
CHAPTER TWO : CONSUMER COOPERATION --
A CURSORY REVIEW

Chapter - 2

CONSUMER COOPERATION - A CURSORY REVIEW

2.1 INTRODUCTION

The consumer cooperative movement came into existence to safeguard the interest of the consumers due to the stranglehold of capitalists and traders on the market. Consumers as a class are completely disorganised and not in a position to fight against the nefarious activities of the highly organised trading class. They become the victims of higher prices, blackmarketing, adulteration and underweight. Although the consumer was considered as the king at one time, in the strict sense of the term the otherwise is true and he has been treated as a serf. Rising prices of essential commodities and other acts of the traders upset the economic balance of the the weaker sections of the society, especially of those who live below the poverty-line in the villages and urban slums as well. So consumer unrest is the most important feature of the present era.

The problem of consumer exploitation exists in every country in one form or the other. It is estimated that in India, consumer is cheated to the tune of Rs.2,000 crores annually through black marketing, adulteration, short weight, false or faulty packaging,

dishonest sales, gimmicks, poor product quality and services and polluted environment.¹ A recent survey by Union Health Ministry itself admitted that every third eatable in the market is adulterated. It is, therefore, no surprise that a whole generation of Indians has grown up not knowing the taste of unadulterated food. It is not surprising, in fact, it is quite logical, that 'selling pure and unadulterated goods' was adopted as an important rule of the Equitable Pioneers' Society started at Rochdale in 1844, which was the first consumer cooperative society in the world.

2.2 WHAT FOR CONSUMER COOPERATIVE STORE STANDS

Consumer cooperatives are expected to check rising price level and ensure steady supply of essential, quality consumer goods to the common man at right price, preferably little cheaper than the market price, by following fair trade practices. They are expected to avoid numerous intermediaries and their substantial margins which put up cost. These cooperatives are also expected to create the most reliable shopping centres where consumers can go and make purchases at ease without any apprehension of being cheated or deceived in respect of price or quality of goods. The consumers expect all idealisms in shops such as better services and patronage rebate which could be fulfilled by the consumers'

cooperatives. These cooperatives are also expected to give practical training to the people in the art and practice of democracy and thus they give strength to the democratic institutions. Thus, the consumers' cooperatives play an important role in the socio-economic life and therefore, government has been encouraging these cooperatives as an integral part of the public distribution system.

Different authorities have given different definitions of the term 'Consumers' Cooperative Society'. They are as follows :

- (1) "Consumers' Cooperative Society in its broadest sense is understood to mean purchase of all forms of foods and services by ultimate users on the basis of Rochdale Pioneers."²
- (2) A Consumers' Cooperative 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.³
- (3) The basic aim and objectives of a cooperative store is to supply daily necessaries to its members and non-members covering a wide range of articles varying

from A to Z, at reasonable price, without making large profit, though it should have profit in the course of its business operation to meet its operational cost, as well as to return a portion of it to its members, mostly not as dividend on capital, but in proportion to their dealings with the store, otherwise called 'purchase bonus',⁴

- (4) Consumer Society means a society the object of which is procurement, production or processing and distribution of goods to, or the performance of other services for, its members as also customers and distribution among its members and customers, in the proportion presented by rules or bye-laws of the society, of the profits accruing from such procurement, production, processing and distribution.⁵

The above quoted definitions bring out the meaning of consumers' cooperative society clearly as well as the objectives. These objectives are as follows :

- (1) To provide goods at reasonable price and to protect the interest of the members.
- (2) To control the price line and check the exploitation of the consumers by private business.
- (3) To supply unadulterated goods with correct weight and standard quality for a given price.

- (4) To educate in intelligent buying, family budgeting and general economics.
- (5) To check monopoly and profiteering by cooperative competition.

Thus, consumer cooperative society is a voluntary association of consumers. It is a service motive organization and not profit motive organization. It is organized, financed, owned and managed by the customers themselves for purchasing day-to-day consumer goods and reselling them to the consumers at reasonable price.

2.3 ORIGIN OF CONSUMER COOPERATION

The cooperative movement in the world was started in England through consumers' cooperation. Later on it spread all over the world and in different sectors.

