

CHAPTER I

INTRODUCTION AND METHODOLOGY

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Introduction and Methodology

1.1) INTRODUCTION:

Co-operative movement has become the main cause of all side development of Maharashtra State, particularly of Rural Maharashtra. This is clear if we can view the conditions of people in Maharashtra before 1960 ( year of State of Maharashtra coming in to existance ) and thereafter. Though Maharashtra state is industrially leading state, the major industrial development is found to be mainly concentrated in two big cities viz. Bombay and Pune and to some extent other parts of Western Maharashtra and Aurangabad city of Marathawada. About 75% of industrial development of the State is centred in these areas. Natuarally, development of Maharashtra State is nothing but development of these two cities. Even further, these industries are establised either as proprietary units or in limited company forms. Co-operative form of business organisation has not entered in industrial activities in these two cities, even at present, with some exceptions. So, industrial and economic development of Maharashtra State is purely on capitalistic form. The rest of the Maharashtra is industrially backward.

The political and social leaders in the State, led by late Shri Yeshavantrao Chavan, thought of the need of development of rural Maharashtra and they accepted Co-operative sector as a medium of development. Accordingly, they initiated a number of industrial and agro units in rural Maharashtra,

, which proved to be very useful. However, the rural development on co-operative basis has shown its fruitful results only in Western Maharashtra, the other parts of the State are accepting this path only recently. It is an ideal example proving how a society can be changed all over on co-operative form.

In Western Maharashtra, Kolhapur district is said to be the mother of co-operative development, at least in certain industrial and consumer activities. Kolhapur district has made remarkable progress in about every sector of co-operative economic activities. However, this progress is not evenly spread-up all overthe district. The western and southern part of the district, which is mostly hilly area, is backward in every sector of economic development, may of co-operative sector. Gadhinglaj and Ajra Tahasils are situated at south extremes of the district and the State, and so far they remained economically and industrially backward.

The study is mainly concerned with the economic development brought about ~~about~~ by the establishment of Co-operative sugar factory in these two Tahasil places.

The co-operative development in Maharashtra State is mainly centred around the establishment of co-operative sugar factories, co-operative spinning mills, consumer co-operatives, marketing co-operatives and dairy co-operatives, and among them co-operative sugar factories hold much important role. Therefore the study of sugar co-operatives has been undertaken.

1.2) STATEMENT OF HYPOTHESIS:

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The dissertation aims at the study of social and economic changes in area of operation of Gadhinglaj Taluka S.S.K.Ltd. (the whole of Gadhinglaj Tahasil, excluding southern part of it; comprising all 89 villeges and 12 villeges from Ajra Tahasil, on the western boundry of Gadhinglaj Tahasil) due to the establishment of sugar factory on co-operative basis. The assumption under the study is that on establishment of sugar factories on co-operative basis, the life structure of the people in related area as reflected by economic conditions, style of living, educational standards, social behaviour and effects brought by demonstration, goes to change.

Therefore the hypothesis for the study is that there has been considerable change in the economic life of the people covered by the area of operation of Gadhinglaj Taluka Sahakari Sakhar Karkhana Limited, Gadhinglaj<sup>\*</sup> due to establishment of this industrial unit.

More particularly, the hypothesis that the study aims at testing are as given below:

a) The establishment and working of the G.T.S.S.K.L., Gadhinglaj has contributed significantly to the economic, social and political conditions of the command area in a positive manner.

b) The GTSSKLG has been responsible for bringing about significant changes in the economic conditions of its farmer members.

c) The establishment of GTSSKLG has led to the agricultural and industrial development of the command area through its forward and backward linkages.

d) The GTSSKLG has also contributed to the transport and communication development of the command area.

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(\*) Hereinafter referred to as GTSSKLG

1.3) OBJECTS OF THE STUDY:

Gadhinglaj and Ajra Tahasils have been selected as the geographical area for the study. These two Tahasils have their own geographical and social specialities. The study aims at the study of effect of establishment of GTSSKLG in its area of operation, which covers 89 villeges from Gadhinglaj Tahasil and 12 villeges from Ajra Tahasil.

