



## CHAPTER – 1

### INTRODUCTION AND RESEARCH METHODOLOGY

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### **INTRODUCTION AND RESEARCH METHODOLOGY**

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## CHAPTER – 1

### INTRODUCTION AND RESEARCH METHODOLOGY

#### 1.1 INTRODUCTION

The co-operative movement first spread in Great Britain, where consumers co-operative began emerging in 1769. After its beginning in Great Britain, the co-operative movement began to develop in other countries. In 19<sup>th</sup> century, co-operative began to spread gradually in Austria, Italy, Switzerland, Sweden, Norway, and Denmark as well as Russia and other eastern European countries. In the early 20<sup>th</sup> century, Agricultural co-operative societies appeared in India and other Asian countries.

Co-operative is not, in any way, new to India. It has been known and practiced in this country since time immemorial. In ancient India it took four principal forms: In Kula, Gram, Sreni, and Jati.

Kula was the first form of co-operative activity that emerged in Indian society. It was both a political and socio economic organization, in which kinsmen, friends and relatives worked cooperatively to promote their economic, social and political interest. With the expansion and stabilization of society, the aspects of economic and social co-operation, gradually narrowed to the limits of joint family; which has survived to the present day.” Under this system the land is owned and cultivated in common, while all adult members have to share the duties of the family engaged in occupation other than agriculture. This institution is based on a feeling of brotherhood and mutual help.

“Co-operation at the level of gram emerged after kula become a stabilized unit. The gram sabha was a co-operative organization which undertook works for the economic and social progress of the village and looked after the improvement and maintenance of village lands, pastures, roads, highways, paths, common gardens and grass lands. The members jointly undertook buying or selling or obtaining equipment, tools, seeds and other items of production”.

The shreni is a later development which emerged in the post vedic era. It was a co-operative and economic organization of artisans, industrial and

handicraft workers, merchants, traders, bankers, agriculturist, house-builders, workers in construction job and building contractors. Shreni worked not only as a banker and merchant guilds but also as charitable institution.”

“Co-operative at the level of jati was mostly for social purposes as education, charity, and relief work, but when a particular occupation, craft or trade began associated with a particular caste, the system evolved a pattern in which co-operative become an important aspect of the economic activities of the community.”

### **1.1.1 CONCEPT AND MEANING OF CO-OPERATION**

“Co-operation” is derived from the Latin word “Co-opera” ‘Co’ means ‘with’ and ‘Opera’ means ‘to work’ co-operation means working together. It is a group instinct in man which makes him to live together, work together and help each other in times of stress and strain.

Some important definitions are given below.

1. M. H. Calvert

“As a form of organization where in persons voluntarily associate together as human beings on a basis of equality for the promotion of economic interest of themselves.”<sup>1</sup>

2. R. Philips

“The co-operative is an association of firm or house hold for business purpose as economic institution through which cans economic activity is conducted in the pursuit of economic objectives.”<sup>2</sup>

3. Holyoake

“As a voluntary concert, with equitable participation and control among all concerned in any enterprise.”<sup>3</sup>

4. The co-operative planning committee (1946)

“It is an organization of people where the population activity is conducted by assigning a secondary role of capital.”<sup>4</sup>

## **1.2 CO-OPERATIVE MOVEMENT**

### **1.2.1 CO-OPERATIVE MOVEMENT IN INDIA**

Co-operation is a world-wide movement. Co-operative movement in India is one of the largest movements in the world. Cooperation was introduced in India by the Government in the beginning of 20th century in order to save people from the malpractices of money lenders. The British rule, Nicholson a British Officer in India suggested to Introduce Raiffersen model of German agricultural credit Cooperatives in India. As a Follow-up of that recommendation, the first Cooperative Society Act of 1904 was enacted to enable formation of "agricultural credit cooperatives" in villages in India under Government sponsorship. With the enactment of 1904 Act, Cooperatives were to get a direct legal identity as every agricultural Cooperative was to be registered under that Act. But the real beginning of cooperative movement was made from the year 1912 when the defects of Act of 1904 were removed through the Cooperative Societies Act, 1912. The Maclagen Committee (1914) envisaged a three-tier cooperative credit structure with Primary Agricultural Credit Societies (PACS) at the grass root level; Central Cooperative Banks at District level (DCCBs) and State Cooperative Banks (SCBs) at State level. In 1942, the British Government enacted the Multi-Unit Cooperative Societies Act, 1942 with an object to cover societies whose operations are extended to more than one state. The impulses of the Indian freedom movement gave birth too many initiatives and institutions in the post independence in India.

