COMMUNITY DEVELOPMENT PANCHAYATI RAJ AND 1952 COOPERATION



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PART I

P739

COMMUNITY DEVELOPMENT AND PANCHAYATI RAJ

PAGE CHAPTER I. Indian Rural Society 7 . . II. Community Development Programme 9 III. Panchayati Raj 17 IV. Meeting the Challenge . . 21 12 V. Training and Education 23 VI. Gigantic Programme for Rural Development 27 . .

PART II

COOPERATION

VII. Introduction			31
VIII. Historical Growth			32
IX. Cooperation and the Five Year Plans			34
X. Cooperative Credit Structure			38
XI. Cooperation in Different Fields			41
XII. Cooperative Training and Education Prog	ramm		49
XIII. Towards a Cooperative Way of Life			52
Appendices		••	57
· · · · · · · · · · · · · · · · · · ·			51

PANCHAYATI RAJ

AND

COMMUNITY DEVELOPMENT

PART I

I. INDIAN RURAL SOCIETY

The second most populous country, India has a population of 430 million, 82 per cent of which lives in her 5,55,000 villages.

The village in India holds a unique place both in the social and economic spheres. In the past, a village was a homogeneous, closely-knit and self-sufficient unit. The community feeling and the tradition of cooperation existing in the small villages was aptly described by poet Rabindranath Tagore in an article, "Swadeshi Samaj", written in 1904. Dwelling on the bonds of kinship in the villages he said, "To establish a personal relationship between man and man has been India's constant endeavour. One has to retain contact even with distant relatives; filial ties are not loosened when children come of age; and our ties of kinship include neighbours and many others in the village, irrespective of caste or circumstance. There are relationships with teacher and priest, guest and mendicant, landlord and tenant-not ties prescribed by the scriptures, but those of the heart. Such is our nature. We accept relationships of utility only after we have sanctified them by a kinship of the heart."

The village communities, wrote Sir Charles Metcalfe, were "little republics, having nearly everything they can want within themselves, and almost independent of any foreign relations. They seem to last where nothing else lasts".

Although each epoch of Indian history had its own share of social changes, the epochs seldom encompassed the whole society. The caste system and the joint family helped to maintain the solidarity of village community life, though inner conflicts continued to smoulder in society.

With centralised colonial rule and an industrial revolution, there began a break-up of the village community. Foreign rule curbed the growth of India's productive forces. The country became a source of raw materials for the British factories and a market for their manufactures. Further, agricultural development was checked as a result of the new system of land revenue collection. This resulted in a drain of wealth out of the country. The choice of livelihood became strictly limited. An ever-increasing population turned more and more to land. The growth of cities and towns and, along with it, of middlemen added to the sense of helplessness and frustration among the people. The village community, with its roots deep in the past continued to be static and tradition-ridden.

Thus, when India became independent, it was imperative to bring these small communities of India's hundreds of thousands of villages into the orbit of a well-knit democratic structure and to mould their thoughts and behaviour into patterns compatible with the modern age of science and technology. This involved basic social reforms and far-reaching changes in social customs and institutions.

This realisation of the need for social transformation took a more concrete shape when it found expression in our Constitution. One of the directive principles in the Constitution lays down that, "The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may, a social order in which justice, social, economic and political, shall inform all the institutions of national life".

Accordingly, positive steps have been taken in this direction. Education has been given due importance. Extensive provision has been made in India's Plans for extending education to all children in the age-group 6-11 and to make it free and compulsory. Opportunities for college education and vocational and advanced technological training are also being expanded.

To eliminate exploitation and social injustice, legislation has been introduced in the States to abolish princely feudal order and landlordism. These, to some extent, have helped in providing security to the tiller of the soil and assured equality of status and opportunity to the rural section of the population. Through legislation and special administrative orders, other social evils like untouchability, discrimination on the basis of religion, caste or creed, payment of dowry, evils of drinking, etc., have been

Added to these social changes have been the fast expanding development programmes of the Government. There are the projetcs for irrigation and power, industrial

projects, and other visible developments in the fields of communications, agriculture, etc. Cooperative activity is gaining momentum. In the context of these fast changing social and economic patterns, there is the need to promote cohesion in the various segments of the community. This is sought to be achieved through the programme of community development. The task, however, is not so easy. Though a number of social reforms have been introduced in the decadent rural society, the forces of tradition continue to resist progress and do come in the way of fruitful implementation of development schemes. For example, even after the abolition of landlordism and the intermediaries, there continues to exist on a fairly large scale the landlord-tenant relationship in some form or the other. An important aim of the community development programme, which was initiated in 1952, is the uplift of under-privileged sections of the rural community and generating in them the spirit of self-reliance and the desire to go ahead. The process of community development is meant to be applicable to the community as a whole and not only to certain stronger or privileged sections of it, which due to larger resources are able to derive the maximum benefit from Government assistance available under various programmes of development. In fact, the community development programme seeks to awaken in the stronger sections of the community a sense of responsibility towards their weaker brethren.