Rochdale, situated on the boundary of Lancashire and Yorkshire, was an old town experiencing in the first half of the nineteenth century both the miseries and benefits of the Industrial Revolution. The vast mass of the working class with the evils of the Industrial Revolution such as low wages, exploitation of child labour, unemployment, etc. found expression in cooperation - Robert Owen, the father of cooperative movement in England, and his follower Dr. Willam King developed the

cooperative philosophy. William Cooper and Charles Howarth were inspired by this cooperative philosophy to start the first consumer cooperative society. This society was registered on October 24, 1844 with initial membership of 28 persons. The shop was opened on the evening of December 21, 1844. Premises were obtained at the ground floor of a warehouse, No.31 Toad Lane, at a rent of £ 10 per year for three years.⁶ The society acquired the reputation as Rochdale Pioneers Equitable Society.

2.4 CONSUMER COOPERATIVE MOVEMENT IN INDIA

2.4.1 Primary Societies

The main objective of India's consumer cooperative movement is to protect the interest of consumer from exploitation. For a long time important types of non-credit cooperatives did not take root as the first cooperative societies Act of 1904 permitted the registration only of credit cooperatives in the country. The Cooperative Societies Act 1912, gave legal status to consumer cooperative movement along with other non-credit societies. Though the 1904 Act permitted only credit societies, yet numerous attempts to form consumers' cooperatives were made during this period. A consumer store by name 'Triplicane Urban Cooperative Society' was established in Madras in 1904.

The World War I, stimulated the growth of consumers' cooperative movement in India. The number of consumers' cooperatives which was approximately 23 towards the end of 1911 rose to 78 at the close of the First World War.⁷ Under the Montford Reforms of 1919 cooperation became a provincial subject. As a result, the general cooperative movement made a rapid progress during the next ten years, i.e. 1919-1929, but the progress of the consumers' cooperative movement remained somewhat arrested during this period. The number of cooperatives which was 78 in 1918 had touched its highest number i.e. 486 in the year 1921. But it gradually came down to 322 in 1927 and again rose to 381 in 1929. The Great Depression of 1929 gave a severe blow to the movement. It was only during the World War II and thereafter that the store movement made giant strides as can be seen from Table 2.1

Table 2:1

Progress of Consumer Cooperative Societies
during 1939-51

Year	No. of Societies	Membership ('000)	Annual Sales (Rs. in lakhs)
1939-40	408	16	57
1944-45	3,539	60	2,000
1950-51	9,745	1,845	8,187

Source : Mathur, B.S., Cooperation in India, Sahitya Bhawan, Agra-3, 1975, p.388.

The number of consumer cooperative societies increased from 408 in 1939-40 to 9,745 in 1950-51, while membership increased from 16 thousand to 1,845 thousand in the same period. The annual sales also increased from Rs.57 lakhs to Rs.8,187 lakhs in the same period.

Table 2.2 indicates the progress in the growth of societies as well as their membership from 1950-51 to 1984-85. The number of primary societies increased from 9,579 in 1951-52 to 20,508 in 1984-85 with an annual growth rate of 6.30 percent. As against this, the membership increased from 1,840 thousands to 6,408 thousands with an annual growth rate of 10.24 percent. But the growth at different sub-periods shows a different picture. There is a steep fall from 1951-52 to 1959-60 both in the number and the membership. This can be attributed to the lifting of rationing and control on food grains and essential commodities by various state governments during 1951-52. The societies were unable to compete with the business community in the open market and ultimately this led to the decline. From 1960-61 to 1965-66, there was two-fold increase in the number of societies and their membership too. This was mainly due to the national emergency following the Chinese aggression in 1962 and the devaluation of the Indian Rupee in subsequent years. The Government of

India sponsored some Central Schemes to build up a large network of consumers' cooperatives for (a) general public (b) industrial workers and employees and (c) distribution of essential commodities to the rural areas through marketing and village service cooperatives.⁸ In the next five years, only few societies were added. Thus, there was a slow growth upto 1970. From 1970-71 to 1975-76 there was a sudden jump and the annual growth rates were 7.51 percent and 12.25 percent for both the number and the membership.⁹ However, there was a steep fall in both the number and membership in 1979-80. In 1984-85 there was again a sudden jump and net addition were 4,969 and 2,043 for both the number and the membership respectively compared to 1979-80.