After independence many committees were set up by the government to review and recommend changes in policy and structure of the cooperative credit institutions. The cooperative societies were classified as 'rural' and 'urban' with the former having unlimited liability while the latter had both limited and unlimited liability. The cooperative movement has all along been mostly confined to agriculture, and largely for supply of credit. The National Bank for Agriculture and Rural Development (NABARD) to supplement the long term resources of cooperative banks and the National Cooperative Development Corporation (NCDC) for promoting programmers for production, processing, storage and marketing of agricultural produce through

cooperative societies. During recent times new dimensions have been added to give a new and progressive direction to the cooperative movement. The laws relating to co-operative and their working are being modified to make these institutions strong both quantitatively and qualitatively.

Various types of co-operative societies with their activities in India could be classified in the following categories:

**Production Co-operatives-** These co-operatives deal with agricultural and industrial production, such as Farming Co-operatives, Industrial Co-operatives and Processing Co-operatives.

**Marketing Co-operatives-** These co-operatives are concerned with the marketing of agricultural produce, such as- Agricultural Marketing Societies and Consumer Co-operative.

**Service Co-operatives-** Deal with the services necessary for their members, such as Co-operative Credit Societies and Co-operative Banks, also the Housing Co-operatives,

**Allied Service Co-operatives-** These co-operatives are concerned with all activities which are necessary for daily life and business of the agriculturists, artisans, etc.

### **1.2.2 CO-OPERATIVE MOVEMENT IN MAHARASHTRA**

Maharashtra is one of the major states of India. It is also the most urbanized and industrialized State. Co-operative movement is widespread and has a long history in Maharashtra and even today it plays an important role in economy of Maharashtra. In India, out of total population 70 per cent of the population lives in rural areas. Majority of the population depends on agricultural. Hence development of agriculture, agro-based industries, employment generating activities, infrastructure facilities like roads, drinking water, water for irrigating the crops, electricity, telephones, markets, etc.

Agriculture is the main dealing of the farmers in state of Maharashtra. But farmers have been facing a number of socio-economic problems. Such as- lack of credit availability for small farmers, persecution by moneylenders, inability to repay debts following crop loss, high interest rate charged by the moneylenders, rising cost of the cultivation. However, the agriculture sector

has been witnessing low growth and productivity, non-remunerative prices for the produce. As per the lines of the Central Government, Maharashtra Government has also identified the importance of the co-operative movement as the best source through which to apply it for rural development, people's empowerment and poverty alleviation program. The basic nature of the co-operative societies is to encourage the 'values of self-help, democracy, equality, and solidarity. The movement was welcomed with great enthusiasm, the movement teaches the ordinary farmers, downtrodden community and landless laborers to live with prestige and self-confidence.

The co-operative movement in Maharashtra has played a significant role in the social and economic development of the state particularly in the rural areas. The co-operatives in Maharashtra have a political, historical, social and cultural heritage. It is particularly strong in Western Maharashtra as the independent movement and the leaders from Pune, Mumbai and Ahmednagar initiated social reforms. Due to favorable climate conditions, soil and the development of irrigation facilities Maharashtra made good progress in sugarcane and sugar production through the help of co-operative sugar factories. The Pravara Sugar Co-operative Factory Ltd., established in 1949, made a success.

Agriculture is the leading activity of the rural area of the Maharashtra. Agriculture occupies main location for survival of the largest population of Maharashtra State. Informal credit market of Maharashtra which is dominated by moneylenders is quite more active in rural areas. With the commercialization of agriculture, rural indebtedness further increased and by the end of the nineteenth century, the agricultural and artisans became almost totally subjected to the control of usurious moneylenders. During the early days the rural credit societies could not satisfy the needs of the farmers. They did not have enough funds or facilities to offer to the farmers. Thus the farmers continued to rely on the money lenders and suffer. Money lender not only lends money for his seeds, fertilizers, insecticides etc. but also provides him credit for his household needs and when the crops are harvested the trader also markets the crops at low rate. Co-operative societies support for purchase of seeds, fertilizers, insecticides etc. they also provide several services such as

marketing, processing, storage, credit, transport etc. Co-operatives in fact supports to the poor and marginal farmers. However, due to small size of the co-operative societies the 169 could not provide adequate services to their members. The Government therefore gave financial assistance to these societies and thus increased their borrowing capacity. Crop Loan System has also been introduced. The government has introduced various schemes to improve the economic conditions at the rural level i.e. subsidy to agricultural credit stabilization fund, contribution to risk fund, share capital contribution, loans to co-operative credit societies for the conversion of loans from short term to medium term and crop production incentive to agriculturists. Co-operative societies create an encouraging environment, spirit of competition and support economic activities in the rural areas, which promote participation of rural people in sustaining development in the rural areas.

