' co-operatives societies with a membership of 11,25,000.

II) POST-INDEPENDENCE PERIOD:

FIRST FIVE YEAR PLAN:

The first five year plan envisaged a very limited role for the consumers' co-operatives. Though the plan document recognised their importance in the following words " in the best interest of the planned development of distributive trades that an attempt be made to build up consumers' co-operatives over as wide a field of distribution as possible"⁶. No targets were laid down and no specific financial assistance was envisaged during the first five year Plan.

SECOND FIVE YEAR PLAN:

In the second five year plan neither definite scheme was evolved nor definite place was assigned to the consumers' co-operatives. The plan document merely noted that the

"consumers' co-operative movement has so far failed to develop in spite of considerable scope for it" and recommended that "the problems in this field should receive closer study and programmes worked out. After a period it may become possible to workout targets⁷.

It appears from the second five year plan document that the government wanted to link up distribution of consumer goods in the urban areas with the rural areas. It also appears that the consumers' co-operatives were conceived to help the producers co-operatives and the marketing societies rather than to protect the interests of the consumers which was their real business.

THIRD FIVE YEAR PLAN:

Third five year plan had given special attention to the consumers' co-operatives. The plan document noted that, the conditions for the development of consumers' co-operatives are generally favourable and if special efforts are made rapid progress can be achieved. They will be of greatest help not only in the stabilisation of retail prices, but also in preventing the evils of adulteration of foodstuffs. The notable feature of the third five year plan in this context was the planned expansion of consumers' co-operatives based on the recommendations of a committee on consumers' co-operatives. In November, 1960, the National Co-operative Development and Warehousing Board set up the committee on consumers' co-operatives which submitted its report in May, 1961. The major recommendation of the committee are summarised below:

1) The work of distribution in villages may be taken up by service co-operatives, independent societies should be established in small towns and large sized societies with a number of branches in big cities.

2) Committee opin that, primary consumers' should have a share capital of Rs.5,000, an annual turnover of Rs. 1 lakh and a membership of 250 to become a viable unit and wholesale stores should have a share capital of Rs.50,000 a working capital of Rs.2 lakhs, membership of 100 and an annual turnover of Rs.12 lakhs to become a viable unit.

3) State participation in share capital (Subject to a maximum of Rs.50,000 in wholesale store and Rs.2,500 in primary store), provision of working capital from the state co-operative banks and central financing agencies for construction of godowns-cum-offices, subsidy for rent, longterm loans for purchase of trucks and managerial subsidy for a period of 3 to 5 years.

4) It had also recommended establishment of an organisation of the national level to advise government in planning and conducting research on problems relating to consumers' stores⁸.

In the plan the main emphasis was laid for revitalization of the existing stores. But the scheme did not receive the requisite attention and the progress was too slow.

CENTRALLY SPONSORED SCHEME:

China's aggregation on India in 1962 created scarcity of essential goods and as a result prices began to rise. To hold up

the price line and to prevent further scarcity the government of India checked out a scheme known as centrally sponsored scheme for the establishment of a net-work of consumers' co-operatives. The main features of the scheme were⁹-

i) to organise 200 wholesale/central stores and 4000 primary stores/ branches for the general public in cities and towns with a population exceeding 50,000.

ii) To provide 10 crores of Rupees for the implementation of the Scheme.

iii) To contribute to the share capital of the wholesale stores to the extent of Rs.1 lakh on certain conditions.

iv) To organise consumers' co-operatives for the industrial workers and government employees.

However inspite of these efforts the progress of consumers' co-operatives was very slow.

FOURTH FIVE YEAR PLAN

In the fourth five year plan a stress was given on the consolidation and strengthening of existing consumers' co-operatives working at different levels rather than organisation of new institutions. It was also proposed to undertake a survey of existing primary consumers' co-operatives to identify and help on a selective basis those societies which are viable and likely to be viable¹⁰.

However, in the rural areas the distribution of consumers goods was entrusted with the Primary Agricultural Credit Societies supported by marketing co-operatives.

FIFTH FIVE YEAR PLAN:

The fifth five year plan, in its document, pointed out that inadequate progress has been registered in the Fourth plan in the sphere of quantitative expansion of the consumers' co-operatives.

This plan too emphasised the consolidation of the consumers' co-operatives rather than their expansion. The efforts were made to increase the involvement of consumers' co-operatives in the distribution of essential goods. It was proposed to set up 50 large departmental stores and 150 small departmental stores¹¹.

