

C H A P T E R - 2

CO-OPERATION : CONCEPT, MOVEMENT AND
REVIEW OF LITERATURE .1. CONCEPT OF CO-OPERATION

After looking into the details of co-operative factories and their development at Ichalkaranji, it will be better to see the concept and movement of co-operation. This will be followed by review of literature.

There is a great need for co-operation which can be considered as basic principle underlying human life.

The co-operation is ever essential for the preservation and continuance of civilisation the need of the hour is co-operation. The two World Wars have clearly proved the urgent need for co-operation in the absence of which the whole world would perish.

The economist J.S.Mill has observed "The co-operation transforms human life from conflict of class struggle for opposite interest to a fair rivalry in the pursuit of the common good of all".¹

The economist E.R.Bowell states that "co-operation is an universal instrument of creation".²

The Economist A.E.Emerson says "Co-operation has acted more powerfully towards the development of man than the bitter competitive struggle for existence."³

Therefore, we may say that it is co-operation and not conflict which motivates and directs human life towards the pursuit of peace and prosperity. It brings together people and nations and facilitates peaceful co-existence.

2. MODERN CONCEPT OF CO-OPERATION

The modern concept of co-operation, ^{is that,} - "it denotes a special method of doing business."⁴ It is an off-shoot of the industrial revolution which is a name given to the series of changes that come in the method of production. In the 18th century in Europe, especially in Great Britain between 1750-1850, a large number of inventions from old to a new one. Different kinds of machines gradually started replacing human labour. The labour force, which was considered to be a significant factor in the production process, began losing its importance.

The society is divided into two classes, namely the capitalist class in its greed for more profits, started exploiting the working class. This exploitation took diverse forms such as the payment of lower wages, increase in the number of working hours, insecure employment conditions. The capitalists could do this because, manpower had by then become subsidiary in the production process.

During this time ^{the} ~~that~~ social reformists ^{ers} like Robert Owen and Dr. William King gave thought to the formulation of new philosophy. As a result, the co-operative movement began on the world stage, poor people thought that, if weak person came closer together and formed an association of themselves, they could run separate business where there was no scope for exploitation and ill treatment.

The modern phenomena of co-operation is thus an economic concept and is of a formal nature. It is distinct from the business which affect the pattern of production and distribution within the economy. It is an organisation of people, where the production capacity is conducted by assigning a secondary role to capital the co-operative movement, therefore, offers a ray of hope to the economically weak to live in better conditions of life in the modern world.

The modern concept, co-operatives are established to perform specific functions. Co-operative societies may be found at local regional, national and international levels, where a distinction is made among them on the basis of the extent of area they cover. We come across cooperative societies in the primary, secondary and tertiary sectors.

Co-operation is broader phenomena which yields different meaning to different categories of persons. From the sociologist's point of view, the co-operative is an instrument of establishing social harmony through the removal of class struggle. Sociologists see in the movement the potentialities of bringing about a transformation.

3. DEFINITIONS OF CO-OPERATION

There is no single definition which outlines all the necessary features of a cooperative society. Hence it is proper to study some of the definition given by the leaders of the co-operative movement.

According to M.T.Herrick, "Co-operation is the act of poor persons voluntarily united for utilising reciprocally their own forces resources or both, under their mutual management to their common profit or loss".⁵

The characteristics of the definitions :

- i) He explicitly states the elements of voluntariness.
- ii) All their resources are pooled together.
- iii) Consider a cooperative society as an association of individuals having merged means.
- iv) The resources are managed jointly by the enterprise.
- v) People are jointly responsible for sharing both profit and loss.

P. Lambert.

" A co-operative society is an enterprise formed and directed by an association of users, applying within itself the rules of democracy and directly intended to serve both its own members and the community as a whole".⁶

This is a more acceptable definition compared to the others discussed above for it is in consonance with the modern idea of man as a member of the state, where every individual owes a duty to society.

The MacLagan Committee in India (1950) has defined co-operation as "A theory which maintains that an isolated and powerless man can by moral development and mutual support, obtain to that extent the material advantage available to the wealthy and powerful person and thereby develop himself to the fullest extent of his natural ability."⁷

Co-operation is considered as a means which converts a weak man into a strong individual by helping him to secure the same gains as those enjoyed by powerful persons.