2.4.2 Wholesale Stores

The importance of wholesale store for the purpose of supplying commodities to the primary stores was realised only during and particularly after the IInd World War. The first step to organise a wholesale society was taken in 1919, but it was closed down in 1921. Another attempt to organise a wholesale society at Bombay was made in 1927 but this attempt also could not be successful.¹⁰ During World War II, there was a general rise in the prices of essential articles. Attempts were made to organise District Cooperative Wholesale Stores with the prime object of making bulk purchases from

Table 2.2

Trends in progress in number and membership of primary consumers' cooperatives in India (1951-85)

Items	1951-52	1955-56	1959-60	1961-62	1965-66	1971-72	1975-76	1979-80	1984-85
Total No. of Societies	9,579	7,359	7,168	7,266	13,077	12,883	18,093	15,539	20,508
Membership (Thousands)	1,840	1,414	1,390	1,395	2,927	3,431	5,505	4,365	6,408

- Source : (1) Goyal, S.K. Consumers' Cooperative Movement In India, Meenakshi Prakashan, Meerut, 1972, p.64 (for years 1951-52, 1955-56 and 1959-60).
- (2) Cooperative Movement in India, Important Statistics 1965-66, Ministry of Food, Agriculture, Community Development and Cooperation, Table 3 (for years 1961-62 and 1965-66), Nov. 1967.
- (3) Rao, S.B., Consumers Cooperatives, A Management Perspective, The Cooperator, Vol.No.21, (for years 1971-72, 1975-76 and 1979-80), 1983, p.569.
- (4) Important Items of Data- Credit and Non-credit Cooperative Societies, NABARD, June, 1985, Table 31, p.68 (for years 1984-85).

producers and then functioning as central distributing agencies for their affiliated primary stores. The first District Cooperative Wholesale Store was formed in December 1939 for Madura-Ramnad Districts in Madras State.

It can be seen from Table 2.3 that the number of wholesale stores and their membership was 95 and 29 thousands in 1951-52 but since then the decline started upto 1959-60. This is because no precise programme could be worked out until the beginning of the Third Five Year Plan.

During the Third Plan, the state federations were established in the states and the National Cooperative Consumers' Federation (NCCF) was organised. An accelerated programme of consumer cooperatives was prepared. So since then upto 1985 there is continuous increase both in number of wholesale stores and their membership.

2.4.3 Present Position of Primary and Wholesale Stores

Since the Sixth Five Year Plan efforts are being made to improve sick units and to organise new consumer cooperatives. In the Seventh Five Year Plan also the NCCF is trying to strengthen consumers' cooperative movement. According to the Plan draft,

Table 2.3

Trends in Progress in Number and membership of Wholesale Consumers' Cooperatives in India (1951-85)

Items	1951-52	1955-56	1959-60	1961-62	1965-66	1971-72	1975-76	1979-80	1984-85
No. of whole-sale stores	95	74	65	107	351	383	449	500	564
Membership (thousands)	29	23	12	310	547	955	1558	1950	2452.103

Source : (1) Goyalk, S.K. Consumers' Cooperative Movement In India, Meenakshi Prakashan, Meerut, 1972, p.67. (for years 1951-52, 1955-56 and 1959-60).

(2) Cooperative Movement in India, Important Statistics, 1965-66, Ministry of Food, Agriculture, Community Development and Cooperation Table 3, (for years 1961-62, and 1965-66), Nov. 1967.

(3) Rao, S.B., 'Consumers' Cooperatives - A Management Perspective, VMNIC, Pune (for years 1971-72, 1975-76 and 1979-80).

(4) Important Items of Data Credit and Non-Credit Cooperative Societies, NABARD, June, 1985, Table 31, p.68 (For years 1984-85).

cooperative development under the Seventh Plan will embody the task of strengthening the consumer cooperative movement in the urban as well as rural areas so that it can play a pivotal role in the public distribution system.

The total public outlay on cooperation in the Seventh Plan is set at Rs.1,400.18 crores. The targets of selected programmes give an idea of the main planks of the government programmes. The targets of the consumer cooperative programme in the Seventh Five Year Plan¹¹ are shown in Table 2.4.

Table 2.4

Targets of Consumer Cooperative Programmes during the Seventh Five Year Plan

Sr. No.	Programme	Units	Base Level 1984-85	Plan Target 1989-90
1.	Value of Consumer goods distributed in rural areas	Rs.Crores	1,400	3,500
2.	Retail sale of consumer goods by urban consumer cooperatives	Rs.Crores	1,400	3,500
3.	Retail sale of fertilisers through cooperatives :			
	(a) Quantity	Million tonnes	3.63	8.33
	(b) Value	Rs.Crores	1,500	3,400

Source : Cooperative Perspective, Oct-Dec. 1985, Vol.20, No.3, p.6.