SIXTH FIVE YEAR PLAN:

In the sixth five year plan the policy of consolidation continued. The wholesale consumers' co-operatives were encouraged to open rural branches, through which the government of India tried to reach the consumers' co-operatives in rural areas. Through these retail stores the government also distributed essential commodities like cloth, edible oil, kerosene, etc. In addition during this period the government wanted the consumer co-operative to reach the tribe area population and hence through the establishment of 'LAMPS' (Large-Scale Agricultural Marketing Societies Ltd.) the tribe population was supplied the essential commodities.

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SEVENTH FIVE YEAR PLAN:

The seventh plan proposed a substantial expansion of the consumers' co-operatives. It was decided to cover all the state capitals and metropolitan cities through urban consumers' societies. Alongside efforts would ^{be} made to stream-line the programme of distribution of consumer articles in rural areas through co-operatives.

Table 1:2 will show the growth of consumers' co-operative in post independence period.

i) Whole sale stores:

Table 2, indicates that the number of wholesale/ Central co-operatives stores in India rose from 85 in 1949-50 to 564 in 1984-85. During the same period total membership increased from 21,000 to 24,52,000. The number of stores and membership increased by 563.53 percent and 11576.19 percent respectively. Thus substantial progress has been registered both in the number of wholesale stores and their membership.

ii) Primary stores:

The table shows that the number of societies/stores increased from 8949 in 1949-50 to 20,508 in 1984-85 with the growth rate of 129.16 percent. Similarly the membership increased from 21,55,000 in 1949-50 to 99,91,000 in 1981-82 with the growth rate of 771.81 percent. However, the progress of primary stores in not evenly spread throughout the period. There were ups and downs during the period from 1949-50 to 1961-62. Afterwards,

TABLE 1:2
PROGRESS OF CONSUMERS' CO-OPERATIVE IN INDIA

Years	(Membership in '000')			
	Wholesale Stores		Primary Stores	
	No. of Stores	Membership	No. of Stores	Membership
1949-50	85	21	8949	2155
1951-52	95	29	9579	1840
1955-56	74	23	7359	1414
1961-62	107	310	7266	1995
1965-66	351	547	13077	2927
1971-72	383	955	12883	3431
1975-76	460	1681	15194	3969
1981-82	487	1971	20904	9991
1984-85	564	2452	20508	N.A.

% of growth rate 1949-50 to 1984-85	563.53	11576.19	129.16	771.91

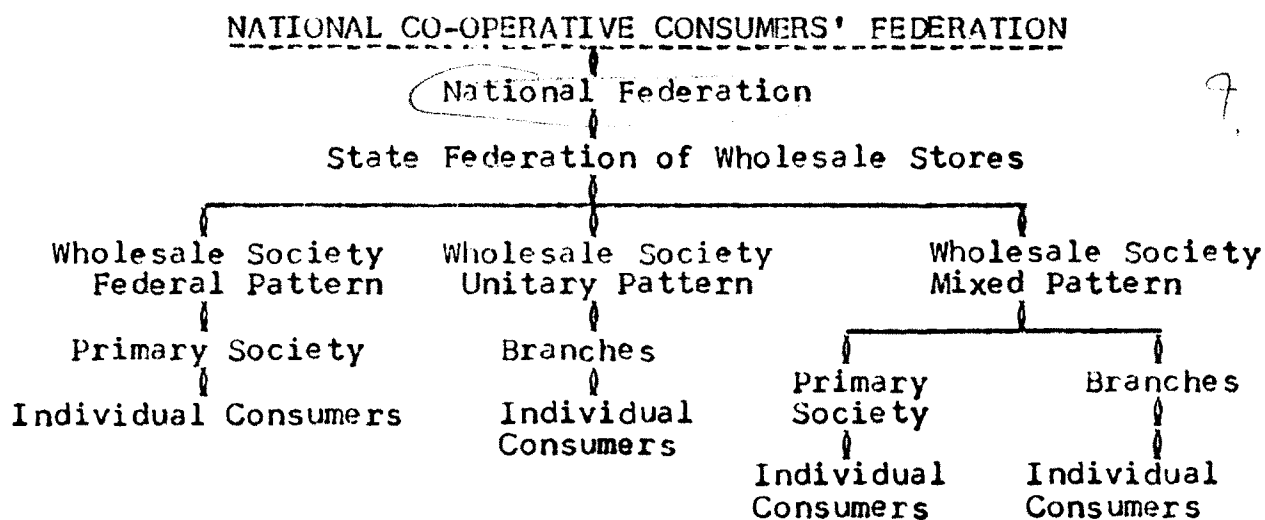
Sources : 1) Goyal S.K. Consumers' Co-operative Movement in India
Maenakshi Prakashan, Meerut, 1972 P.64,67.
(For years 1949-50, 1951-52, 1955-56)

