

CHAPTER - I

I N T R O D U C T I O N

Co-operation has often been recommended as a ' penacea ' for all political and economic problems.¹ Co-operative movement has been playing a prominent role in the life of rural people. It is striving to mould social life together with political as well as economic life. Therefore, co-operation gained supremacy over all movements for the good life of mankind. Some people have described it as a ' Utopian Dream '.² But the reality is that, though co-operation alone can not solve all problems confronting our nation it is trying to solve some of them in a modern way.³

Co-operative form of organization has advantages which neither the system of private enterprise nor that of the state ownership can match.⁴ As an instrument of democratic planning combining initiative, mutual benefit and social purpose, there is a vast field for the application of co-operation in its varying forms. The building up of a co-operative sector as an integral part of economic and political development has been advocated in all the short and long term plans of the governments.⁵

In a country like India among many co-operative ventures, the role of sugar co-operatives is very much emphasised.⁶ They have become a most important instrumental agencies in the social, economic and political revolution in rural areas. The setting up of co-operative sugar factories has acted as a nucleus and a catalytic agent for various development programmes which implemented in and around the sugar factories in rural areas.

The sugar industry is the second largest among Indian processing industries next only to textiles. Around 500 factories with a combined investment of over Rs. 30,000 crores operate in India and produce annually an output valued at over Rs. 300/- crores. The industry's contribution to the exchequers of Central and State Governments is in excess of Rs. 400/- crores by way of excise and other levies. Sugar has also made significant contribution to the foreign exchange of the country over the years.⁷

The sugar co-operatives not only function as a profit earning economic institutions, but also, political power gaining institutions.⁸ Obviously, they also play an important role as centres of social transformation. In India they are the voluntary associations with principle of democratic control and organised for the economic development of the members, with their broad social base, the sugar co-operatives proved as an effective means to help the rural man to attain the basic economic necessities.

Co-operative sugar factories form one of the important co-operative processing industries in India. S.K. Day, the former Union Minister for Community Development and Co-operation held the view " This sector in sugar industry, the brightest star of Co-operation on the horizon of India."⁹ After the commencement of Five Year Plans in the country a rapid growth has been registered in the co-operative sugar factory. The establishment of sugar factories in each and every area brings necessarily a lot of benefits to the farmers. The establishment and organization of new co-operative sugar factories increase the total acreage under cane cultivation in the concerned area.

Sugar factories have contributed significantly to the growth of the political knowledge, national economy, agricultural trade and industry. Sugar factories are considered not only as a industry for producing sugar but an agency for upliftment of rural people.

Sugar factories are mostly confined to rural areas of Uttar Pradesh, Bihar, Maharashtra, Gujarat, Andrapradesh, Tamilnadu and Karnataka. In 1950-51 there were 138 sugar factories in India and only one was in Karnataka. In 1992-93 there were 500 sugar factories in India. This number is still growing. As elsewhere, in Karnataka also sugar factories are of co-operative in nature. There are 28 sugar factories in Karnataka and out of that 8 are in Belgaum District. Indian Government will be setting up 69 more sugar factories in India. It



may be in co-operative, private or governmental sector.¹⁰ The Central government has planned to set up another 8 factories in Karnataka and out of which 3 sugar factories will be set up in Belgaum District.¹¹ This indicates that sugar factories as co-operative ventures getting momentum in India in general and Belgaum District in Karnataka State in particular.

Though there are a number of sugar co-operative ventures it is found that there are hardly a few studies which concern about administrative and organisational aspects. Hence a case study of this sugar factory is attempted.

AIMS AND OBJECTIVES OF THE STUDY :

The main aim of the present study is to understand the organisation and working of Shri Halasidhanath Sahakari Sakhar Karkhana Ltd, Nipani. Obviously it is necessary to be familiar with the socio-economic and political environment that determines the establishment of the factory. Moreover, the introduction of co-operation is not merely to have economic benefits for the rural community but also to bring democratic values to the villages. However, keeping in view the time constraint, the study confine itself to understand the socio-economic impact of this factory on rural life. In this context, the study tries to understand the origin and growth of this sugar factory, the nature of the organisation, the personnel and financial aspects as

well as problems concerning labourers. The socio-economic impact of this factory in the taluka where it is situated with reference to upliftment of small and marginal farmers who cultivate sugar cane and supply the same to this factory is also briefly attempted in this study.

SCOPE AND SELECTION OF THE STUDY :

This particular factory is selected for study due to following reasons.

- 1) Many of the leaders in this area known to the researcher which enabled him to collect data and interview the respondents personally.
- 2) The reseracher has been familiar with the physical layout of the area of operation of HALSUGAR than any other factory which are not near for coverage.
- 3) Some of the personnel and labour force is familiar to researcher which enable him to get relevant data. Though the name of the factory is " Shri Halasidhanath Sahakari Sakhar Karkhana Limited, Nipani." It is popularly known as ' HALSUGAR ' . This popular name is used throughout this dissertation.

DATA AND METHODOLOGY :

This study is based on empirical research and the case study technique is used. The primary as well as the secondary data were collected for the purpose of the study. The primary data is collected by using social survey techniques including interview and questionnaire methods for officials and non-officials including labour force. The Board of Directors are interviewed to obtain a larger perspective and issues concerning the factory. Apart from interviewing officials and non-officials, interview was conducted for the governmental officials at the district and below district level with a view to understand the problems of sugar cane cultivation in the District as well as related problems. (See Annexure No. I, II.)