In Maharashtra co-operative movement generally attributed to the various personalities such as Vitthalrao Vikhe-Patil, Shankarrao Mohite Patil, Ratnappa Kumbhar, Vasantdada Patil, Rajarambapu Patil, Tatyasaheb Kore, Yashwantrao Mohite, Yashwantrao Chavan initiated and flourished co-operative movement at grass-root level through sugar co-operative, cotton mills, dairy co-operatives and co-operative credit societies (Agriculture and Non-agriculture).

### **1.2.3 CO-OPERATIVE MOVEMENT IN SATARA DISTRICT**

Contribution of Satara district in co-operative movement Satara district is known as district of revolutionist. In the field of co-operation it has also taken lead. As compare to other district in Maharashtra state. Satara district increase the number of co-operative institutes. Their work is really praise worthy. Today Satara district runs 61 kinds of 6182 co-operative institutes primary milk supply institutes small land owners and daily wagers live their livelihood. Moreover, Satara district made innovative co-operative movements and in this way it contributes to co-operative movement.

Lokayan co-operative publication institute Ltd. Satara enters in the field of publication. This institute is registered in the year of golden jubilee of co-operative movement. 'Sahakar' published by this institute. Co-operative bharati co-operation training co-operative institute Ltd. Karad work in co-



operative sector; gives training to authorities and workers. This training institute believes that the training programs creates capable man who helps

Co-operative movement and can able to face the future problem.

Now day government launches different policies for women empowerment. But in the sector of co-operation very few women are participated. On this basis Satara district self-help group promises co-operative institute Ltd. Established and run by women very skillfully. This institute has got fame because of this work. The other noteworthy thing about this institute is that with this institutes health services sector include in co-operation. This institute gives membership to women of other self-help groups from different villages. This institute provides them health service in affordable rates. 650 self-help group having membership of this co-operative institute it means that nearly 10,000 women's are member of this institute. Such types of 36 novel institutes are registered in Satara district.

### **1.3 CO-OPERATION DURING THE PLANNING ERA**

#### **1. THE FIRST FIVE YEAR PLAN (1950-56)**

The first five year plan which was launched in 1950-56 described the co-operative movement as an indispensable instrument of planned action in the country. The first plan stated, "The principal of mutual aid, which is the basis of co-operative organization, and the practice of thrift and self-help which sustain it, generate a sturdy feeling of self-reliance which is of basic important in a democratic way of life.

The main features of the first plan which reference to co-operation are the following:

- As an instrument of democratic planning, combining initiative, mutual benefit and social purpose, co-operation must be an essential feature of the program for the implementation of the first plan.
- Co-operative agencies in the village should have the closest possible relationship with the Panchayat.
- An attempt should be made to have in each village a co-operative organization which will cater to the multiple needs of its members.
- The state should encourage the formation of co-operative farms.

- The need for developing co-operative marketing was also emphasized from the point of view principally of ensuring better price for agriculturists.

## 2. THE SECOND FIVE YEAR PLAN (1956-1961)

Under second five year plan (1956-61) on the recommendations of All India Rural Credit Survey Committee during the year 1956, National Co-operative Development and Warehousing Board (NCDWB) were established. Apart from this, the second five year plan initiated the setting up of producers' cooperatives and processing cooperatives.

During the year 1959, the Committee on Co-operative Credit under the chairmanship of

Sri. V. L. Mehtha opined that the membership in a cooperative should not be too large and each village falling under the service area of the cooperative should be at a distance of less than 3-4 miles.

The Committee on Taccavi (Govt.) loans and cooperative credit under the chairmanship of Sri. B.P Patel in 1961-62, stressed that the cooperatives should provide loans to the farmers for carrying out agricultural operations and land improvement. These loans should be given only to the farmers under distressed conditions.