Community development can thus be defined as "the process by which the efforts of the people are united with those of the governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation and to enable them to contribute fully to national progress". Activising the individual and the community to strive for self-improvement, making use of the available Government assistance, but depending largely on selfhelp, is its central purpose, and people's participation is the keynote of its programme.

COMMUNITY DEVELOPMENT PROGRAMME II.

Stray attempts have been made at rural reconstruction during the last 50 years, but it was Gandhiji who focussed attention on L150DPD/63-2

this problem on a national scale. Along with the fight for political freedom, he laid equal stress on the people themselves promoting their welfare. He advised them to develop a selfdiscipline which would enable them to participate in the nonviolent struggle of building up new India. He drew up an 18point programme, which he promoted through his band of selfless workers. Besides Gandhiji, there were others who tried experiments in rural reconstruction. Important among such experiments were those by Poet Rabindranath Tagore at Sriniketan, by the YMCA at Martandam and those at Gurgaon and Baroda.

After partition new experiments in rural reconstruction were conducted in rehabilitating a vast number of displaced persons. Among these, two projects were significant in particular. One was the Nilokheri project started by Shri S. K. Dey, now Minister of Community Development and Cooperation. The project was intended to rehabilitate displaced persons over 1,100 acres of swampy land about 87 miles north of Delhi. Shri Dey infused among the displaced persons a spirit of community work and set about the task of developing a composite community. Soon this project started paying back and developed into a rural-cumurban township by integrating the surrounding villages. This experiment provided the answer for an integrated and balanced development of rural areas.

The other important experiment in rural development was carried out at Etawah in U.P. in 1948. An American, Mr. Albert Mayer, assisted in the running of this project, which covered 97 villages. This was a pilot project designed to develop the people's initiative by providing them with some operational facilities and service and supplies. It was, however, soon realised that for permanent results an all-embracing development programme should be adopted as the previous attempts at rural reconstruction only touched the fringe of the problem. In the meantime the country was faced with a pressing food problem a problem which had to be tackled in rural areas. The various grow-more-food campaigns had registered only partial success.

The Grow More Food Enquiry Committee (1952) observed that "All aspects of rural life were inter-related" and that while

particular problems might call for special attention, "the Plans for them should form parts of and be integrated with those for achieving the wider aims". The recommendations of this Committee were responsible to a very large extent in shaping the extension approach which became an essential vehicle of the community development programme. It was felt that if the central aim of community development was investment in man an integrated extension service should be the principal means to that end and that scientific knowledge and techniques should be carried to the people through the Extension Agency. The First Five Year Plan gave recognition to this new approach in the following terms:

"Community Development is the method and Rural Extension the agency through which the Five Year Plan seeks to initiate a process of transformation of the social and economic life of the villages."

Aims and Objectives

The programme of community development was initiated on October 2, 1952, the birth anniversary of Mahatma Gandhi. Its main objectives were :

(a) Area Development—with a minimum all-round progress.

- (b) Self-help Programme-people's participation being the essential feature.
- Development of the whole community with special (c)emphasis on the weaker and the under-privileged sections.

Area Development

The programme of community development is taken up in a block of hundred villages, comprising a population of 60 to 70 thousands and covering an area of roughly 250 sq. miles. This is the new unit of planning and development that has been created and the country has been delimited into 5,223 blocks. As a result, a unit has now been created where problems of rural areas can be tackled in their entirety in a concerted and coordinated manner.

In each block there is a Block Development Officer who is a trained administrator. He is the head of a team of eight technical experts known as Extension Officers. They look after agriculture, animal husbandry, cottage industries, rural engineering, public health, cooperation, panchayats and social education. There are ten "Gram Sevaks" or village level workers (men) and two "Gram Sevikas" (women) in each block. The village level workers help maintain liaison between the village people and the team at the block level. They maintain a two-way traffic, acting as the multipurpose extension agents at the village level and transmitting the peoples' problems back to the block for solution.

Development in each block is taken up in two stages of five years each. The crux of the programme is that a minimum development of the area should be taken up. This is ensured by the provision of a schematic budget of Rs. 1.2 millions for each CD block in the first stage and of Rs. 5,00,000 in the second stage. The schematic budget covers not only economic activities but also social, cultural and welfare (amenities) programmes.