International Labour Organization points out that a "Co-operative society is an association of persons varying in number, who are grappling with the same economic difficulties and who voluntarily associate on a basis of equal rights and obligations, endeavour to solve those difficulties mainly by conducting at their own risk an undertaking to which they have transferred one or more of such of their economic functions as correspond to their common needs and by utilising this undertaking in joint co-operation for their common material and moral benefit."⁸

In this definition there is a clear description of the basic cause that results in the establishment of co-operative society.

This is considered to be the most comprehensive definition of co-operation, for it contains most of the principles of co-operation.

The definition of co-operative society have varied according to time, place and person, resulting in divergent views. The co-operative movement has grown through evolutionary process formerly an abstract concept, has now developed into an institution.

4. CHARACTERISTICS OF CO-OPERATION

4.1 An Association of Person

A cooperative society comes into existence when a group of persons join together and form an association. It is a union of individuals, sharing of large resources, and a co-operative society emerges in conditions of adversity.

4.2 An Enterprise

Though a cooperative lays stress on ethical standards, it is basically an enterprise. The Society is on business principles to ensure economic benefits its for members of co-operative organisation collectively at their own cost and share jointly in the gains whether positive or negative.

4.3 Voluntary Association

A co-operative society is formed without bringing pressure to bear on any person. It is voluntary association. An individual is free to join the society and resign from his membership of the society at his will and discretion. It extends to people an opportunity to become member of co-operative society only after developing firm convictions about the principles and benefits of the cooperative organisation.

4.4 Service Objective

The main aim of a cooperative society is to serve its members rather than to earn profits. This does not mean that the profit motive does not operate in the functioning of co-operative organisation. A minimum amount of profit is necessary even for a cooperative to ensure that its members do not lose interest in it.

In co-operative society the profit motive is subsidiary to

The affairs of a co-operative society are handled in a democratic manner. In its working every member has only one vote which is

essential principle of democracy. Despite their large number of shares the members will have to be contained with only one indicate that under cooperation, capital does not get any special treatment over human being.

4.6 Equality

All the members of the co-operative society are treated on consideration of equality, for cooperation is possible only amongst equals. No discrimination among members is made on grounds of religious faith, political ideology, economic status, educational qualification etc.

4.7 Norms of Social Justice

Co-operative societies have been evolved to do away with the evil consequences of capitalism. The distribution of surplus is thereforesomething different from that in other private concerns. The surplus of the society is distributed among the members on the basis of the volume of their transactions with the society. This type of distribution helps the cooperative to secure social justice.

4.8 A Part of Socio-Economic Movement

The co-operative movement is reviewed as a constituent part of the overall socio-economic movement of the country though not specifically aiming at it. The working of the cooperative societies tends to bring about social and economic changes in the country. It is capable of reforming and restructuring society by peaceful mean.

5. THE CO-OPERATIVE MOVEMENT

The co-operative movement originated in the West, first in England, with the establishment of the Rochdale Society in 1844 which started as co-operative consumer store.⁹

In Germany the movement was associated with the name of Raiffeisen. Beginning in 1848, Raiffeisen experimented with various forms of co-operative association among the villagers, designed to eliminate the middleman and the money-lender. The Raiffeisen Societies were basically self governing associations of borrowers.¹⁰

The modern co-operative movement was formally introduced in India in 1904 with the promulgation of the Indian Co-operative Societies Act. To a considerable extent the Act was the outcome of deliberations among Government officials and leaders of public opinion who were interested in protecting peasant cultivators from the exploitative activities of money-lenders-cum-traders.¹¹

In the beginning, co-operatives confined their activities to providing cheap credit to farmers. Gradually, and particularly after independence, co-operative activity was extended to other spheres such as banking, marketing and processing. Co-operation soon became one of the instrument of rural development. Successive five year plans have emphasized the importance of cooperation in the field of agricultural development and assigned an important role to cooperatives for implementing development programmes in rural areas. Planners in many other third world countries have assigned a similar role to cooperatives.¹²

Rural development, in the sense of sustained improvement in the levels of living of the people in the rural areas, is largely dependent on the betterment of the material conditions of those involved in agricultural activities the objectives of such development are mainly two-fold.

- (1) to increase productivity and profitability of agriculture,
- (2) to reduce inequalities and exploitative relationships in the agriculture sector by helping the small and weak.