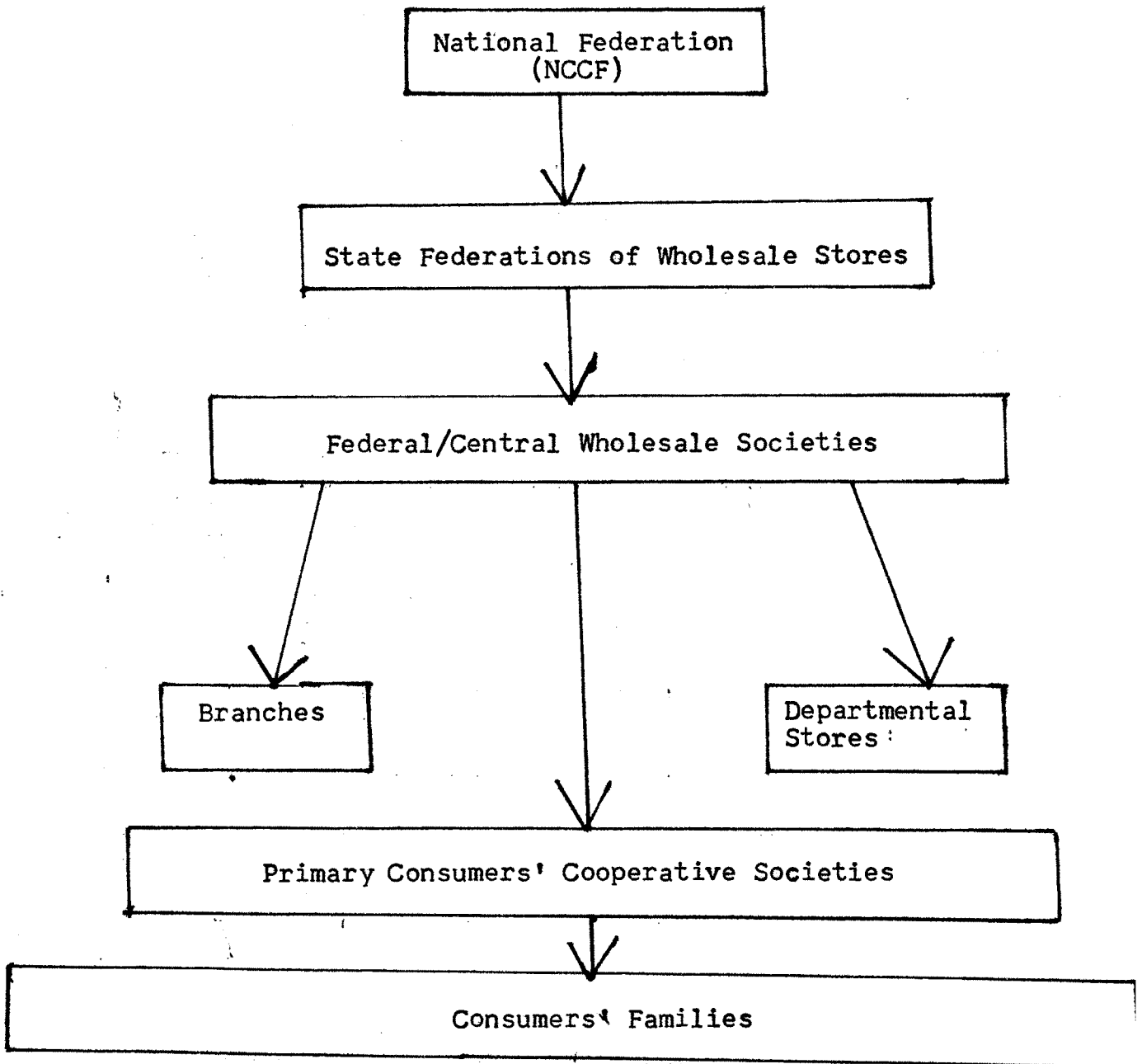
Due to these efforts of the government the primary as well as wholesale consumer cooperatives are expected to make remarkable progress during the Seventh Plan.

2.5 THE STRUCTURE OF INDIAN CONSUMER COOPERATIVE MOVEMENT.

There is a federal structure of consumers' cooperation in India. At the national level there is the National Cooperative Consumers' Federation constituted by the State Federations. The main object of this national federation is to render technical guidance, assistance to its member institutions and to encourage consumers' cooperative movement in the country. At the state level there are State Federations of the wholesale stores. The main objectives of the State Federations are to assist in the promotion, organization and the development of wholesale consumer cooperative societies. At the district level or in cities or in towns wholesale/central stores are constituted by primary societies as well as individual members. These stores provide guidance and sell consumer goods to the affiliated primary stores. At the bottom there are primary stores. They make their purchases from wholesale stores and sell the same to the ultimate consumers. Thus it is a four-tier network.