The main emphasis of the community development is on improvement of agriculture and ancillary services like animal husbandry and irrigation, which employ about 70 per cent of the rural population. The development of small-scale industries also receives increasing attention for creating more employment opportunities. Other features of the programme include the provision of basic amenities like those of drinking water, village primary schools, communications, adult literacy, social education and the promotion of community organisations.

Of the two stages of development, the first one represents a more intensive phase, and financial allocation is therefore larger. It is assumed that the area will have reached a certain level of development in the first stage, hence financial provision in the second stage is smaller. This schematic budget, however, provides for merely a nucleus fund for minimum area development which is to be reinforced by the funds available under various other departmental programmes. It is envisaged that all these funds will be routed through the block agency so that the block may be able to serve effectively as the unit of planning and administration for its area. Thus while the processes of community development assist in the creation of self-reliant communities through National Extension Service performing the role of "extension-education"—the budget provided to the CD blocks brings about a minimum area development on which further programmes of rural reconstruction can be built.

Total allotment for the programme during the First Plan was Rs. 965 millions. As against this the government expenditure was Rs. 462 millions and the peoples' contribution in cash, kind and labour came to Rs. 251 millions. During the Second Plan as against the Plan outlay of Rs. 2,013 millions, the Government expenditure was Rs. 1,890 millions and the peoples' contribution Rs. 771 millions. The outlay on CD programme (including panchayats) during the Third Plan is Rs. 3,217 millions. For areas with large tribal population a special intensive programme has been evolved.

Self-help Programmes

The basic principle of the community development programme has been that the motive force for improvement should come from the people themselves and that the vast unutilised energy lying dormant in the countryside should be harnessed for constructive work. Therefore people's support and participation, form an integral part of the community development programme. In the early stages advisory committees of the local people were set up to assist the Block Development Officers and other Extension Officers in formulating and implementing the programmes. Later, these were replaced by Block Development Committees. In fact, to ensure effective participation of the people a condition was laid down that for any item of work taken up under the programme a certain percentage should be contributed by the people in terms of cash, kind or labour.

Though the response of the people was quite encouraging, it was felt that unless the community development programme was entrusted wholly to the people's institutions it would not become a people's programme. As a result the entire responsibility for the formulation, implementation and assessment of the programme has now been entrusted to Panchayati Raj institutions which are statutory elected bodies at various levels with powers of local government. These bodies also associate knowledgeable people and voluntary organisations in the implementation of development programmes. Since the National Emergency caused by Chinese aggression, efforts are being made to step up production by organising Village Voluntary Force and the Defence Labour Bank.

Development of the Entire Community

The self-help programme of community development implies the development of the entire village community. The movement seeks to extend its benefits to all families in a village, especially the weaker and the under-privileged sections. For this purpose a special programme has been drawn and separate funds provided. To promote the welfare of tribal areas additional funds have been provided and specially trained staff has been appointed to look after this programme. All these are among the measures giving community development the character of a people's programme with the whole community participating in it and reaping the benefits of their efforts.

Role of Community Development in National Planning

National planning requires that certain goals be set for the country in the context of the priorities of the situation. Agriculture being the predominant occupation of our rural population, it is inevitable that national targets for agricultural production should be laid down, more so when the existing production is outstripped by the demand. Since the whole approach to rural development is based on community participation it becomes necessary that plans from above are ultimately reconciled with plans from below. In the field of agricultural production this is being achieved through a process of village agricultural production planning. The Village Agricultural Plan is prepared by the village community itself under the guidance and direction of the panchayat and in collaboration with the village cooperative and the extension agency. The main emphasis in these village plans is on maximum mobilisation of local resources and selfhelp items, for instance, improved seeds, manure, utilisation of irrigation potential, etc. Outside supplies like fertilisers, improved implements and credit, are given to the extent

available. If it is found that the village target of increased production falls short of the centrally fixed target, the people are persuaded through education and appreciation of national meeds to step up their efforts in order to meet the deficit. It is here that the people's institutions play a vital role.

Coverage and Evaluation

The community development programme now encompasses the whole country. By the end of the First Five Year Plan in 1956, there were 248 blocks covering about 21 per cent of the population. By the end of the Second Five Year Plan there were a little over three thousand blocks covering nearly 70 per cent of the population.

A programme of the magnitude of community development needs to be under continuous review and evaluation so that deficiencies may be corrected in time and suitable remedial measures taken. Therefore, an independent body known as the Programme Evaluation Organisation, with the assistance of the Ford Foundation, has been set up under the Planning Commission. This organisation constantly evaluates the working of this programme. The annual reports of the Programme Evaluation Organisation have been of great value in ensuring that the basic objectives are not lost sight of and that correctives are applied

speedily.

