

CHAPTER – I

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CHAPTER - I

DEVELOPMENT OF LABOUR CO-OPERATIVE SOCIETIES

1.1 INTRODUCTION

The major aim of labour co-operative societies is to provide work to the labourers. The principle of these societies is as old as human society. The real meaning of co-operative effort involves the instinctive nature of man which enables him to live together, work together and to help each-other in times of stress and strain. The history of co-operation is in fact the history of modern civilization. The social and economic progress would have been not possible without co-operation.

According to modern biologists the co-operative forces are biologically more important. Vital Prince Peter Kropotkin in mutual aid predicts that, "Sociability is as much a law of nature as mutual struggle."

Co-operation leads to social and economic harmony. So it is responsible for heavenly peace and prosperity in the society. All kinds of co-operation are noble. Co-operation is the backbone of economic activities and social progress. According to Horace Plunkett "Co-operation is self-help made effective by organization."

1.2 DEFINITIONS OF CO-OPERATION

According to Montagu "Science points out the way to survival and happiness for all mankind through love and co-operation."

According to E. R. Bowen, "Co-operation is the universal instrument of creation."

According to Dr. Philips "The co-operative association is an association of firms or households for business purposes-an economic institution through which economic activity is conducted in the pursuit of economic objectives."

Thus co-operation is the form of economic organization in which persons willfully and voluntarily pool their resources on a basis of equality for advancement of their economic interests.

Holyake defines co-operation "As a voluntary concept with equitable participation and control among all concerned by any enterprise."

1.3 CO-OPERATIVE MOVEMENT IN INDIA

In India the development of the co-operative movement is impressive. The working of the co-operative movement all over the world has proved that organizing co-operative societies have satisfied economic needs as well as they have integrated with all forms of social or political organization.

Co-operative societies have worked to improve security of tenure of land, to consolidate holdings, to promote conservation of natural resources, to facilitate land settlement, to foster the all important growth and spread of technical knowledge for better farming, to secure savings and administer credit to reduce the charges made for production requisites and use of the larger capital items for farm and small scale industrial production, to reduce charges for consumer goods and services including housing to improve the marketing of farm products to minimize risks and to lower the costs of insurance. They have promoted general as well as vocational education. They have given effective training in democracy and self Government.

The co-operative movement was started in India to reduce the exploitation of the poorer classes, including majority of agriculturists who were groaning under the heavy weight of indebtedness.

1.4 DEVELOPMENT OF VARIOUS TYPES OF CO-OPERATIVES IN INDIA

A) CO-OPERATIVE BANKING

The co-operative banking structure is paramedical or federal in character. The whole edifice of co-operative credit is based upon primary credit society that is present at the village level. These societies are federated at the district level into a central society and at the state level the district banks are federated into an apex bank. The apex or state co-operative bank in turn is closely linked with the Reserve Bank of India, which provides considerable financial assistance to co-operative credit structure.

B) CO-OPERATIVE PROCESSING

Processing of food grains and other agricultural commodities is the most important stage to make them suitable for ultimate consumption. The agricultural commodities have to undergo one or more stages of processing before they reach the consumer. Cotton has to be ginned and pressed, before it goes to textile mill. Sugarcane has to be processed into sugar and so on.

C) CONSUMER'S CO-OPERATION

A consumer's co-operative store is a voluntary organization of consumers. It is providing the requirements of consumer goods and services on terms of greatest advantage to them. This type of co-operative undertakes retailing, wholesaling and sometimes the production and processing of consumer goods. The development of the consumer's co-operation as an economic system owes its origin to Rochdale where 28 weavers formed a society that shot into world fame as the Rochdale society of equitable pioneers.

D) DAIRY CO-OPERATIVES

Milk is recognized as the most valuable article of man as a nutritive and a protective food. Dairy co-operatives have made a remarkable progress in India.

1.5 CONCEPT OF LABOUR CO-OPERATIVES

In this type of co-operative institution, labourers work together in the expectation of a joint reward. This association of a group of workers is beneficial for employers as well as workers themselves. The employer has no need to bother for discipline and complaints of workers, negligence of their duties while the workers have no any grudge against the employers. Any type of work entrusted to a labour co-operative society is finished quickly and economically. Such societies achieved appreciable success in France, Italy, Palestine, New Zealand and several other countries.

The main features of this Labour Co-operatives are

- i. A certain group of workers, generally belonging to the same trade and craft join hands, organise themselves, choose their work-mates and select their own leader.
- ii. They undertake contract and finish the work in accordance with the terms of contract.
- iii. They are free to arrange deals for the execution of terms of contract.
- iv. They are not governed by any employer but their work can be inspected to find out whether it has been completed according to the terms of contract or not.
- v. They are paid on piece-wage system.
- vi. They divide the proceeds of their joint effort according to their own choice.

