

## **CHAPTER - VII**

### **CONCLUSIONS AND SUGGESTIONS**

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#### 7.1 INTRODUCTION

In this Chapter the findings and conclusions of the research work are presented. Also a number of suggestions are made for improvement of the financial and general condition of the primary labour co-operative societies in Kolhapur city.

#### 7.2 FINDINGS

##### 1. Organisation of societies

There are 129 labour co-operative societies in operation. Out of these 26 societies are functioning in Kolhapur city. The membership of these societies is 1207. There is slow development of labour co-operative societies in both the city and district.

##### 2. Financial condition

The labour co-operative societies in Kolhapur city have built up total assets of Rs.173 lakhs in 2001 from Rs 66 lakhs in 1997. The achievement is appreciable considering the fact that this is made by labourers – the economically weaker section of the society. Their investment in shares of Kolhapur District Central Co-operative Bank, other co-operatives, government securities and bank deposits stood at Rs.25 lakhs in 2001. However, from the point of view of viability the financial condition of labour co-operative societies is not sound.

Out of the period of five years of study in the first two years most of these societies have incurred loss. Even afterwards the profit made by them is not substantial except Kolhapur Majur and Hamal co-operative society which has

made a profit exceeding Rs.1 lakh in the last four years. The paid up capital of these societies is inadequate, less than Rs. 25000. Only Kolhapur Majur and Hamal Co-operative Society is having a paid-up share capital of Rs.2.77 lakhs. The reserves position is also poor except Kolhapur Majur and Hamal Co-operative Society. Only two societies Kolhapur Majur and Hamal Co-operative Society and Karveer Kamgar Co-operative Society are having fixed assets. The remaining societies have no fixed assets.

### **3. Nature of work done**

Most of these societies are dependent on different government departments and agencies for the labour work. They get work from these agencies without filling in the tenders the proportion of tender work is less, almost negligible in the total work. These societies get work without tenders. The limits are Rs.5 lakhs for 'A' class societies and Rs 2.50 lakhs for 'B' class societies.

### **4. Credit facilities**

Except Mahalaxmi Majur Co-operative Society no other society enjoyed the credit facility from banks. In the absence of bank credit facilities the labour societies could not take more contract works, they had to depend on their own resources which too were limited.

### **5. High administrative expenses**

It was found that proportion of administrative expenses was high. For instance Kolhapur Majur and Hamal Co-operative Society paid a salary of Rs.5.36 lakhs and office expenses Rs.1.12 lakhs in 2001.

#### **6. High proportion of current liabilities**

It was found that the current liabilities of labour societies were very high. They increased from Rs.22.50 lakhs in 1997 to Rs 106.50 lakhs in 2001. This has affected the solvency of the societies.

#### **7. Increasing mechanisation of work**

It was observed that in stone quarries especially machines have been installed replacing the human factor. This has reduced the requirement of labour force in quarries and the societies are not getting adequate work from the quarries.

#### **8. Working conditions**

The working conditions are not hygienic and congenial. The labourers have to work in severe heat and colds, under the rain and under such other odds. This has affected the health of labourers adversely.

#### **9. Government aid**

The aid received from the government in the form of share contribution, managerial aid equipment aid is meager. The grants received from the district federation are also inadequate.

### **7.3 SUGGESTIONS**

The following suggestions are made to improve the financial and general condition of the primary labour co-operative societies and make them viable and competitive.

1. The limit of work allotment without tenders should be raised to Rs.50 lakhs in a year. At present this limit is Rs. 30 lakhs. Generally it is observed that the proportion of material is 50 percent that of work charges and contingencies, 15 percent and remaining 35 percent goes to the labourers in

the form of labour charges. Under these circumstances if the work limit is increased to Rs.50 lakhs then the labourers will get Rs.15 lakhs to Rs 17 lakhs in a year. If the number of members of the society is considered to be minimum i.e. 51 then the labour charges per member per year will be around Rs.30,000. If the number of work days is assumed at 300 in a year a labourer will get Rs. 100 per day.

2. Adequate training should be provided both to the members and office staff of labour co-operative societies. The possibility of reducing the office staff and their expenditure needs to be looked into. The training of latest methods of work will improve the productivity of labourers and reduce their physical strain.
3. The works of Grampanchayat should be given to labour societies. At present the Grampanchayats are authorized to complete these works at their end. The Grampanchayats are not in a position to employ the necessary work force for completing these works. They may be inclined to appoint private contractors for this purpose. This may defeat the very purpose of forming labour co-operatives.
4. Adequate credit facilities at concessional rate of interest should be provided to the labour co-operatives by the district central co-operative bank. In the absence of funds the societies are not able to undertake the tender works. Their financial position has remained poor.
5. The labour societies should strive hard to obtain private works. At present they are mostly dependent on government works which are not available through out the year in sufficient quantity.
6. The labour co-operative societies should get an amount of at least 20 percent of the cost of the work at Rs. 50000 as interest free advance from the agencies granting the work.

7. The administrative expenses of labour societies should be reduced. The unwanted expenses should be avoided or curbed.
8. The educational level of members of labour societies needs to be improved. The societies should undertake informal education programmes for the benefit of its members.
9. The possibility of buying the equipment required for the works should be considered and necessary funds should be made available at concessional rates. This measure will reduce the burden of rentals on these societies.
10. The working conditions should be improved. The labourers should be provided with safety equipment to reduce the risk of accident.
11. As per the present resolution of the government the contract works upto Rs. 5 lakhs are divided equally between the labour societies and the unemployed engineers. This has affected the availability of works to the labour societies. The Government resolution needs a revision.
12. The aid from the federation and the government should be increased to a substantial level.
13. The price increase of 5 percent in case of tender work should be increased to 10 percent to cover the high cost and compete with the private contractors.