From time to time the Government of India have also appointed other bodies to review and advise on this programme. Notable among them was the Committee* on Plan Projects in 1958, which recommended the introduction of democratic decentralisation in the country. In addition, teams set up by the United Nations have studied the programme apart from leading individual workers and sociologists. Their observations and comments have been of great assistance.

Some of the important achievements in different fields under the programme are given in Appendix A.

Foreign Aid

The USA, its Government and people, have taken special interest in this programme. Before it was launched the US

Government through their then Ambassador to India, Mr. Chester Bowles, offered as part of the Technical Cooperation Mission programme to India valuable assistance in initiating the programme in 55 pilot projects throughout the country. Earlier the Ford Foundation had initiated 15 pilot projects. It also came forward to help in organising training programmes for the workers. U.S. Government's help continued for years, providing jeeps and audio-visual equipment for use in the community development programme. All this help made a material contribution towards the development of the community development programme in India to its present stature.

Integrated Approach

The concept of rural development in India has grown round the assumption that a community development block will constitute the primary unit for the planning and execution of the development programmes where a number of technical experts work with a Block Development Officer, advising on and executing in a coordinated way programmes, as approved by the people's representatives in the local government. At the district level similar coordination is provided by the Collector who acts on the advice and directions of the District Council. At the State level there is a new functionary called the Development Commissioner. He is a senior administrative officer of wide experience and knowledge who coordinates the policies and programmes of the different departments of the government at the State level and in turn advises the State Cabinet in matters relating to policy and coordination.

Problems relating to the respective roles of the technical personnel and the general administrator keep on cropping up from time to time. They are inevitable during periods of change in the system of administration. There is both vertical and horizontal consultation and coordination which is a new feature of democratic public administration in India now. This system has been working for over 11 years and on the whole is successful.

At the Centre is the Ministry of Community Development and Cooperation. Besides laying down the general pattern of



The Prime Minister inaugurated the community development progigantic gramme, 2 of programme rural development in India, at Alipur on October 2, 1952-Mahatma Gandhi's birth anniversary. He characterised the has "the movement 23 dynamic sparks over India from which radiate rays of energy, hope and enthusiasm".

The main emphasis of the community development is on the programme improvement of agriculture and ancillary services like husbandry and animal irrigation. The drive for agricultural production through village production plans is being intensified. Emphasis in these plans is on the mobilisation of local resources, the use of improved seeds and implements and manure and the utilisation of irrigation potential. Here is seen a Rajasthan farmer using an improved plough.





Improved seeds and fertilisers being distributed to the members of a cooperative society at Daurala, Meerut District, U.P.

To enable the people to participate actively in the planning and implementation of development programmes inter-connected three-tier democratic institutions have been established at the village, block and district levels. Below : A large number of women were returned in the Panchayat elections in Punjab. The picture shows women Panches and Sarpanches taking oath of office.





The Panchayat (elected village council) of the village Banskhoh, Jaipur District (Rajasthan), discussing the development programme of the village.

A Panchayat Samiti (block council) in session





The Village Volunteer Force was inaugurated throughout the country on January 26, 1963. It has a three-fold programme : greater production, mass education and village defence. *Left* : People of Ulloor block in Kerala State taking the Village Volunteer Force pledge on the Republic Day.





development under the community development and cooperative programmes, this Ministry is concerned with the task of training a vast number of people, both officials and non-officials. In its deliberations, the Ministry is guided by the Central Committee which is headed by the Prime Minister and consists of Ministers of different development departments, including the Ministry of Community Development and Cooperation.

III. PANCHAYATI RAJ

The "Panchayat" or the institution of village councils is as old as India's history and is a part of her tradition. The ancient panchayats, serving as units of local government, discharged most of the functions that affected the life of the village community. These institutions flourished in relative isolation and were unaffected by the social and political changes that took place in urban India up to the 18th century. With the advent of British rule, however, as explained earlier, serious inroads were made into the old pattern of village life and the village community started changing. With the State dealing directly with the individuals in the villages, panchayats languished; they no longer remained effective units of local government.

Evolution of Panchayati Raj

After independence, it was felt that the village panchayat must be revitalised by assigning to it important functions of local government and allocating to it the necessary resources. Article 40 of our Constitution, which is one of the Directive Principles, lays down that "The State shall take steps to organise village panchayats and to endow them with such powers and authority as may be necessary to enable them to function as units of self-Government".

The community development programme from the very beginning took steps to ensure people's participation by organising non-statutory committees at the village and block levels, but it was discovered that enthusiasm and participation of the people tended to be static. L150DPD/63-3 Consequently, in 1957 the Government of India appointed a study team to assess the impact of the community development programme upon the people and to study the organisational structure and methods of work. This team recommended the creation of an inter-connected system of democratic institutions at the village, block and district levels. It also suggested that there should be genuine transfer of power and responsibility to these institutions, that adequate resources should be transferred to them, that all development programmes at these levels should be channelled through them and that the system evolved should be such as would facilitate progressive devolution and dispersal of power and responsibility in the future.