Co-operatives for labours from rural and urban classes have been organised in few states of India. The organization is still in the primary stage but the success achieved by it assures a bright future for the movement. These co-operative can be divided into

- a) Labour contract societies.
 - b) Forest Labourer's societies.
 - c) Transport societies.
 - d) Co-operative work-shops.
- i. According to Co-operative Planning Committee, "The most distinguishing feature of a labour co-operative society is that each worker assumes responsibility as the fair price of freedom and his only master is the work itself."
 - ii A labour co-operative society consists of labourers with the object of accepting labour intensive works from various agencies. Labour co-operative society (L.C.S.) makes the labour contractor or the middlemen redundant. The profits which go to the contractor or the middlemen in the absence of L.C.S. can be easily diverted to the workers in the form of higher wages and regeneration of employment. A L.C.S. is formed mainly to protect and enhance the socio-economic interests of the rural workers. Both skilled and unskilled workers can form a L.C.S. but in practice the proportion of unskilled members is generally high. L.C.S. is a voluntary organization of labour established on co-operative principles for the purpose of providing continuous employment on reasonable wages to members eliminating exploitation by the middlemen and protecting the socio-economic welfare of the members.

Labour co-operative societies in state of Maharashtra in Table 1.1 shows the progress of labour co-operative societies in the last 5 decades. As seen

from the Table in 1961 there were 371 labour societies with a membership of 17400. The number of societies increased to 8333 in the year 2001 and the membership increased to 4,16,700. The amount of works done by these societies in the year 2001 was Rs. 400 crores. As compared to the year 1991 there has been substantial increase in the number of societies, their membership and the works received by them. However, there is growing complaint by the labour co-operatives regarding the availability of adequate work. Since the prices of construction materials have increased to a large extent in the period of last decade, there is an increase in the performance on quantitative basis only.

Table 1.1

Progress of Labour Co-operative Societies in the State of Maharashtra

Particulars	1961	1971	1981	1991	2001
Number of Societies	371	1115	3334	4434	8333
Number of Members	17400	51900	157200	220000	416700
Works done (Rs. in lakhs)	-	412	3578	12980	40000

Source – Souvenir of the 32nd State level convention of co-operators, Murtijapur December, 2001.

1.6 Labour Co-operative Societies in Kolhapur District

Mr. Vichare Guruji the pioneer of Satyashodhak Samaj and his disciple Mr. D. S. Narvekar took as initiative in the promotion of labour co-operative society in Kolhapur district. They were concerned about the poor economic condition and the exploitation of the Vadar class in the district. In 1946, they established a labour union to fight for the cause of labour class.

Mr. Dnyandeo Salokhe, Mr. Atamram Salokhe and other social activists took lead in the formation of the society. In January, 1955 late Mr. B. K.

Naik got the permission to register the Vadar labour co-operative society in Kolhapur. But soon this society was closed for want of able leadership. Then on 21st July, 1955 Karveer Kamgar Co-operative Society was registered with the Registrar of Co-operative Societies, Belgaum. Since the registration was not allowed in Kolhapur city area, the society was started at Vadange in Karveer taluka.

In 1961 it was shifted to Kolhapur as Karveer Kamgar Co-operative Society. The main objective of the society is to obtain the work for its members directly without intervention of contractors and to provide work on continuous basis with a view to prevent their migration from place to place in search of work.

Table 1.2

Progress of Labour Co-operartive Societies Kolhapur City

Sr. No.	Item	1951-60	1961-70	1971-80	1981-90	1991-2001
1.	No. of Societies	2	3	15	18	26
2.	No. of Members	321	826	1451	1610	2001
3.	Paid-up Capital	17,190	21,22,150	21,99,955	22,09,855	22,24,706
4.	Profit / Loss (in Rs.)	(-4,582)	2,75,169	3,67,331	4,73,978	6,50,233
5.	Reserve Fund (in Rs)	2,075	3,80,330	4,27,989	4,28,212	4,40,275

Source - Annual Reports of the Societies

Table 1.2 shows that the number of L.C.S. has increased from 2 in the decade 1951-60 to 26 in the decade 1991-2001. Membership rose from 321 to 2001, paid up capital from Rs. 17,190 to Rs. 22,24,706 during the same period. In 1951-60 there is a loss Rs. 4,582. The profit earned increased from Rs.2,75,169 to Rs. 6,50,233. These societies built up reserve fund in the decade 1991-2001 of

Rs. 2,075 in the decade of 1951-60. This increased to Rs. 4,40,275 in the decade of 1991-2001.

Table 1.3
Taluka-wise Distribution of Labour Co-Operative Societies in Kolhapur
District As on 31-3-2001

Sr. No.	Talukas	Number of L.C.S.	Number of Members	Average Membership
1.	Kolhapur city	26	1326	51.00
2.	Karveer	12	539	44.91
3.	Chandgad	3	153	51.00
4.	Ajara	3	127	42.33
5.	Gadhinglaj	14	538	38.42
6.	Phanala	10	458	45.80
7.	Shahuwadi	6	306	51.00
8.	Gaganbawada	1	51	51.00
9.	Hatkangle	16	516	32.25
10.	Shirol	9	375	41.66
11.	Radhanagari	9	407	45.22
12.	Kagal	14	650	46.42
13.	Bhudargad	6	222	37.00
	Total	129	5968	46.26

Source - Kolhapur District Labour Co-operative Federation Annual Reports

Table 1.3 shows the Taluka-wise distribution of labour co-operative societies in Kolhapur district. It is seen from Table 1.3 that Kolhapur city has the highest number of L.C.S. i.e. 26, with the membership of 1326 person. Ajara and Chandgad talukas are having the lowest number of societies. The average membership was 46. Thus it is observed that there was concentration of L.C.S. in

Kolhapur city and Karveer taluka with a proportion of nearly 30 percent both in terms of number and membership.

