

INTRODUCTION :

The dissertation " entitled "A Study of the Problems of Multipurpose Co-operative Credit and Service Societies/ PACS (Vividh Karyakari Sahakari Seva Sanshta) in Vengurla Taluka, District- Sindhudurg" is submitted to the Shivaji University, Kolhapur as a partial fulfilment of the requirement for the award of M.Phil degree.

The study is an imperical one and based on actual observations of the working of the multipurpose Co-operative Credit and Service Societies and their impact on agro economic structure of the Sindhudurg District. A detail study of the working of these societies is made and an attempt has also been made to see the managerial structure of these societies.

Vengurla Taluka is in newly constituted Sindhudurg District which is a part of the Western Costal Zone of Maharashtra known as Konkan. The entire Konkan belt falls under heavy rains. The agriculture has remained very much traditional and depends on monsoon. Most of the agriculturist in this taluka falls under the category of small and medium farmers and agricultural labourers.

The land which is available for the cultivation in this taluka is not suitable for the production of foodgrains but suitable for the horticultural production like Mango, Cashew, Coconute etc. The agriculturists are very much poor and small

landholders. This has affected the productivity as well as income, borrowing and repayment capacity of Co-operative loans. At the time of inception of economic planning in India, Government made several efforts to improve the quality of Co-operative Credit system by appointing various committees on Co-operation viz. All India Rural Credit Survey Committee 1951, Mehata Committee 1963, R.M.Mirdha Committee 1964 and Rural Credit Review Committee 1969. These committees were appointed mainly to examine existing system of Co-operative Credit in Rural India. With a view to identifying flaws in the existing system and to make recommendations for strengthening the grass root level of the system i.e. mainly strengthening of PACS.

With the theoretical understanding of the problems of co-operation I thought it proper to study the problems of PACS in this area. It is my objective to see what exactly the problems are before these societies and how far the recommendations made by experts have proved helpful to solve their problems.

BRIEF MEANING OF THE PROBLEM :

The Co-operative Movement in India was introduced as a State Policy and owes its origin to the enactment of the Co-operative Societies Act, 1904. This Act of 1904 provided for

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the organisation of Primary Credit Societies and stress was laid on the promotion of agricultural credit only. On the basis of which various PACS formed at the village level in all over the country. Due to some limited objectives of the first Co-operative Act of 1904, it was found to be insufficient to cope with expanding demand of the agriculture. A new act was passed in 1912 which removed the defects of the Act of 1904. Under the new Co-operative Act of 1912, the original structure of Primary Credit Societies changed into multipurpose societies. These multipurpose societies were considered suitable in so far as they satisfied most of the common needs of the rural population. The committee of Direction of the Rural Credit Survey found neither the small societies nor the multipurpose societies as a suitable pattern for the development of Credit Co-operatives at the Primary level. They recommended large sized primary Credit Societies. As a result of which the multipurpose society was changed in to large sized Credit Society.

In the Reforms Act of 1919 Central Government had given the right of formation of co-operative movement to all states. The Maharashtra Government passed the first co-operative act in 1925 and pronounced wider scope for the development of Co-operative Credit Movement. Even in the case of large sized PACS defects in the working go on increasing depending upon their size. As a result

of which service co-operatives at the Primary level for the agriculture were formed in the country. These service co-operatives are nothing but PACS/ multipurpose co-operative credit and service societies/ Vividh Karyakari Sahakari Seva Sanstha.

In this study I have selected these Primary Co-operative Credit Societies at Taluka level so as to findout some difficulties in working of these societies and give some suggestions for the improvement.

AREA AND PERIOD OF STUDY :

In the present study of the problems of multipurpose co-operative credit and service societies. I have selected all of the 23 PACS located in Vengurla Taluka. The physical agro-economic profile of only Vengurla Taluka has been considered for the purpose of the study.

In case of this study of PACS in Vengurla Taluka, I have selected the period of Five Years i.e. from 1981 to 1987. In this period all the multipurpose Co-operative Credit and Service Societies are studied with reference to capital, structure, operation lending position managerial structure etc.

The conclusions drawn from the present study are directly applicable to PACS in Vengurla Taluka, but there can be fair degree of generalisation since the problems at the PACS level

are more or less common.

SCOPE AND OBJECTIVES OF THE STUDY :

The present study is restricted to 23 PACS in Vengurla Taluka of Sindhudurg District. Naturally the physical setting and agro-economic structure of the region (of Vengurla Taluka has been taken in to account). In the sence this can be considered as micro-level study.

OBJECTIVES OF THE STUDY :

1. To study the operations of the multipurpose Co-operative Credit and Service. Societies (PACS) in order to know their credit and non credit activities.
2. To see the economic viability and financial structure of the PACS.
3. To identify the problems of Primary Agricultural Co-operative Credit Societies and their relative impact on the working and financial conditions of these societies.

HYPOTHESIS :

Within the framework of the above objectives, the study aims at examining the following hypothesis :

1. Borrowing from multipurpose Co-operative Credit and Service Societies/PACS is cumbersome and lengthy procedure. Farmers are exploited by credit sanctioning authorities.

2. Co-operative Credit is mostly influenced by dominant cast and political groups.
3. The problem of high overdues in PACS can be attributed to the lack of proper coordination between Co-operative Credit and Co-operative Marketing.
4. There is lack of professional management in the functioning of these Co-operative Credit Societies affecting the aspect of loan operations, disbursement, recovery and overdues.
5. Distribution of credit by PACS is mostly in favour of large farmers.
6. The statutory allotment of credit by the PACS to economically weaker sections and backward classes is not properly followed.

METHODOLOGY :

In the present study all the 23 PACS have been covered. Since it is the complete enumeration of the units under study, it is actually census method. A Pre-designed questionnaire was administered by the researcher himself. This personal approach to PACS could help in understanding the problems of PACS in proper perspective.

The present study titled the problem at three different levels for which three separate questionnaires were designed.

1. The first questionnaire was sent for the secretaries and Chairman of PACS in Vengurla Taluka.
2. The second was designed for the manager of SDCC Bank which happens to be an important link in the three-tier cooperative credit system.
3. The third questionnaire was addressed to the Registrar of Co-operative in Vengurla Taluka, with a view to understanding the technical problems of Co-operative Credit Societies.

Along with this primary data collection even the secondary data from the Annual Reports of these PACS, Annual Reports of SDCC Bank, and published booklets of Co-operative Commissioner and Registrar for Co-operatives Pune, like Co-operative Movement at a Glance, Co-operative News Digest by RBI, Booklets from ICA, Reports of AIRCS Committee and AIRCR Committee Sahakari Maharashtra published by Co-operative Sangh Pune etc.

PRESENTATION OF REPORT :

Report of this study has been divided into five chapters. The first chapter includes introductory part of the Co-operative Credit Movement, i.e. three-tier (federal) structure. The Primary Co-operative have undergone the process of reorganisation into multipurpose/ large-sized societies and lastly service Co-operatives. Their formation, characteristics and functions

are also presented in brief. The second chapter throws light on co-operative Credit Structure in the country, state and district of Sindhudurg. Some statistical data have been tabulated to prove the importance co-operative in agricultural improvement.

Position of Primary Co-operative in Vengurla Taluka with collected data has been reported in the third chapter.

Chapter fourth mainly deals with identification of the various problems of multipurpose Co-operative Credit and Service Societies in Vengurla Taluka.