Panchayati Raj Legislation

The Government of India accepted the recommendation of the study team and evolved a policy of democratic decentralisation or Panchayati Raj. This implied (in the language of the Third Plan) the "development of a set of inter-connected democratic and popular institutions at the village, block and district levels in which the representatives of the people in the Village Panchayats, Panchayat Samitis (block councils) and Zila Parishads (district councils) and cooperative organisations function with the support and assistance of the various development agencies of Government working together as a Team". Thirteen out of the sixteen State Governments have already passed the necessary legislation to introduce Panchayati Raj in their areas and two are in the process of doing so. The States of Andhra Pradesh and Rajasthan were the first in the field, having introduced the system in 1959. Because of the wide diversity in conditions that prevail in India there are considerable variations in details from one State Government to another but broadly the pattern is the same throughout the country.

The Three-tier Structure

The village panchayat is a statutory body embracing one or more villages with an average population of 1,500 and an average area of about six square miles. The members of a village panchayat are elected by the entire adult population of the village generally through secret ballot and their number on an average 19

is 12. The panchayat is headed by a Chairman or a Sarpanch who is either elected by the members of the panchayat or directly by the whole population of the village.

The next tier is at the level of a block known as the Panchayat Samiti. The Panchayat Samiti generally consists of Presidents of all the panchayats in a block and such others to whom special representation may be given, *e.g.*, backward classes, women, cooperative societies, local members of State Legislature, etc. In some States members of Panchayat Samitis are directly elected. The President of the Panchayat Samiti is elected by the members of the Samiti from amongst themselves.

At the district level is the Zila Parishad, generally composed of the Presidents of all Panchayat Samitis in the district, the Government representative in the district, *i.e.*, District Collector, local members of the State Legislature and Parliament and a few persons representing special interests. In one State, legislation provides for direct election to Zila Parishad. The President of Zila Parishad is elected by the members from amongst themselves though in two States the District Collector is the *ex-officio* **President**. There is, however, no uniformity in the system of elections to these bodies in various States. It is proposed to make a critical study of all the systems after some further experience of elections has been gained.

Functional Sub-committees and Voluntary Organisations

For effective implementation of development programme, the village panchayat forms functional sub-committees in such fields as agriculture, animal husbandry and cottage and small industries. Similar committees are set up at the block and district levels as well. To these committees are coopted representatives of voluntary organisations and individuals with experience in specific subjects.

These voluntary and associate organisations assist in the implementation of development programmes. Different "Associate Organisations" of such groups as women, youth, children, artisans, and farmers take up responsibility in varying degrees, depending on their organisational competence, for implementing development programmes on behalf of the statutory Panchayati Raj institutions. Similarly, voluntary organisations of all-India character or with State-wide ramifications work in collaboration with those representative institutions to implement the mutually agreed programmes. Members of both these types of organisations are coopted as members of functional sub-committees of the Panchayati Raj bodies at all levels.

The Gram Sabha

Extension of democracy to the people in the real sense should mean that the village panchayat should function as the executive body to implement the policies and decisions of the Gram Sabha, comprising the entire adult population of the village. Social sanction of the people will strengthen the hands of the panchayat and will also act as a deterrent to arbitrariness of action. It will be particularly so when the panchayat is to organise local manpower for community purposes, levy taxes or raise special contributions from the beneficiaries of a project, etc. The wider the consultation, the greater are the chances of the success of community effort. In fact, the effectiveness of the village panchayat, its strength and vitality would depend upon the sustained, intelligent and enthusiastic interest and cooperation of the village community in its affairs and activities. Accordingly, in almost all States, the Gram Sabhas have been statutorily recognised and assigned specific functions to direct and supervise the activities of the village panchayat.

Coverage

The number of panchayats in the country now stands at about a little over 200 thousand, covering 533 thousand villages and a population of 283 millions. In other words about 95 per cent of the rural population has been covered by panchayats.

Panchayat to Parliament

The establishment of representative institutions of the people at the village, block and district levels fills the vacuum below the level of the State Legislature in the democratic set-up of the country. The relative nearness of these institutions to the people enables them to participate in democracy in a more effective way. With the wider participation of the people the programmes involving economic and social changes are expected to be implemented more speedily and enthusiastically. The working of these new units of local self-government will create greater opportunities for political education and become nurseries for new leadership.

Welfare of the Economically Weaker Sections

In an under-developed country like India there is paramount need for promoting the welfare of the economically weaker sections of the community. Provision for effective representation in Panchayati Raj institutions for these communities has accordingly been made by legislation and special programmes for rapid improvement of their economic conditions are being undertaken.