These were the objectives that inspired the establishment of co-operative sugar factories in Maharashtra.¹³

The loyalty of members is the foundation of co-operative and that loyalty can be maintained by positive gains and negative sanctions for the members to remain loyal to their co-operative. They should feel that there are adequate gains in remaining with it and that they stand to lose if they withdraw from it or fail to fulfil their obligations as members.

6. REVIEW OF LITERATURE

The present section deals with reviewing literature with special reference to B.S.Baviskar's reviewing literature with special reference to book, "The Politics of Development".¹⁴

Prof. B.S.Baviskar has defined the concept of development. There is dynamic relationship between development and politics. The sugar co-operative factories brought a change in the structure and style of politics.

There are two types of objectives of co-operative factories.

- i) To increase the productivity and profitability of agriculture.
- ii) To reduce the inequalities and exploitative relationship in the agricultural sector by helping the small and weak.

Members controlled co-operatives are generally managed by leaders elected by their share-holders. There is no easy formula for the emergence of honest and efficient leaders. To a certain extent leadership is a matter of culture, tradition and history.

Co-operative activity depends upon the governments co-operation and help. Sugar co-operatives in Maharashtra have been used by the Government and political leaders as an instrument of rural development.

The shareholders of Kisan Sugar Factory under study were belonging to all castes like Brahmin, Maratha, Sutar, Mali, Lohar, Navi, Mahar, Mangs, Chambhar. Majority of the share-holders are Maratha caste. They play important role in factory as well as political parties in co-operative banks, Zilha Parishad, Block Development members etc.

There was rapid progress in co-operative field after 1947. The ruling congress party was keen to support the movement plan of government for rural development. For establishing the new co-operative factory, the owners of private factory and Bania trader were opposed. In June 1950, the leaders Autade collected the share capital of Kisan Co-operative Factory. They registered Kisan Co-operative Sugar Factory in June 1953 under the Co-operative Societies Act of 1925.

This was second co-operative factory in Maharashtra. The interest of the different social groups was reflected in the working of Kisan Sugar Co-operative Factory.

Prof. Baviskar has pointed out distinctive features of a co-operative factory. He described the link between the factory and the wider society. Its link with other organizations including co-operatives, various Governmental agencies and political structure.

The external relations were with three types of institutions and organizations, namely other cooperatives and Government departments and other structure of power, such as Panchayati Raj bodies and political bodies.

Co-operative factories play an active role in the creation of educational, medical and other facilities for the people in their area.

The benefits were received by shareholders. Before the co-operative factory, sugarcane growers were economically dependent on money lenders, gur-traders and private sugar factory owners. The factory gave free seeds of the best possible variety. They gave the financial assets and credit loan etc.

The irrigation plays important role in sugarcane growing in Maharashtra. The factory provides agricultural department for helping its shareholders to solve agriculture problems, connected with the cultivation of sugarcane.

KISAN has managed to pay increasing and remunerative prices to its shareholders over the years. The factory has fleet of and

Boring machines which can be hired by shareholders at reasonable cost. The factory contributes to the welfare programmes in the field of health and education. The factory made a significant contribution to relief work during natural disasters such as earthquakes in Koyna dam area.

The analysis of relationship between co-operatives politics is presented in this chapter. They deal with the internal politics of Kisan and its link with politics in taluka and district. The struggle between rival functional leaders to secure control the factory and other structure of power are described. The chapter also analyses the history of the struggle between rival factions from the inception of the factory till the end of 1963.

He described the history of struggle for power between rival factions from 1963 to the end of 1978. Then he discussed the nature of politics both within and outside the co-operatives in the context of development.

Prof. Baviskar studied the relation between sugar co-operatives and politics. He has shown how the caste politics in the factory operates and how it affects the taluka and district politics.

The political leaders take the help of local leaders like the Chairman of co-operative societies in villages and the Gram Panchayat members of the village.

Prof. Baviskar's study is based on empirical data and observations. It is the fundamental work in the field of political sociology. The study clearly indicates the relation between co-operative sugar

factory and the politics of development. The author has studied the factory in details and its impact on the workers, shareholders and the surrounding area.

Thus the book is the pioneering work in the field of Co-operative Movement in Maharashtra.

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