Chart 2.1

ORGANISATIONAL STRUCTURE OF CONSUMER
COOPERATION IN INDIA



2.6 COOPERATIVE MOVEMENT IN MAHARASHTRA.

Maharashtra State came into existence on 1st May, 1961. Earlier to that it was a wide territory of Bombay Province between 1947 and 1956 and with the reorganisation of States in India it existed as the bilingual Bombay State comprising the territories of present Maharashtra and Gujarat States.

Cooperation in Maharashtra has been the pioneering sector of the cooperative movement in the country; it has remained in the forefront since its inception. The cooperative movement in Maharashtra has followed a sequential evolutionary pattern. Beginning with the German Raiffeisen type of cooperative societies primarily meant for meeting the credit needs of the agriculturists, the cooperatives in the state have over 80 years since the birth of the movement in India come to cover a wide range of activities in different sectors of the state's economy. It has a network of all types of cooperative societies working in the fields of production, marketing, processing, banking, distribution etc.

It may be seen from Table 2.5 that the cooperative movement in Maharashtra has made a continuous progress since the formation of Maharashtra State. The total number of cooperative societies was



31,565 in 1961 which jumped to 73,360 in 1985 which is more than double and involves net increment of 41,795 societies. Similarly, there has been a significant increase in the membership, share capital and working capital also. According to the audit classification the number of 'A' and 'B' class societies has increased during the period 1961 to 1985. However, it is significant to note that as many as 35,710 societies were not audited in 1985, while this number was as low as 6,931 in 1961. Perhaps if these societies had been audited the situation would have reached to the alarming state in 1985.

Maharashtra's consumer cooperative movement can be seen against India's background with reference to the year 1985. Maharashtra had 14.89 percent wholesale societies covering 9.47 percent membership and 10.63 percent primary stores with 18.88 percent membership. The wholesale and primary stores shared 15.37 percent and 20.95 percent respectively of the national business operations of the consumer societies. On the whole, primary stores were better placed in the national setting.

2.7 CONSUMER COOPERATION IN MAHARASHTRA

In view of changed territories of Maharashtra State in the past, the review of consumer cooperation in the state has been restricted to broad facts with

Table 2.5

Trends in the Cooperatives in Maharashtra State
(1961-85)

Item	1961	1971	1981	1985
1. Total number of Societies	31,565	42,603	60,747	75,360
2. Total number of Members (Gross)	42	86	148	200
3. Paid up Share Capital	53	238	600	970
of which - Government	8	39	105	205
4. Owned Funds	73	345	1,207	1,850
5. Deposits	76	315	1,939	4,150
6. Working Capital	326	1,490	5,210	9,200
7. Loans advanced(Net)	95	348	1,116	2,120
8. Audit Classification of all types of societies in Maharashtra				
A	3,110	3,600	3,671	4,200
B	10,921	12,343	11,670	13,900
C	7,515	16,122	18,854	18,500
D	3,088	3,886	3,477	2,100
Not classified	291	865	774	950
Not audited	6,640	5,787	22,301	35,710

Note : (1) Rupees in Crores; (2) Membership in lakhs;
(3) Others in actuals.

Source : Cooperative Movement At A Glance In Maharashtra State, Office of the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Pune, June, 1985, p.3.

reference to three sub-periods, viz. (a) 1912-45, (b) 1946-60 and (c) 1961-85 .

2.7.1 Progress during 1912-45

The store movement in the erstwhile Bombay Province started with the Act of 1912. The first consumer cooperative store was organised by late Shri G.K. Deodhar in Pune in the year 1913-14. At the end of the First World War there was a steep rise in the prices of rice and kerosene which were in short supply at that time. By 1918, there were only 15 small stores most of which dealt in groceries and other necessities of life. These stores were started owing to the support given to them by the state government. Thus, the consumers' cooperatives came into prominence owing to the governments' policy of distributing controlled commodities through them in subsequent years. The number of societies increased from 29 in 1919 to 88 in 1921. These stores were short lived and their number fell to 25 by 1937. Thus, upto 1940 consumer cooperatives in the state made no progress at all.