- 2) Co-operative Movement in India, Important Statistics
1965-66, Ministry of Food, Agriculture, Community
Development and Co-operation, Table-3 (For years
1961-62 and 1965-66) Nov., 1967.
- 3) Management Seminar for Chairman and Chief Executives
of Consumer Stores (Northern Zone) Jaipur, 21-23rd
Sept., 1978, Background Papers, V.M.N.I. of Co-op.
Management, R.B.I. Building, Pune-16, P.61 and 63
(For years 1971-72 and 1975-76.
- 4) Review of the Co-operative Movement in India, 1982
By Reserve Bank of India, P.142 (For year 1981-82)
- 5) Important Items of Data Credit and Non-Credit
Co-operative Societies, NABARD, June, 1985, Table 31
P.68 (For year 1984-85).

due to the Centrally sponsored scheme of the Government of India the number of primary stores increased rapidly¹². Again from 1971-72 there were fluctuations in number and membership of the primary societies.

iii) Organisational pattern:

There has been no uniformity in the structure of consumers' co-operatives in India. In some states they are working on an unitary pattern while in some states on federal pattern. Some states have followed mixed pattern¹³. Following chart will give the idea of organisational structure of consumers' co-operatives in India.



a) National Co-operative Consumers Federation:

The National Co-operative Consumers is the apex organisation, which was established in August, 1965. The main intention behind its establishment was to co-ordinate the consumers' co-operative movement working at various levels. All the state federations of consumers co-operatives are

affiliated with National Co-operative Consumers Federation. The National Co-operative Union of India and the National Co-operative Development Corporation are also its members. Besides assisting consumer co-operative institutions in development and promotion of their business, it also provides technical assistance and consultancy services to consumer co-operatives, and functions as the chief spokesman for the consumer co-operative movement.

b) State Federations of Wholesale Stores:

These are state level apex bodies of consumers' co-operatives and their membership mainly comprises ^{of} wholesale/central consumer co-operative stores in the respective states. The state governments are also members and shareholders of the federations. The State Consumers' Co-operative Federations are intended to co-ordinate the activities of wholesale/central consumer co-operative stores, as also assist the consumer co-operations in their overall growth and development. These federations undertake pooling and purchases of selected commodities on behalf of wholesale consumer stores and place orders directly on manufacturers and suppliers, in order to enable consumer stores to gain the benefit of bulk buying. Some state federations have also undertaken direct retailing of consumer goods.

c) Wholesale/Central Co-operative Consumers Stores:

These are the city or district level bodies of consumers' co-operatives and their membership mainly comprises of

primary consumers' co-operative stores and the individual consumers. The other co-operative societies are also its members. Many of these wholesale societies also admitted individuals as their members and set up retail shops. The main function of a wholesale stores is to supply consumers' goods to the affiliated retail societies and to its own members through the branches.

d) Primary Co-operative Consumers' Stores:

The primary co-operative consumers' stores are the centres of the consumers' movement. The primary stores can be divided into two categories one, those stores which restrict their membership to a particular area or locality, second, those which restrict membership to persons engaged in a particular occupation or profession. Individual consumers' and other co-operative societies become its members. Retail sale of consumers goods is the most common activity of these stores. Besides, supplementary services are also being provided at some places by these stores to their members i.e. tailoring facilities, processing activities etc.

e) Co-operative Departmental Stores/Super Bazars:

The beginning of Super Bazars was made in India when on 15th July, 1966 the biggest departmental stores was set up in Delhi. These stores ^{are} mainly established in metropolitan and big towns. A departmental stores_k is a retail store handling many different lines of merchandise. It is a large scale store selling under one roof and control a variety of goods divided

into different departments. These departmental stores often consists of palatial building constructed at central position which is most frequently visited by the Public. They generally offer to supply almost anything that the customer may require.