The Committee on Cooperative Administration headed by Sri. V. L. Mehta said that the supervision of cooperatives at grassroots level i.e. PACSs should be done by District Cooperative Banks.

## 3. THE THIRD FIVE YEAR PLAN (1961-66)

During the third plan also the co-operative movement was accorded a crucial role in implementing the schemes of economics development. A rapidly growing co-operative sector, which special emphasis on the need of the peasant, the worker and the consumer was considered to be a vital factor for social stability, for expansion of employment opportunities and for rapid economic development. The third plan regarded co-operation as one of the principal means for bringing about changes of a fundamental nature within the economy.

The third plan laid down the following broad objective:

- The agricultural credit movement should cover the entire village and 60 percent of the agricultural population by the end of the third plan.
- Revitalization of primary agricultural credit societies with management subsidy, etc, should be given sufficient attention so as to make them viable units.
- Small industries should be developed on co-operative lines.
- Co-operative unions at state and district level should be strengthened to enable them to undertake growing responsibilities of co-operative education and training.
- The Third plan also included a large program of non-credit co-operative like housing, farming, fisheries, dairying, etc.

#### 4. THE FOURTH FIVE YEAR PLAN (1969-74)

Fourth five year plan gave impetus for the rehabilitation and reorganization of District Cooperative Credit Societies for the smooth flow of cooperative credit. During this plan, Indian Farmers Fertilizer Cooperative Limited (IFFCO) was established at Kandla, Gujarat.

#### 5. THE FIFTH FIVE YEAR PLAN (1974-79)

The building up of a strong and viable co-operative sector, with special emphasis on the need of the peasants, the worker and consumers, were the major objective of national policy during the fifth plan. The draft fifth year plan (1974-79) stated:

“Co-operation is eminently suited to bring about desired socio-economic challenges in the context of the existing condition in the country. There is no other instrument as potential powerful and full of socio purpose as the co-operative movement.”

Four specific objectives had been stated for co-operative development during the fifth plan.

- To build up a viable consumer co-operative movement to enable it to function as an important element in a consumer oriented distribution system.

- To strengthen the network of agricultural co-operative so as to serve as the principal institution under planning for a process of sustained agricultural development.
- To make efforts towards the correction of regional imbalances in the level of Co-operative development particularly in the sphere of agricultural credit.
- Special efforts will be made towards restructuring and reorienting the co-operative so as to shift the focus on their activities increasingly in favor of small and marginal farmers and other under- privileged section of the people.

#### 6. THE SIXTH FIVE YEAR PLAN (1980-85)

The strengthening of dairy cooperatives was also given importance in this period.

The important programs which are to be undertaken in sixth plan are the following:

- Promotion of voluntary scheme and socio action program.
- Promotion and strengthening of mahila/ yuvak mandals.
- Pilot projects of public co-operation implemented by the state Government.

#### 7. THE SEVEN FIVE YEAR PLAN (1985-90)

Seven five year plan stressed up on

- Organizing of special cooperative loan recovery camps.
- Strengthening of National and State Consumer Federation (NSCF).
- Introduction of single window system of credit in Andhra Pradesh.

#### 8. THE EIGHTH FIVE YEAR PLAN (1992-97)

Eighth five year plan emphasized replication of Anand Pattern of cooperatives for milk and strengthening of processing co-operatives.

#### 9. THE NINTH FIVE YEAR PLAN (1997-2002)

During ninth five year plan measures have been initiated to revitalize the co-operatives to make them vibrant democratic institutions with economic viability and active involvement of members by the Government. These

include the framing of national policy on cooperatives and finalization of a new Multi State Cooperative Societies Bill to replace the existing Multi State Cooperative Societies Act, 1984.

Broadly, the following issues have been addressed in the proposed legislation.

1. Greater degree of autonomy of Multi State Cooperative Societies.
2. Reduction in the control and level of intervention of the Government.
3. Establishment of Quasi-judicial Dispute Settlement Authority.
4. Provisions for safeguarding the interest of members.
5. Removal of some restrictive provisions on the functioning of societies.
6. Freedom of societies to determine their own priorities.

#### 10. THE TENTH FIVE YEAR PLAN (2002-07)

The following initiatives were taken with respect of cooperatives during tenth five year plan:

- Greater degree of autonomy of Multi State Cooperative Societies.
- To study the regional disparity in the development of cooperatives, identify the factors inhibiting the development of cooperatives in the states and suggest suitable program for encouraging cooperatives in the cooperatively underdeveloped states.
- To suggest measures for human resource development in the cooperatives.
- To review the role and functioning of consumer cooperatives and suggest suitable measures for their improvement.