Structured questionnaire (Schedule) are circulated among the cane growers to obtain first hand information regarding the subject, under study for the purpose of study Chikodi Taluka of Belgaum District is selected which is the operational area of this factory. Within the Taluka 10 villages are randomly selected and 100 cane growers are contacted and interviewed during their leisure hours i.e. evenings. (See Annexure No. III) Before conducting interview, purpose and importance of the study was explained to them.

Apart from interview, the researcher elicited a lot of information through informal conversations with local leaders, share

holders and workers. The researcher was welcomed to have frank and free discussion with the people concerned. He also attended a general body meeting and a few Board meetings of HALSUGAR. The election process was also observed from close quarters.

Apart from the primary data, secondary data was collected by using annual reports, byelaws and other published and unpublished materials of this factory. For collecting relevant statistical information, published annual reports of both central and state federations of co-operative sugar factories and the documents of the Directorate of sugar, District statistical office, seminar papers, journals, articles etc, were copiously made of in this study.

On the basis of the data obtained analysis of data was done. The main limitation of the study is that of time. A study in rural and backward area needs more time for participant and non-participant observation.

ORGANISATION OF THE STUDY :

The Second Chapter in sequence portrays the socio-economic setting of this factory which will help us in understanding whether climatic and other conditions are suitable for the establishment of the factory. The chapter also portray the socio-economic status of the share holders.

Chapter Third deals with administrative and organisational set up of this factory. This will help us in understanding the division

in the factory labour as well as how and at what level decisions are made in the factory and the problems encountered by the factory.

Chapter Four deals with personnel and labour management. Since the smooth working of the factory is depends upon its personnel and labour force an understanding regarding the relations between personnel and labour are examined with a view to understand the implications of labour and personnel management on the working of the factory.

In Chapter Five an attempt is made to understand the impact of the factory generally in economic terms in its operational area. For this purpose some indicators are used.

Chapter Six presents conclusions and recommendations on the basis of the data presented in the previous chapters.

R E F E R E N C E

- 1) Smith Lois P.F. the Evolution of Agricultural co-operation (Oxford, Basil Blackwell, 1961) P.XI
- 2) Wolf HENRN W. Co-operation in India 1927.
- 3) Ibid., p.9.
- 4) Planning Commission, First Five Year Plan (New Delhi) Publications Division, Government of India (People Ed) 1953, p. 80.
- 5) Planning Commission First Year Plan (New Delhi) Publications Division Government of India People Ed. 1953, p. 81.
- 6) AIR Banglore Pradesh Samachar Dated 3 July 1993.
- 7) Kotharis Industrial Directory of India p. 1871, 1872.
- 8) Interview with Board of Directors.
- 9) Day S.K. The task before the National Federation of Co-operative Sugar Factories' Indian Co-operative Review New Delhi, Jan. 1965, p. 173.
- 10) The News, Delhi Doordarshan Dated 9th July 1993.
- 11) The News paper Pudhari, dated 3rd July 1993. p. 1 & 3.

@@@@@@@



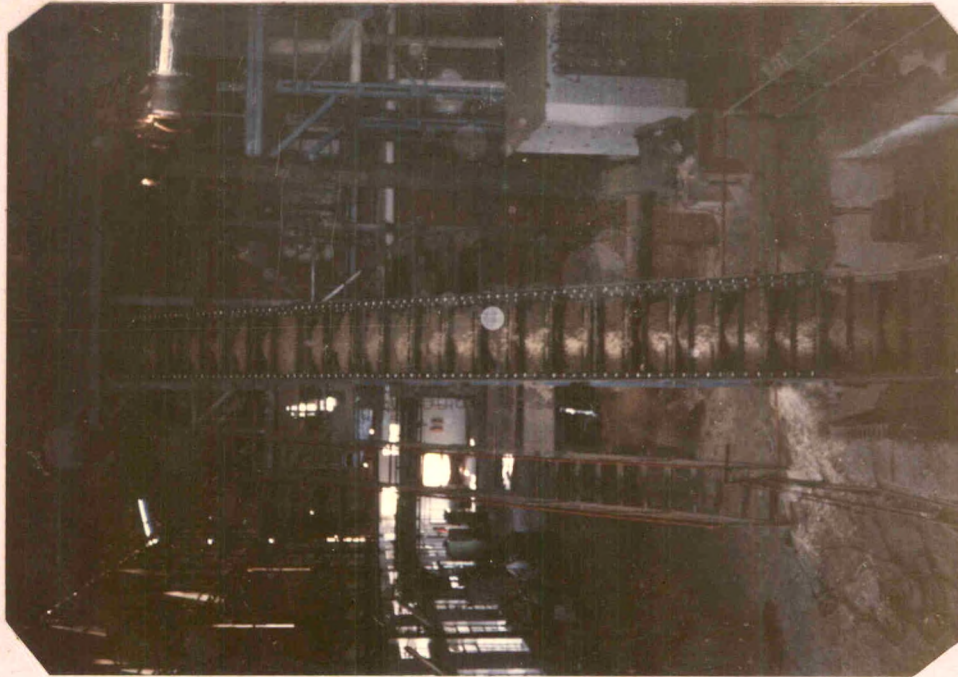
WEIGHING OF SUGARCANE



UNLOADING OF SUGARCANE



FEEDING AND CRUSHING OF SUGARCANE



BAGASSE, CIRCULATION.