C) CONSUMER CO-OPERATIVE MOVEMENT IN MAHARASHTRA STATE.

The present study deals with consumers' co-operative movement in Kdhapur district with special reference to the working of Janata Bazars in Kolhapur city. Kolhapur district is famous throughout Maharashtra State for spread of co-operative movement. Maharashtra State is supposed to be one of the leading states in the field of co-operative movement in India. Therefore a brief review of development of consumers' co-operative movement in Maharashtra has been taken.

Table 3, 4 and 5 gives the necessary details. Our observations on the table are as follows:-

I) PROGRESS OF MAHARASHTRA STATE CO-OPERATIVE CONSUMERS FEDERATION:

The table 3 shows (stat) in 1987. Maharashtra State had one state level consumers' federation with 14 branches of its. The membership of federations increased from 28,00 in 1961 to 3,96,00 in 1987. It has continuously increased. The share capital, working capital, total purchases and sales of the federation also expanded during the period. However, the federation made remarkable progress in its membership and sales between 1961 to 1987.

TABLE 1:3

* MAHARASHTRA STATE CO-OPERATIVE CONSUMERS' FEDERATION -GROWTH AND PROGRESS (Since 1961-1987)

Sl. No.	YEAR	1961	1966	1971	1976	1979	1980	1981	1982	1983	1984	1985	1986	1987
1)	Branches	-	-	-	-	6	8	7	8	12	14	14	14	14
2)	Membership (Actual)	28	28	41	63	184	161	192	208	225	228	294	350	396
3)	Share Capital (Rupees)	3	3	14	59	121	121	146	158	180	203	217	223	224
4)	Of which Government (Rupees)...	1	1	6	31	71	71	96	107	129	152	166	171	172
5)	Owned Funds (Rupees)	SNA	SNA	17	-	159	161	190	203	225	249	266	297	297
6)	Borrowings Outstanding (Rupees)	SNA	SNA	18	NA	187	207	173	295	302	568	534	354	95
7)	Working Capital (Rupees)	6	6	38	234	425	547	647	763	902	833	880	780	684
8)	Purchases (Rupees)	48	48	313	1563	1209	1461	2078	1232	1457	2005	2568	2026	1463
9)	Sales (Rupees)	46	46	336	1593	1176	1519	2184	1276	1770	2157	2851	2187	1536
10)	Profit (Rupees)	...	Nege	Neg.	0.08	10	1	1	-	-	5	6	-	-
11)	Loss (Rupees)	...	-	-	-	-	-	-	2	8	-	-	13	1.50

NOTE: 1) Rupees in Lakhs.

2) Membership in hundreds.

3) Not available- N.A.

*4) Provisional

5) Neg- Negligible.

6) SNA - Separately not available.

Source : Co-operative Movement at a glance in Maharashtra State 1961 to 1987.
by Office of the Commissioner for Co-operative and Registrar of Co-operative Societies Maharashtra State Pune-411001.

II) PROGRESS OF WHOLESALE/CENTRAL CONSUMERS' CO-OPERATIVES:

Table 1:4 indicates that, the number of wholesale co-operatives in Maharashtra State rose from 1 in 1961 to 93 in 1987. The total membership was 200 in 1961 which increased to 2,50,000 in 1987. Thus, substantial progress has been registered both in the number of wholesale stores and their membership. The share capital and working capital also increased. The total purchases during 1961 were of the order of Rs.189 lakhs, which shot upto Rs.11,000 lakhs in 1987. The total wholesale trading activities also expanded. Thus remarkable progress has been made by the wholesale/central consumers co-operatives in the business.

III) PROGRESS OF PRIMARY CONSUMERS' CO-OPERATIVES:

Table 1:5 indicates that, the state had in all 1140 primary co-operatives in 1961 and they increased to 2393 in 1987. Thus, during ^{the} period of 1961 to 1987 the number of primary consumers' co-operative^s increased more than double. The total membership went from 1,75,200 to 13,20,000 during the period 1961-1987. Thus, there has been phenomenal growth in the number of primary consumers' co-operatives and their membership. The share capital and working capital of these societies also increased. The table also denotes the growth of total purchases and sales of these societies.

In general growth of consumers' co-operatives working at village, district and state level can be called satisfactory during the period of 1961 to 1987.