#### 11. ELEVENTH FIVE YEAR PLAN (2007-12)

The 11th five year plan provided an opportunity to restructure policies to achieve a new vision of growth that will be more broad and inclusive, brining about a faster reduction in poverty and helping bridge the divide that is currently the focus of greater attention.

The objective, strategies and proposal are formulated as follows:

##### Objectives

- Improving health of co-operative credit institutions at the village level.
- Diversifying business opportunity.
- Prioritizing lending to weaker section. Strategies.

- The co-operative institution will be strengthened so as to enable them to discharge their functions in an efficient and effective manner. Apart from providing them with financial assistance and financial restructuring, institutional reforms need to be carried out in order to ensure that the co-operatives are run on professional lines with greater autonomy and participation of their members.
- Issues of farm sector loans will be double. It will be ensured that all credit Co-operative societies will become vibrant and strong institutions.
- Estimated percentage of loans to weaker sections will be increased to 67%. The percentage of farm sector loans issued to SC/ST farmers will be enhanced to 30% during the Eleventh plan period.

#### 12. TWELVTH FIVE YEAR PLAN (2012-17)

12th five year plan will focus on the following major objectives and strategies in the formulation of schemes in different sectors as shown below:

- Establishment of small farms for supply of essential inputs for Agriculture, Horticulture, Fishery, Animal Husbandry and Forestry, etc.
- A fresh to sericulture and rubber cultivation, particular in hilly areas.
- Additional incentives to Industry, particularly in the small handloom and handicrafts sector.
- Putting more stress on schemes relating to science and technology and social farm forestry.
- Special drive to bring upland areas under horticulture crops.
- Providing safe drinking water facilities in the interior village.

#### 1.4 SIGNIFICANCE OF THE STUDY

The research work is related to Satara District Central Co-operative Bank. Study is mainly about agricultural and rural development schemes. The study will provide the information in a systematic manner, relating and other operational aspects this study may also help in improving the general working of bank.

## **1.5 OBJECTIVES OF THE STUDY**

The major objective of the present research study are as follows:

- 1) To understand various Agricultural schemes of Satara district central co-operative bank.
- 2) To examine the benefits of Agricultural development schemes.
- 3) To observe a contribution of Agricultural schemes for Agricultural development.
- 4) To understand the implementation of Agricultural schemes.
- 5) To know various rural development schemes implemented by bank.
- 6) To examine the role of the bank in rural development.

## **1.6 HYPOTHESIS OF THE STUDY**

- I) Satara district central co-operative bank contributes to the overall economic development of the rural areas and more particularly economic upliftment of the weaker section of the society.
- II) District central co-operative banking is based on the principles of self-help through mutual help and thrift.

## **1.7 REVIEW OF LITERATURE**

**Uddin Sami and Rahman Mahfoozur (1983)<sup>1</sup>** in his book “co-operation sector in India” published by S. Chand and company Ltd. Writer has examined growth of co-operative sector, central district co-operative bank, co-operative education and training, management in co-operative societies and community development and co-operation.

**Katti V.P. (1987)<sup>2</sup>** in her dissertation entitled, “working of Kolhapur District Central co-operative Bank Ltd., Kolhapur with special reference to Agricultural finance” has examined Agricultural finance of Kolhapur District central co-operative Bank which attempts to examine crop loan policy of Bank & linkage between credit & marketing. This study mainly based on secondary data.

**Mrs. Parkar S.M. (1987)<sup>3</sup>** in her Dissertation entitled” Study of deposit Mobilization of Solapur District central co-operative Bank” has focused on the various deposit schemes of Solapur District Central co-operative Bank &

evaluates the trends in the deposit mobilization of Solapur District Central Co-operative Bank. She concludes that the branches effect for Solapur District Central Co-operative was lower as compared to the commercial banks.

**Krishnaswamy K.S. (1994)<sup>4</sup>** in his article “Agricultural development under the new Economic engine.” EPW Vol-29, No-26. In their article researcher has analyzed this paper discusses the impact of the government’s new Economic policy on agriculture and agricultural development under five main deeds:

- i) Fiscal adjustment
- ii) The structural adjustment policy
- iii) Financial reform
- iv) Policy of globalization
- v) Other measures & approaches relevant to the agricultural.