IV. MEETING THE CHALLENGE

Towards the close of 1962, India had to face a great crisis. China attacked India and invaded its territory. The whole nation showed its strength in this hour of trial. People all over, in villages and towns, faced the challenge bravely, because as Prime Minister Nehru said, "It is a challenge not only to our freedom, but also to our well-being, our culture and our ideal of a democratic life". And it is for our democratic institutions, which now extend from village to Parliament, to successfully strengthen our home and the battle front.

The villages and the 82 per cent of the population living there have a vital role to play in this emergency. Rural India can feed adequately the nation including the defence forces. Again it can provide the finest of soldiers for our army. All this demands harnessing their resources to the maximum and stepping up production.

This is being done by organising the Village Volunteer Force as an integral part of the community development programme. The Panchayati Raj institutions spread all over rural India are responsible for the organisation of this Force which will be extended to cover all able-bodied villagers. Each Village Voluntary Force has a three-fold programme, which includes increased agricultural production, mass education and village defence.

Agricultural Production : The drive for agricultural production through village production plans is being intensified so as to enable millions of our farmers to participate fully in the defence effort. For this purpose, the Village Volunteer Force constitutes a task force which concentrates on the production and building up of local community assets like panchayat lands, compost, vegetables, village tanks, etc. Other activities include the expansion of the area of dry farming, soil conservation and minor irrigation.

To help the villagers execute their production programme, every panchayat organises a Defence Labour Bank. Every adult in the village is required to contribute a minimum of 12 days labour per year to this Bank. The aim is to utilise the vast resources of idle manpower in rural India which are acting today as a drag in the village community for want of creative outlet. It is estimated that 200 million adults by contributing labour in this way can produce assets of Rs. 3,000 millions a year for themselves.

With the resources of the above bank the panchayats can draw up a monthly programme of work and formulate a concrete plan of labour utilisation.

Mass Education : This programme is mainly concerned with the dissemination of correct information through various media, effective use of publicity materials and other literature, the prevention of the spread of rumours and the maintenance of morale.

Village Defence : This task covers civil defence (watch and ward duties), fire prevention, first aid, safeguarding of lines of communications, etc. There is also provision for a programme of physical training including marching, physical exercises, mass drill, etc. The women's wing of the Village Volunteer Force promotes savings and assists in looking after the welfare of the families of soldiers.

Progress

The response in respect of the Village Volunteer Force has been encouraging. More than ten million volunteers had been enrolled by the end of May 1963. The donation of labour to the Defence Labour Bank up to the same period was estimated at 27.8 million man-days.

V. TRAINING AND EDUCATION

Training is necessary for any field of activity and it is more so today because of scientific and technological advances. Prime Minister, Jawaharlal Nehru, thus described its importance : "If India is to progress we must have trained personnel in every walk of life..... Ultimately it is not for lack of money that our work will stop. It will be for lack of trained personnel in some field or other".

This realisation has constantly been with the planners in charge of community development programme. "Probably no single aspect of community development work in India", runs an evaluation report by a U.N. Mission in India in 1959, "has received more attention than the need for and the way to carry out training schemes. To this keen interest has been added expert advice and personnel through international and foreign aid. Other countries, less advanced than India in establishing community development movement to raise standards of living in rural areas will find the history and development of training schemes in India, even over the short period since the first project began, of great value in establishing their own schemes".

The Problem

It is estimated that about 2.5 million elected representatives engaged in community development programme will have to be given training. These include about 1.6 million members of panchayats, 2,00,000 presidents of panchayats, 2,00,000 vicepresidents of panchayats, 5,000 presidents of Block Samitis (block councils), 323 chairmen of District Councils and 300 members of informal consultative committees of the State Legislatures and Parliament. In addition, about 5,00,000 youth leaders and an equal number of women workers and about 5 million village leaders are to be provided training facilities. Finally, there are the members of gram sabhas which are constituted by the entire rural adult population of the country numbering over 200 million. 24

The requirements of official workers under the community development programme are estimated at 2,00,000. These include 50,000 village level workers, 10,000 gram sevikas (lady village level workers) and 5,000 each of block development officers, block level extension officers in agriculture, animal husbandry, industries and cooperation, social education organisers, doctors, compounders, sanitary inspectors and lady health visitors.

A training programme of this magnitude has to be handled on various fronts. For the vast number of people's representatives the programme cannot be limited to the imparting of knowledge through literacy drives, charts, posters, etc. It has in its very nature to be something more than that if it has to shake the people out of their torpor, awaken their interest and engage them in a voluntary programme for their own improvement.