At the end of 1939-40 there were only 30 cooperative stores in the state with a membership of 8,207 and a working capital of Rs.2.19 lakhs.¹² The Second World War gave a fillip to the consumer cooperative movement. There was scarcity of essential commodities

like foodstuffs, cloth and kerosene. In 1942 the government introduced rationing of essential foodgrains and gave preference to the cooperative societies in the distribution of controlled commodities. Consumers' societies in the Province increased from 25 in 1938-39 to 465 in 1945-46 and their membership from 7,128 to 1,32,590 and their sales from Rs.5.99 lakhs to Rs.542.1 lakhs.¹³

2.7.2 Progress during 1946-60

It appears from Table 2.6 that during 1945-48, there was an increase in the number of consumers' stores, their membership and working capital. But their profit

Table 2.6

Primary Stores in Bombay and Province (1946-1960)

Items	Rs.in lakhs			
	1946	1950	1955	1960
1. No. of Stores	465	1,113	941	1,116
2. Membership (lakhs)	1.33	2.26	2.29	1.69
3. Working Capital	54.1	148.0	211.0	118.3
4. Purchases	525.0	1293.0	306.2	886.4
5. Sales	552.0	1291.0	268.5	952.2
6. Profits	8.4	18.8	5.47	14.1
7. Loss	-	-	8.08	1.59
8. Cost of Management	N.A.	53.9	23.7	35.4

Source : Goyal, S.K., Consumers' Cooperative Movement in India, Meenakshi Prakashan, Meerut, 1972, Table 4.24, p.105 and Table 4.25, p.107.

remained more or less stationary while the purchases and sales declined due to the policy of decontrol which was temporarily adopted in January 1948. During 1948-50 the number of stores, their membership, turnover and profits increased. The percentage of cost of management to turnover was 4.2 as against 5.2 previously. This was a healthy sign. During 1952 to 1956, there was not only a decline in the number of stores, working capital, but a landslide was in evidence in respect of purchases, sales and net profits made. On November 1, 1956 the state was reorganised to form the bilingual Bombay State. Therefore, the data for the subsequent years upto 1960 is not strictly comparable to that for the earlier years.

Considering the decade of the nineteen fifties, it appears that during the first two plans the state government did not have any special scheme for providing an impetus to the consumer cooperative movement in the state.

2.7.3 Progress during 1961-85

Due to the Chinese attack on India in 1962, there was sharp rise in the prices and scarcity of consumer goods. The Government of India launched the centrally sponsored scheme of consumer cooperatives. The present structure of the movement in the state is

evolved under this scheme. It is a three-tier federal system.

2.7.3.1 Maharashtra State Cooperative Consumers' Federation

This State Federation was registered on 12th September, 1964. This is an apex institution of the consumer cooperative movement in the State. This federation makes bulk purchases of variety of consumer goods and sells them to the wholesale and primary stores. It also provides guidance and training to the consumer stores, formulates plans for further development and reviews the progress of the consumer movement in the State. It appears from Table 2.7 that by end-seventies the Federation was unitary in structure but before the end of the decade chose to have branches so that in 1981 there were 7 branches while in 1985 the number doubled. In 1961 the membership was only 2,800 while in 1985, it increased to 25,100. The share capital of the federation increased from Rs.3 lakhs to Rs.217 lakhs over 1961-85. The Government of Maharashtra's contribution to the share capital went up from Rs.1 lakh to Rs.165 lakhs. There was a considerable progress in the sale volume from Rs.46 lakhs in 1961 to Rs.2,657 lakhs in 1985. Total working capital swelled from Rs. 6 lakhs in 1961 to Rs.872 lakhs in 1985. Thus the progress in quantitative terms appears to be quite impressive.

Table 2.7

Progress of Maharashtra State Cooperative Consumers' Federation
(1961-85)

Item	1961	1971	1981-	1982	1983	1984	1985*
1. Branches	-	-	7	8	12	14	14
2. Membership	28	41	192	208	225	228	251
3. Share Capital	3	14	146	158	180	203	217
4. of which Govt.	1	6	96	107	129	152	165
5. Owned Funds SNA		17	190	203	225	249	262
6. Borrowings SNA		18	173	295	302	568	575
7. Working Capital	6	38	647	763	902	833	872
8. Purchases	48	313	2078	1232	1457	2005	2404
9. Sales	46	336	2184	1276	1770	2157	2657
10. Amount of Profit	Neg.	0.08	1	-	-	5	-
11. Amount of Loss	-	-	-	2	8	-	16

Note : (1) Rs. in lakhs, (2) Membership in hundreds, (3) N.A. = not available
(4) Neg = Negligible (5) SNA = Separately not available (6)* figures are provisional.

Source : Cooperative Movement At a Glance Maharashtra State, 1982, 1983, 1985, Office of the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Pune, Statement No.51, p.31.