**Janvry Alain de (1995)<sup>5</sup>** in his research paper “The political economy of rural Development in Latin America.” American journal of Agricultural Economics Vol-57, No.-3. In their study researcher has analyzed this theory of unequal exchange between center & periphery is extended to provide an interpretation of extended to provide on interpretation of rural underdevelopment in Latin America.

**Ambio Ton (1996)<sup>6</sup>** in his article “Development of rural areas in India & China.” Springer val-5.No. -3. In their article researcher has analyzed urbanization is still at an incipient stage in both India & China where four-fifths of the population is still in the rural areas, mainly engaged in agriculture.

**Agrwal K.P, Punazhendhi and Styasai (1997)<sup>7</sup>** in their article “Gearing rural credit for the twenty – first century” EPW Vol-32, No.-42. In their article researchers have analyzed the task before the rural credit system in the next century will be formidable & computer as it has to deal with two diverse challenges, namely, addressing the basis of rural development & globalizing Indian agriculture.

**Dr. Jain Gopal Lal (1997)<sup>8</sup>** in his book, “Rural development” published by mangal deep publications. Author has focused on history, concepts of rural



development, agriculture and allied activities in rural area and co-operative bank finance for rural development.

**Tran Thi Que (1998)<sup>9</sup>** in their research paper “Economic reforms & their impact on agricultural development in Vietnam: - Asian Economic bulletin. Bol-15. No.-1. researcher has analyzed to evaluate the impact of economic reforms on agriculture development in Vietnam; the article is divided into four parts. In the first part, the situation of the agricultural sector before the reform is described & analyzed.

**Mathure .B.L (2000)<sup>10</sup>** in his book “rural development and co-operation” published by RBSA publishers. Writer has analyzed strategy of rural development, human resources in Rajasthan, and information about co-operation.

**Dr. Karuppaiyan. E (2002)<sup>11</sup>** in his article “rural development programs and externalities: A study of seven villages in Tamilnadu.” Author has examined the project has been carried out under the direction of SER division, Planning Commission, Government of India, New Delhi within the period of six months. In probing into the issue of externalities of Rural Development Programs, the project appreciates the regional differences in their endowment of natural resources. Hence it has adopted the classification of Tamil Nadu as seven agro-climatic zones, to select the villages and to prosecute the study. The survey has adopted the disproportionate stratified sampling method, for identifying the beneficiaries, which enabled a program wise comparison among the zonal villages. The study comprising 270 households in each village, 1890 in all provided the database.

**Byerlee Derek, Diao Xinshen and Jackson Chris (2005)<sup>12</sup>** in their article “Agriculture, rural development and pro-poor growth” published by Agriculture and rural development.” In their article researchers have analyzed, the contribution of agriculture and rural development to pro-poor growth by examining the experience of 12 countries as documented in case studies commissioned for a multi-donor project on Operational zing Pro-Poor Growth. The review of the country case studies was guided by a rich literature on the contribution of agriculture to pro-poor growth. While the thinking about the role of agriculture has changed over time, the dominant paradigm from the

1970s has seen agriculture as an “engine of growth” in the early stages of development because of its high share of economic activity and its strong growth linkages with the rest of economy, including the rural nonfarm economy. This growth has been seen as pro-poor if it involves broad-based productivity growth in a sector dominated by small-scale family farmers, and if poor consumers benefit from lower prices of food staples.

**Nemes Gusztav (2005)<sup>13</sup>** in his article “Integrated rural development: The concept and its operation” published by institute of economics Hungarian academy of sciences ” writer has highlights on a theoretical level, the reason for frequent failures of rural development policies and identifies some potential improvements in rural policy making in Europe. in this paper writer approach to des/integration concerns actors, resources, institutions, knowledge, the fundamental logic of development, and the interplay between two distinct levels of rural development: the level of policies, or central intervention; and the level of local aspirations aimed at improving everyday rural life. The paper offers analytical models of integrated and non-integrated rural development systems and illustrates the argument through some examples taken from the community initiatives and the pre-accession policies of the European Union. The study is in two halves. The first half elaborates the concept of ‘integrated rural development’. Based on the international literature. The second part offers a few new conceptions, as a contribution to the ‘new rural development theory’ and simple models of integrated and non-integrated development.