There are over 180 training centres in India to impart training to different categories of community development personnel.

The Approach

Under Panchayati Raj people's representatives and the civil servants have to work as partners. As such, they have to have proper appreciation of each other's role and develop an understanding for harmonious functioning. Both have to acquire knowledge so as to be able to shoulder their respective responsibilities.

Training in community development has two aspects-general and special. The latter relates to specialised job training for community development personnel. The other type is the orientation training for all those who are engaged in community development work. This helps to develop in them a broad-based aptitude and outlook which is so essential for extending improved knowledge to the people in different fields. It also helps in creating among them a clearer understanding of the programme and strengthening their faith in objectives of community development.

With the introduction of Panchayati Raj, steps have been taken to intensify the orientation training of civil servants. In these orientation courses some non-officials also participate so that the officials and the peoples' representatives can get an opportunity to appreciate their correct role in the new set-up.

National Council of Study and Research in Community Development

Since the training programme envisages a good number of training centres for community development personnel and provision of facilities on a vast scale for short-term courses to numerous workers engaged in community work, a central body has been set up to ensure uniformity in the training programmes. This body is known as the National Council of Study and Research in Community Development and is in overall charge of training and education of both officials and non-officials. This Council is headed by the Minister of Community Development and Cooperation and consists of members of Parliament, other important nonofficials and officials representing the various Ministries of the Central and State Governments. The Council has set up a Standing Committee which helps in the implementation of the day-to-day programmes.

Training of Community Development Personnel

A number of training institutions have been established throughout the country to train different categories of personnel ranging from top administrators to village level workers. - The selection for the different categories of personnel is made by State

Governments.

National Institute of Community Development

This institute has two wings, one at Mussoorie for Study and Research and the other at Rajpur in Uttar Pradesh for instruction. The Study and Research Wing is the one place where experienced administrators and technical officers are given training to play their role as Welfare Officers and not only as Executive Officers. At this wing to which non-officials are also invited, opportunities are given through syndicate studies to understand group behaviours, group relations and group processes in the promotion of community development work. On behalf of this wing, research schemes of a fundamental nature are undertaken by universities. This wing also acts as the clearing house of information on community development. Here the literature of community development and allied subjects from all over the world is collected, collated and L50DPD/63-4 classified for dissemination to the field workers in the country and abroad.

The Instruction Wing at Rajpur trains those working in various training centres. The objective is to develop among them the realisation of their responsibility.

Orientation and Study Centres

Orientation training for officials at the block level is provided at a common course to all block level functionaries including some selected non-officials at the Orientation and Study Centres.

Different from the orientation or basic training, as it is sometimes called, is job training. This training aims at imparting special knowledge in jobs which the Block Development Officers perform in the blocks. Separate training centres have been set up for job training of Social Education Organisers, Mukhya Sevikas (Women Social Education Organisers), some categories of Extension Officers, Gram Sevaks (Village Level Workers) and Gram Sevikas (Women Village Level Workers).

Gram Sevaks are given an integrated training in agriculture and other subjects, including extension, for a period of two years. There is emphasis on agriculture in their training.

As a result of the emergency, training centres have also been given the responsibility for the implementation of the scheme of Village Volunteer Force and Defence Labour Bank in the five villages selected for intensive development work. The training centres, working in close collaboration with the block staff ensure the accomplishment of the prescribed targets.

The statement at appendix 'B' gives the overall picture of training facilities and trained people available in the country.

Training of Non-officials

The programme of study and orientation for non-officials is a far bigger undertaking.

They have to be educated in the processes of democracy. Besides, they should have a certain minimum knowledge of the

Rules of Business and have a clear understanding of their relationship with the permanent officials. For this purpose, a large-scale comprehensive training programme has been launched. The Presidents and Vice-Presidents of Panchayats (village councils) and the members of Panchayat Samitis (block councils) are trained in institutions at the district level run mainly by non-official organisations. The members of village panchayats are trained for a shorter duration by peripatetic teams of instructors sent from the training institutions. Short-duration camps and seminars are also arranged as a part of the training programme for them. Besides, the Presidents and Vice-Presidents of Panchayat Samitis and the members and the office-bearers of Zila Parishads, who have to work in closer collaboration with the permanent civil servants, are given institutional training in the Orientation Centres along with the officials as referred to earlier.

The training of village leaders is another important aspect of training of non-officials. These village leaders, known as Gram Sahayaks, are given three-day training in camps organised on different groups of subjects. So far such training has been given in the agricultural group of subjects.

It is now proposed to implement an integrated programme of training for youth and women workers and Gram Sahayaks. Those showing exceptional promise will be selected for intensive training of longer duration in specific fields like poultry, fisheries, bee-keeping and horticulture. A programme for the training of the members and leaders of the Village Volunteer Force is already under implementation.