Table 1.4
Performance of Labour Co-Operative Societies
In Kolhapur City As On 31-03-2001

No.	Name of the society	Membership (Numbers)	Paid up Capital Rs.	Reserve Fund Rs.	Profit Rs.
1.	Mahalaxmi Majur Co-operative Society	140	7,800	15	6,244
2.	Karveer Kamgar Majur Co-operative Society	270	17,190	2,075	-4,582
3.	Gurukrupa Majur Co-operative Society	50	9,960	217	10,116
4.	Narsinha Majur Co-operative Society	51	8,525	111	21,542
5.	Tilbhandareswar Majur Co-operative Society	50	1,500	50	15,737
6.	Bhavani Hamal Co-operative Society	28	500	17,606	7,330
7.	Suswagatam Majur Co-operative Society	48	5,690	131	35,267
8.	Swami Samarth Majur Co-operative Society	56	670	67	11,977
9.	Sandeep Majur Co-operative Society	51	510	51	52,379
10.	Revansidha Majur Co-operative Society	50	1,550	51	-11,907
11.	Naikba Majur Co-operative Society	51	5,695	109	-11,110
12.	Keshav Majur Co-operative Society	50	9,320	312	20,533

13.	Datta Shramik Majur Co-operative Society	30	3,000	30	-
14.	Renuka Majur Co-operative Society	51	6,540	63	77,704
15.	Chh.Shahu Majur Co-operative Society	52	520	11,700	29,115
16.	Siddheshwar Majur Co-operative Society	54	9,300	135	-2,925
17.	Tatyasaheb Mohite Majur Co-operative Society	51	9,810	22,071	3,386
18.	Venkatesh Majur Co-operative Society	51	-	-	-
19.	Karveer Nivasini Majur Co-operative Society	51	9,120	145	41,338
20.	Captain Deepak Majur Co-operative Society	51	11,205	6,952	1,780
21.	Deepak Majur Co-operative Society	51	561	51	1,250
22.	Laxminarayan Majur Co-operative Society	57	270	27	-1,550
23.	Saiprakash Majur Co-operative Society	51	510	51	66,859
24.	Kolhapur Majur and Hamal Co-operative Society	505	21,04,960	3,78,255	2,79,751
25.	Vivekanand Majur Co-operative Society	51	-	-	-
26.	Jaybhavani Majur Co-operative Society.	-	-	-	-
	Total	2001	22,24,706	4,40,275	6,50,233

Source : Annual Reports of Societies.

Table 1.4 shows the individual performance of labour C-operative societies in Kolhaur City as on 31-03-2001. There were 26 L.C.S. in Kolhapur city with a membership of 2001, paid up capital Rs. 22,24,706, Reserve fund Rs. 4,40,275. Out of these 26 societies 5 societies had incurred loss. The total profit earned by remaining societies was Rs. 6,50,233. Eleven societies had a poor reserve fund, even less than Rs. 100. Six societies had reserve fund in the range of Rs. 101 to 500. Only 4 societies had reserved fund of more than Rs. 10000.

One society namely Jaybhavani Majur Co-operative Society had gone into liquidation and two societies had become defunct. 19 societies had got 'A' class, 3 societies 'B' class and 4 societies were non-classified.

Table 1.5

**Classification of Labour Co-operative Society Kolhapur District
for the year 2000-2001**

Sr. No.	Talukas	Classification of Societies				
		A	B	C	Non Classified	Total
1.	Kolhapur city	19	3	-	4	26
2.	Karveer	4	7	-	1	12
3.	Chandgad	-	3	-	-	3
4.	Ajara	-	3	-	-	3
5.	Gadhinglaj	4	9	-	1	14
6.	Phanala	5	3	-	2	10
7.	Shahuwadi	5	1	-	-	6
8.	Gaganbawada	-	1	-	-	1
9.	Hatkangle	10	5	-	1	16
10.	Shirol	2	6	-	1	9
11.	Radhanagari	3	5	-	1	9

12.	Kagal	3	8	-	3	14
13.	Bhudargad	1	5	-	-	6
	Total	56	59	-	14	129

Source - Annual Report of Federation.

Table 1.5 shows the classification of labour co-operative societies in Kolhapur district. The societies were classified into 'A' and 'B' class on the basis of their authority to take the works. Out of 129 societies 56 societies have got 'A' class (43%), 59 societies were allotted 'B' class (46%). 14 societies were given no class (11%).