**Dr. Das Kumar, Dr. Palai Nirod Kumar and Miss Das Banishree (2006)<sup>14</sup>** in their research paper “problem and prospects of the co-operative movement in India under the globalization regime” published by international economic history congress session72. In their paper researchers have given stress on the problems prospects of cooperative sector in India under free marketism. It is now increasingly recognized that the co-operative system in India has the capacity and potentiality to neutralize the adverse effects emerging from the process of globalization. After economic liberalization under the new economic environment, cooperatives at all levels are making efforts to reorient their functions according to the market demands. The failure of the public

sector in several cases is a worrisome trend. Privatization has also failed to make an impact in the rural areas. The paper focuses on several pitfalls and shortcomings like: poor infrastructure, lack of quality management, over-dependence on government, dormant membership, non-conduct of elections, lack of strong human resources policy, absence of professionalism, etc. It suggests evolving strong communication and public relations strategies which can promote the concept of cooperation among the masses.

**Landage P.B. (2006)<sup>15</sup>** in his thesis entitled, "The Role of Ratnagiri District Central co-operative Bank in the development of co-operative Movement in Ratnagiri District." This analysis was based on primary and secondary sources of the data. writer has focus on central co-operative Bank in the development of dairy marketing, housing & urban credit etc. over a period 22th year between 1983 to 2005.

**Golait Ramesh (2007)<sup>16</sup>** in his article "current issues in agriculture credit in India: An assessment" published by Reserve bank of India occasional papers vol.28 no.1. In his article researcher focused on the issues in agricultural credit in India. The analysis reveals that the credit delivery to the agriculture sector continues to be inadequate. It appears that the banking system is still hesitant on various grounds to purvey credit to small and marginal farmers. The situation calls for concerted efforts to augment the flow of credit to agriculture, alongside exploring new innovations in product design and methods of delivery, through better use of technology and related processes. Facilitating credit through processors, input dealers, NGOs, etc., that are vertically integrated with the farmers, including through contract farming, for providing them critical inputs or processing their produce, could increase the credit flow to agriculture significantly.

**Hesse Heiko and Cihak Martin (Jan 2007)<sup>17</sup>** " Co-operative bank and financial stability." Published by international monetary fund. In this paper researchers have analyzes the role of co-operative bank in financial stability. Contrary to some suggestions in the literature, in this article writers have found those co-operative banks are more stable than commercial banks. This finding is due to the lower volatility of the co-operative bank's' returns, which more than offsets their lower profitability and capitalization. The overall

impact of a higher co-operative presence on bank stability is positive on average but insignificant in some specifications.

**Sharma Vijay Paul (2007)<sup>18</sup>** gave attention on “India’s agrarian crisis and smallholder producer’s participation in new farm supply chain initiatives a case study of contract farming.” In his paper researcher has examined, socio-economic implications of corporate-led initiatives in agriculture (mainly contract farming) in the state of Punjab. The results indicate that contract farming is a good initiative for medium and large-scale farmers producing for the market but the long-term success of such initiatives will depend on how a large number of small and marginal farmers can be linked to restructured markets under changing market and policy environment. The study points out that it is important to provide an integrated set of services including credit and not just seed and limited extension services. Partnership between public and private sector companies/organizations is needed in order to provide these integrated services.

**Suidek Tomasz (2008)<sup>19</sup>** in his article “Role of the co-operative banks in realization of agricultural and rural development policy objectives in Poland” published by IAMO forum 2008. In his paper researcher analyzed the role of cooperative banks in development of agriculture and rural areas in Poland was presented. The research results indicate that cooperative banks are the most important institutions financing this development by granting credits. They are also the main intermediaries in direct payments’ flow between EU agricultural funds and Polish farms. Empirical analysis results show that the increase in the level of agricultural loans granted by the Cooperative banks positively influence development of agriculture in Poland.

**Taylor Tim (2009)<sup>20</sup>** in his article “The importance of co-operation in rural development.” In his paper researcher analyzed the role that cooperation can play in rural development. In doing so I will focus on the important role that increased access to energy services plays in facilitating rural development, using the cases of southern Morocco and south-western Kenya. This is balanced with the understanding that access to energy services alone is not sufficient for sustainable development, and that a transition to sustainable energy systems is also essential for all countries. In the following sections I

outline my research approach, the background information for this study, the findings of my fieldwork, and provide a brief discussion and conclusion. I have aimed to provide a broad overview of the potential for cooperative approaches to developing sustainable-energy services for rural development.