2.7.3.2 Wholesale Consumer Cooperative Societies

The progress of the wholesale consumer cooperative societies is very well highlighted during the period 1961 to 1985 by Table 2.8. It may be observed that there has been a substantial increase in the number of stores, branches, share capital, government contribution, owned funds, borrowings and working capital. In 1961 there was a solitary wholesale store in the state, but by 1985 the number has shot up to 83. The total purchases of the societies were pushed up from Rs.189 lakhs in 1961 to Rs.9,950 lakhs in 1985 while total sales were hiked from Rs.187 lakhs in 1961 to Rs.11,020 lakhs in 1985.

2.7.3.3 Primary Consumer Cooperative Societies

The primary stores have been organised mainly to provide rationed commodities or other necessities to the members and consumers living in the locality. Table 2.9 shows the progress of these stores in Maharashtra since 1961. It may be seen from the Table 2.9 that the number of consumer stores nearabout doubled during the period under review. Consequently, the membership rose from 1,75,200 in 1961 to 11,60,000 in 1985 and share capital from Rs.52 lakhs to Rs.510 lakhs.

The total purchases of the societies increased from Rs.887 lakhs in 1961 to Rs.13,000 lakhs in 1985.

Table 2.8

Progress of the Wholesale Consumer Cooperative Societies in Maharashtra (1961-85)

Item	1961	1971	1981	1982	1983	1984	1985*
1. Stores	1	43	75	72	77	80	83
2. Branches	9	360	461	442	442	424	430
3. Membership	2	1350	1232	2092	2182	2270	2320
4. Share Capital	3	133	249	309	324	344	375
5. Govt. Contribution N.A.		97	150	156	165	179	195
6. Owned Funds	3	195	423	503	525	568	620
7. Borrowing	2	205	283	359	537	502	560
8. Working Capital	7	463	1100	1468	1609	1640	1800
9. Purchases	189	2833	5865	7415	8851	9374	9950
10. Sales	187	3031	6396	7814	9677	10024	11020
11. Stores in Profit -		28	45	45	46	48	50
12. Amount of Profit -		9	16	25	20	23	25
13. Stores in Loss	1	15	17	19	23	24	26
14. Amount of Loss Neg.		17	25	17	20	27	25

Note : (1) Rs. in lakhs (2) Membership in thousands, (3) * Figures are provisional
 (4) N.A. - Not available.

Source : Cooperative Movement at a Glance In Maharashtra State 1982, 1983 and 1985, Office of the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Statement No.51, p.32.

Table 2.9

Progress of the Primary Consumer Cooperative Societies in Maharashtra
(1961-85)

Items	1961	1971	1981	1982	1983	1984	1985*
1. Stores	1140	1385	1737	1844	1902	2024	2181
2. Membership	1752	3885	10062	10418	11022	11324	11600
3. Share Capital	52	124	345	433	423	462	510
4. of which Govt.	N.A.	6	27	54	62	43	50
5. Owned Funds	102	234	710	884	887	957	1100
6. Working Capital	169	355	1685	1950	2180	2252	2300
7. Borrowings	24	83	306	276	358	296	320
8. Purchases	887	3435	9330	11386	12377	12328	13000
9. Sales	931	3544	10103	11950	12440	12847	13650
10. Stores in Profit	489	781	1051	1104	1140	1171	1175
11. Amount of Profit	16	35	106	113	121	126	130
12. Stores in Loss	182	327	419	491	507	541	550
13. Amount of Loss	2	22	22	25	32	31	32

Note : (1) Rs. in lakhs, (2) Membership in hundred, (3)* Figures are provisional
(4) N.A. = Not available.

Source : Cooperative Movement At A Glance In Maharashtra State, 1983, 1984 and 1985,
Office of the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Pune, Statement No.51, p.32.

Similarly, the sales too moved up phenomenally from Rs.931 lakhs in 1961 to Rs.13,650 lakhs in 1985. A consoling feature is that the proportion of stores in profit to the aggregate number of stores shot up to 42.89 percent in 1961 to 53.87 percent in 1985. At the same time, the proportion of stores in losses too was up from 15.96 percent to 25.21 percent. This is by all means a discouraging aspect of the functioning of the primary stores.

2.7.4 Divisionwise progress of Consumer Cooperative Movement

A divisionwise review of the consumer cooperative movement in Maharashtra will be enlightening. Officially, the state is divided into six administrative divisions; they are -

- (1) Bombay Division
- (2) Nasik Division
- (3) Pune Division
- (4) Aurangabad Division
- (5) Nagpur Division
- (6) Amravati Division

Table 2.10 gives salient details of these divisions of Maharashtra for the three years, viz. 1983, 1984 and 1985. For the state as a whole the number of consumer cooperatives at all levels formed only 3 percent share.