The main objectives of the study are as follows:

- a) To study the impact of establishment of GTSSKLG in its area of operation in so far as it relates to economic, social and political aspects.
- b) To study the impact of the Unit on the farmer members of the sugar factory.
- c) To study the social and cultural changes which have taken place due to the establishment of the Factory.
- d) To study the agricultural and industrial development due to establishment of the Factory.
- e) To study the extent to which the industrial unit is helping the development of trade and commerce, directly and indirectly.
- f) To study the problems of water and air pollution created by the industrial unit.
- g) To find out how far the primary co-operative societies could be benefited in recovery of their dues due to this factory.
- h) To study the political aspects of this Factory.
- i) To study industrial and agricultural labour problems created by this factory.

- j) To study the increase in sugarcane production due to establishment of the Factory, on account of irrigation schemes sponsored by the Factory.
- k) To study the problems of farmer members of the Factory with a view to suggest the remedial measures.

.4) METHODOLOGY:

The area of operation of the Factory is major part of Gadhinglaj Tahasil (excluding some southern part of Gadhinalaj Tahasil, viz. Nesari zone , which is attached to the Daulat S.S.K. Ltd., Halkarni, Tal: Chandagad, and is likely to be attached to this Factory soon) comprising 89 villeges and eastern part of the Ajra Tahasil comprising 12 villeges ( the rest of the Ajra Tahasil being included under the area of operation of Daulat S.S.K. Ltd., Halkarni, Tal: Chandagad). The unit is situated at villege Harali , seven k.m. on south from Gadhinglaj town. The number of villeges in the command area of the Factory is 101 (89 from Gadhinglaj Tahsil and 12 from Ajra Tahsil). Ajra Tahasil is mostly hilly area and is having comparatively lesser sugarcane producing land. The most of the sugarcane needed by the unit comes from the Gadhinglaj Tahsil. Ajra Tahsil is included in its area of operation only for the time being till a separate sugar factory is established for that Tahsil. Prior to the establishment of the Factory, the sugarcane in its area of operation was being supplied to the Hiranyakeshi S.S.K. Ltd., Sankeshwar, Dist: Belgaum, an inter-state Co-operative undertaking. The sugarcane grown in the area of operation is mostly dependent upon river lift irrigation and well lift irrigation. About

✓ About 85% of cultivators in the area of operation are small landholders.

✓ With this background, the methodology adopted for the study had to be framed in the following manner:

a) The impact of the factory on the command area has been studied on the basis of secondary data and the observations made.

b) The study being a case study of a specific organisation, the secondary data of the factory from various annual reports of the factory, along with some other journals and periodicals have been used.

✓ c) The impact of the Factory on the farmer members has been examined with the help of primary data from a selected sample of farmer members. The sample designed is given at the appropriate place in this report. The primary data were collected with the help of appropriate schedule designed for the purpose.

d) The interviews were conducted with some of the members of the Board of Directors and other officials of the Factory.

e) The primary and secondary data so collected were processed suitably for proper interpretation.

Thus, the use of primary data sought through schedules, use of secondary data from various sources, interviews of certain persons and general observations are the major aspects of the social survey method adopted for the study.

1.5)

#### SIGNIFICANCE OF THE STUDY:

GTSSKLG is the only industrial unit working on large scale in its area of operation. Before establishment of this Factory, the people in its area of operation depended for employment source mainly on Bombay and Ichalkaranji cities.

The area of operation of the Factory was developed in the field of trade, commerce and education but remained backward in the field of industrial development.

Before establishment of this Factory, the sugarcane production in its area of operation was used either for gur making ( some years ago, Gadhinglaj was famous for gur market) or was supplied to the Hirnyakeshi S.S.K.Ltd., Sankeshwar, Dist: Belgaum, a inter-state co-operative sugar factory. The major sugarcane supply was coming from Ajra and Gadhinglaj Tahsils to the Hiranyakeshi S.S.S.Ltd., and thus the fruits of development of Hiranyakeshi S.S.K.Ltd., were enjoyed by outside state at the cost of farmers in these two tahasils. For all round development of the Tahasils, they needed a sugar factory of their own. There were some other political and social problems which led to induce the people from these two tahasils to establish their own sugar factory.

It is, therefore, very important to study the economic development of these two Tahsils in the light of establishment of GTSSKLG. In fact the development problem of these two Tahsils clusters around this industrial unit. There are many aspects of economic, social and political in the establishment of this sugar factory and has great bearing on the developmental aspect of the area under operation of the Factory.