**Kumar Anjani, Singh.K.M and Sinha Shradhanjali (2010)**<sup>21</sup> in his article "Institutional credit to agriculture sector in India: status, performance and determinants." Published by Agricultural economics research review vol.23 in their article researchers have focused on the secondary data compiled from several sources, has revealed that the institutional credit to agriculture in real terms has increased tremendously during the past four decades. The structure of credit outlets has witnessed a significant change and commercial banks have emerged as the major source of institutional credit in recent years. But, the declining share of investment credit in the total credit may constrain the sustainable agricultural growth. The quantum of institutional credit availed by the farming households is affected by a number of socio-demographic factors which include education, farm size, family size, caste, gender, occupation of household, etc. The study has suggested simplification of the procedure for a better access to agricultural credit of smallholders and less-educated/illiterate farmers.

**Jyoti Gupta, Suman Jain (October 2012)**<sup>22</sup> "A study on co-operative bank in India with special reference to lending practices." Published by International Journal of scientific and Research Publication, Volume.2, Issue.10. This paper attempts to focus on some successful co-op bank in Delhi (India). The study of the bank's performance along with the lending practice provided to the customers is herewith undertaken. The customer has taken more than one type of loan from the banks. Moreover they suggested that the bank should adopt the latest technology of the banking like ATMs, internet/online banking, credit card etc. so as to bring the bank at par with the private sector banks.

**Krishna Kishore. K. T. (2012)**<sup>23</sup> in his paper "Agriculture credit in India: An integrated rural credit approach" published by International journal of scientific and research publication, volume.2 issue.2. In his paper researcher has examined strengthening policy reforms in the area of agriculture credit delivery system for the sustainability of agriculture for food security and rural

development. In India strengthening of agriculture is important for elimination of rural poverty, food insecurity, unemployment and sustainability of natural resources. But till today strengthening of agriculture was meant to be increasing productivity by introduction of high yielding seeds, application of chemical fertilizers and pesticides, mechanization and making availability of institutionalized credit for purchasing the preceding inputs, as result the Indian agriculture has become commercialized but not profitable to the producer. This commercialization has attracted more number of middle men making the marketing channels inefficient by delivering the produce at inflated prices to the consumer and negligible margin to the producer making him in debt. This is discouraging the farmer to move towards capital intensive commercialized agriculture practices which only can serve the future food requirements of the country.

**Kumar Anil and Harjinder Pal Singh (March 2013)<sup>24</sup>** " Financial ratio analysis of D.C.C Bank limited Rajnandgaon." Published by International journal of Accounting and Financial Management Research (IJAFMR) Vol.3, Issue.1. This paper attempt to analyze the financial ratios of DCC Bank Rajnandgaon during the period 2008-09 to 2010-11. An analytical research design (Financial Ratio Analysis) is followed in the present study. The study is based on secondary data. Empirical results show positive and sufficient growth of RDCC Bank Rajnandgaon. The liquidity and solvency position of the bank was found to be sound.

## **1.8 RESEARCH METHODOLOGY**

The following methodological procedures will be adopted.

### **I. Sources of data**

The analysis is mainly based on secondary sources at the data. The statistical data on relevant information will be collected from the annual report of Satara District central Co-operative Bank publication by the bank, additional information will be also collected from the reference books, Journals, Govt. Publications and Internet etc.

### **II. Sample Design**

In order to examine the agricultural and rural development schemes of the Satara District Central Co-operative Bank Ltd. Annual reports of the bank will be studied.

### **III. Data Interpretation**

Keeping in the view the objectives of study, the appropriate statistical techniques which are applicable to the study such a average, sample growth rate, percentage, will be used to get relevant statistic and inferences required for the study.

### **IV. Limitation of the study**

This study is limited only with the catchment area of Satara District Central Co-operative Bank Ltd. Satara.

### **V. Period of the study**

The period for the study has selected, from 2001-02 to 2010-11.

## **1.9 CHAPTER SCHEMES**

Chapter - 1: Introduction and Research Methodology.

Chapter - 2: Agricultural Development Schemes.

Chapter - 3: Rural Development Schemes.

Chapter - 4: Role of Satara District Central Co-operative Bank Ltd.

Chapter - 5: Evaluation of Agricultural and Rural Development Schemes of Satara District Central Co-operative Bank Ltd.

Chapter - 6: Findings and suggestions.

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