TABLE 1:4

CO-OPERATIVE CONSUMERS WHOLESALE STORES IN MAHARASHTRA : GROWTH AND PROGRESS (Since 1961-87)

Sr.No.	Year	1961	1966	1971	1976	1979	1980	1981	1982	1983	1984	1985	1986	1987	
1)	Stores	...	1	32	43	56	67	70	75	72	77	80	83	100	93
2)	Branches	...	9	383	360	378	387	408	461	442	442	424	459	478	470
3)	Membership (Actual)	...	2	967	1350	1529	1975	2004	1232	2092	2182	2270	2346	2450	2500
4)	Share Capital (Rupees)...	3	51	133	171	320	339	249	309	324	344	391	430	430	
5)	Of which Government(Rupees)	NA	22	97	103	157	171	150	156	165	179	192	210	240	
6)	Owned Fund (Rupees)	...	3	83	195	-	454	486	423	503	525	568	622	690	720
7)	Borrowings outstanding(Rupees)	2	137	205	60	480	508	283	359	537	502	513	525	590	
8)	Working Capital (Rupees).	7	2385	463	745	1174	1286	1100	1468	1609	1640	1773	1910	1910	
9)	Purchases (Rupees)	...	1189	2496	2833	5574	6754	7395	5865	7415	8851	9374	9690	10000	11000
10)	Sales (Rupees)	...	187	1512	3031	5969	7128	7497	6396	7814	9677	10024	10634	11000	12200
11)	Stores in Profit	-	38	28	42	46	47	45	45	46	48	49	55	55	56
12)	Profit (Rupees)	...	-	16	9	36	19	13	16	25	20	23	26	35	32
13)	Stores in Loss	1	2	15	7	19	20	17	19	23	24	27	30	30	32
14)	Loss (Rupees)	...	Neg.	Neg.	17	2	48	23	25	17	20	27	16	20	20

Note:

- 1) Rs. in Lakhs.
- 2) Membership in hundreds.
- 3) Not available- N.A.
- 4) *Provisional
- 5) Neg. Negligible
- 6) SNA. Separately not available.

Source : Co-operative Movement at a glance in Maharashtra State 1961 to 1987.
by Office of the Commissioner for Co-operative and Registrar of Co-operative Societies Maharashtra State Mumbai 1991

TABLE 1:5

* PRIMARY CONSUMERS' CO-OPERATIVE STORES IN MAHARASHTRA : GROWTH AND PROGRESS (SINCE 1961 to 1987)

Sr.No.	Year																
		1961	1966	1971	1976	1979	1980	1981	1982	1983	1984	1985	1986	1987			
1)	Stores	1140	1303	1385	1476	1638	1670	1737	1844	1902	2024	2181	2270	2393			
2)	Membership	1752	2682	3835	4678	5739	5421	10062	10418	11022	11324	12465	13500	13200			
3)	Share Capital (Rs.)	52	79	124	158	202	202	345	433	423	462	513	570	610			
4)	Of which Govt. (Rs.)	NA	1	6	13	29	30	27	54	62	43	51	60	65			
5)	Owned Funds (Rs.)	102	140	234	-	395	390	710	874	887	957	1025	1100	1100			
6)	Borrowing Outstanding (Rs.)	24	59	83	-	186	199	306	276	358	296	362	380	430			
7)	Working Capital (Rs.)	169	299	355	745	969	892	1685	1950	2180	2252	2480	2750	2730			
8)	Purchases (Rs.)	887	2040	3435	7037	7031	7401	9330	11386	12377	12328	12993	13800	14200			
9)	Sales (Rs.)	931	2006	3544	7242	7332	7614	10103	11950	12440	12847	13544	14500	14950			
10)	Stores in Profits	489	791	781	874	927	878	1051	1104	1140	1171	1199	1210	1310			
11)	Profits (Rs.)	16	29	35	52	66	90	106	113	121	126	126	150	160			
12)	Stores In Loss (Rs.)	182	237	327	283	427	383	419	491	507	541	628	630	660			
13)	Loss (Rs.)	2	4	22	8	26	38	22	25	32	31	37	40	40			

Note:

- 1) Rs. in lakhs.
- 2) Membership in hundreds.
- 3) N.A.: Not available.

- 4) *Provisional
- 5) Neg. Negligible.
- 6) SNA : Separately Not available.