Table 2.10

Divisionwise details of consumer cooperatives in Maharashtra

Division	1983		1984		1985	
	All Types	Consumer Stores	All types	Consumer Stores	All types	Consumer Stores
1. Bombay Division	16,535	769 (4.65)	17,437	799 (4.58)	18,479	848 888 (4.58)
2. Nasik Division	10,982	147 (1.39)	11,479	157 (1.37)	12,134	163 (1.34)
3. Pune Division	16,070	449 (2.79)	17,266	512 (2.97)	18,689	596 (3.19)
4. Aurangabad Division	10,798	99 (0.92)	11,425	110 (0.96)	11,941	123 (1.03)
5. Nagpur Division	6,697	362 (5.41)	6,926	370 (5.34)	7,188	376 (5.23)
6. Amravati Division	6,376	154 (2.42)	6,597	156 (2.96)	6,929	158 (2.42) (2.28)
Maharashtra State	67,458	1980 (2.94)	71,130	2104 (2.96)	75,360	2264 (3.00)

Note : Figures in brackets indicate percentages to 'All types' for the respective division

Source: Cooperative Movement At A Glance In Maharashtra, 1983, 1984 and 1985, Office of the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Pune, Statement No.75.

Table 3.13

Gross Profit and Net Profit of Consumer Cooperatives in Barsi Town

(Rs. in thousands)

Sr. No.	Name of the Society	Total Sales		Gross Profit		Net Profit		% of Gross Profit to Total Sales		% of Net Profit to Gross Profit			
		1981-82	1985-86	1981-82	1985-86	1981-82	1985-86	1981-82	1985-86	1981-82	1985-86		
1.	Bhagwant	14886.38	13462.59	426.82	448.91	9.98	39.70	2.87	3.33	0.07	0.29	2.34	8.84
2.	Madhyavarti Grahak	2920.37	3735.66	81.92	86.97	12.72	7.15	2.81	2.33 2.83	0.44	0.19	15.53	8.22
3.	Hotel Malak Sangh	590.55	885.73	30.51	44.80	14.48	23.18	5.17	5.06	2.45	2.62	47.50	51.74
4.	Khadi Gramodyog	13.70	49.41	1.69	4.40	0.95	1.77	12.34	8.91	6.93	3.58	56.21	40.23
5.	Vinayak	201.53	18.86	7.16	0.31	-	-	3.55	1.64	-	-	-	-
6.	Shivaji Grahak	743.26	1729.68	73.26	159.81	37.53	77.86	9.86	9.24	5.05	4.50	51.22	48.72
7.	Siddhartha	N.E.	64.42	N.E.	-19.40	N.E.	-	N.E.	-30.11	N.E.	-	N.E.	-
8.	Shivaji Vidyathi	N.E.	8.38	N.E.	5.04	N.E.	3.08	N.E.	60.14	N.E.	36.75	N.E.	61.11
9.	Barsi Shikshan	N.E.	-	N.E.	-	N.E.	-	N.E.	-	N.E.	-	N.E.	-
10.	Silver Jubilee	N.E.	0.40	N.E.	-	N.E.	-	N.E.	-	N.E.	-	N.E.	-

Note : (1) N.E. = Not in Existence in 1981-82

(2) In the case of Bhagwant Society, figures in all columns pertaining to 1985-86 are for the year 1984-85

Yearwise variation was very negligible. As regards divisions, Bombay was in the forefront with 37.46 percent of the stores in 1985, followed by Pune (26.33 percent), Nagpur (16.61 percent), Nasik(7.20 percent), Amravati (6.98 percent) and Aurangabad (5.43 percent) divisions. When it comes to forming a hierarchy of the divisions on the basis of proportion of consumer stores in all types of societies, the order is Nagpur, Bombay, Pune, Amravati, Nasik and Aurangabad divisions.

2.8 CONCLUSION

Consumer cooperation aims at relieving the hardships to the final consumers caused by selfish activities of private traders. Procuring essential consumer goods of reasonable qualities at reasonable prices is the principal endeavour of these institutions. In the post-Independence India there has been speedy growth of consumer cooperation at both the national and state level. Quantitative progress even in Maharashtra has been impressive. The lot of the consumers served by the consumer stores must have been improved at least partially through this institutional set up.

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