Source: Co-operative Movement At a Glance In Maharashtra State : 1961 to 1987.
by Office of the Commissioner for Co-operative and Registrar of Co-operative Societies
Maharashtra State, Pune-411 001.

D) CONSUMER PROTECTION AND ROLE OF CONSUMERS' CO-OPERATIVES:

I) CONCEPT OF CONSUMER PROTECTION:

The concept of consumer protection has been evolved through decades. It implies protection of the consumer from various evil effects of the marketing system. Consumer protection may be regarded as those measures which contribute, directly or indirectly, to the consumers' assurance that he will buy goods of suitable quality appropriate to this purpose, that they will give him reasonable use, and that if he has just complaint there will be a means of redress. Consumer protection includes those measures which aim at assuring to the consumers: The right to safety, The right to be informed, The right to choose and The right to be heard.¹⁴

II) NEED FOR THE CONSUMER PROTECTION:

Naturally the question arises why the consumers require protection. The consumer protection becomes necessary due to the various problems which are faced by the class of consumers. During inflation consumers' pay higher prices for the substandard goods. The existence of too many intermediaries in between the production and consumption levels; exploit the consumers'. Consumers are also victims of such malpractices of trade as less weights and measures and deceptive packing. Besides, high pressure sales-manship, advertisements make false claims, which are detrimental to the interests of the consumers.



Thus it is a class of the consumer who is exploited very easily. The main reason of this exploitation is consumers are not organised. As they are widely dispersed their organisation becomes rather difficult.

III) MEANS TO PROTECT CONSUMER:

~~These~~ are various means through which it is possible to protect the consumers. Broadly speaking these measures may be divided in two forms: (1) legislative measures and (2) organisation of consumers.

In legislative measures the government of the respective country enforces the laws which enable the consumers to seek compensation against certain acts of exploitation and deceitful action. In various countries of the world such laws are in practice. In India, during the last four decades a fair number of acts and orders have been legislated with the object of protecting consumers¹⁵. The consumer protection bill introduced in the winter session of parliament 1986 has made the provision to create a department of consumers affairs at the centre¹⁶.

However it is the experience of many countries that consumers have neither energy nor time to fight against the exploitation on legal basis. At the same time they have no knowledge of the legal remedies and rights. It gives the need for the organisation of consumers.

Organisation of consumers ¹⁵ are broadly of two forms (i) consumer association, council or union and (ii) consumer co-operatives.

1) Consumer protection through consumers associations:

Consumers' association are organisations of consumers which try to protect the interest of consumers. They have been emerged since the second world war and in some developed countries, especially in U.S.A., they are well built up. In India these associations are still in infant stage. The formation of consumers' association of India has taken place in 1958. Since then several organisations have been set up in different parts of the country. However the sphere of their activities is in mainly the cities¹⁷.

Consumer associations perform the following functions to protect consumers':

i) Study the problems of consumers', take them to traders' associations, government agencies for vigilance over price, quality standard and weights of essential goods.

ii) Enable and make the business community to standardise their products.

iii) Educate the consumers about prices, trade practices etc. through journals, bulletins, meetings, conferences etc.

iv) Have liasion with government and manufacturers.

v) Promote the net work of consumer councils regionwise, statewise alongwith National federation at the apex level¹⁸.

vi) To make agitations and to protest against the ill treatment given to the consumers and malpractices of trade and industry. Consumer councils is essentially a movement of protects.

2) Consumer protection through consumers' co-operatives:

The consumer co-operative movement is the oldest movement of consumers. Consumer co-operatives differ from the consumer associations. They are not agitational forum of consumers. To protect against unhealthy practices and unjust behaviour of the private trade is not their ultimate aim. They aim at serving the consumers. They are governed by the same basic principles and ideology as any other types of co-operatives. They are trading enterprises of consumers. It^{is} their service spirit which-creates a countervailing force against the provate trade . Consumers' co-operatives by their efficient working are expected to play a vital role in protecting the consumers.

The consumer co-operatives can protect consumers in the following ways¹⁹.

- i) By checking the unnecessary rise in prices.
- ii) By ensuring steady supply of essential, quality consumers goods to the common man ^{at} (on) reasonable prices.
- iii) By eliminating the numerous intermediaries between producers and consumers who take substantial margin and exploit the consumers.
- iv) By providing unadulterated consumers' goods.
- v) By making the consumers' aware of their rights.

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