VI. GIGANTIC PROGRAMME FOR RURAL DEVELOPMENT

The great challenge that India faces today is to concentrate its energies on the defence of the country and intensify its development efforts. For rapid progress it has to rely increasingly on science and technology.

India has seen many a turn of fortune over the centuries. Yet its culture throughout had the resilience to assimilate the changes that came in the wake of every phase of history. The hope today is that conditions will be created which will harness this great reservoir of the resilience so as to bring about a new synthesis of the ancient integrated culture of India with democracy and the modern age.

The community development programme has grown into a gigantic programme for rural development. It provides the machinery for the introduction of new technology and assists in bringing about changes in social attitudes. It has also been instrumental in setting up the new units of local government below the State level thus enlarging the base for democratic participation by the people.

One of the chief characteristics of the programme is area development with a multipurpose approach and an integrated and coordinated functioning at all levels. This has helped to break the isolation of the different government departments. Such an approach has received a further fillip under Panchayati Raj as people's representatives have been made responsible for all round development of the area at various levels. Ideas pertaining to and advantages of planning have been carried to the village level which, it is hoped, will gradually enable better and more intensive utilisation of the natural resources, particularly the manpower, of the country and thus add substantially to the economic development of the country. Such development is all the more imperative because of the emergency that the country faces now.

COOPERATION

PART II

L150DPD/63-5

VII. INTRODUCTION

India is wedded to democracy and the objective of economic development is the building up of a socialist pattern of society in which every individual has the right to progress according to his genius. Cooperation has been recognised as the only method for economic development and for raising the standard of living of 82 per cent of the population of the country in the existing political and social conditions. It brings about dispersal and decentralisation of economic power by creating small self-governing business units. Through its federated structure, cooperatives can secure the advantages of large-scale enterprise without sacrificing individual initiative and freedom. Like the Panchayati Raj institutions, the cooperatives also serve as a school for building up local leadership.

Cooperation was inherent in India's culture and in her jointfamily system in the past. In a joint family the earnings of all individual members were pooled and out of this fund the requirements of the family were met. Property was vested collectively in the family as a unit and not in its individual constituents. This corporate life did not limit itself only to the family but extended beyond it. Some sort of economic association existed in many parts of the country where people pooled up their resources for mutual help in the economic pursuits and also during natural calamities and distress. In the early nineteenth century, the process of industrialisation led to serious imbalance in the economic structure of the Western countries. Likewise India also witnessed social and economic disequilibrium, particularly in the village communities. The import of foreign goods gave a blow to the village and cottage industries. Further, the urban bias of the foreign rulers aggravated the deterioration in the economic condition of India's villages. Later, when the situation became serious, the British rulers tried to solve the problem of rural indebtedness by promoting cooperative credit societies in rural areas. This attempt, however, did not bring about much material change as the movement was promoted by foreign rulers and did not, therefore, evoke confidence among the

31

people. It was only after independence that the rural problems were tackled in a planned way and the cooperative method was accepted as one of the basic means for strengthening the village economy.

VIII. HISTORICAL GROWTH

Earlier Attempts

The earliest attempt to introduce the cooperative method for solving rural economic problems was made in 1904 when the British Government passed the Cooperative Credit Societies Act. The object of this Act was to encourage thrift, self-help and cooperation amongst agriculturists, artisans and persons of limited means.

This Act, however, suffered from various defects. It did not provide for the non-credit societies like those engaged in distribution, nor had it made any provision for the formation of central or federal bodies-the higher bodies in the cooperative structure.

To make up for these defects another Act was passed in 1912 which provided protection to cooperative societies engaged in activities other than credit.

With the passing of this act the cooperative movement grew with accelerated pace. The number of societies, their membership and the amount of the working capital increased steadily. New types of societies for the sale of produce, purchase of manure, and the retailing of farm implements and common necessaries, were organised. A team of non-official pioneers also grew up in the country which took up the cause of popularising the cooperative methods in economic activities in rural as well as urban areas. Banking habits developed among the people, specially the middle classes, who also became familiar with the cheque book. It gave an impetus to the mobilisation of the resources of a very large and intelligent sector of the community.

The Second Stage-1919 to 1951

Before helping further growth of cooperatives, Government appointed a committee to review the progress which made farreaching proposals for the development of the cooperative movement. The report came out in 1915 when the first World War was in progress, and as such the recommendations were not implemented till 1919 which marks the second stage of the growth of cooperative movement in India.

In 1919 the British Government introduced some constitutional reforms in India as a result of which the subject of cooperation was transferred to provincial governments where it was handled by Ministers responsible to legislatures. The purpose behind this transfer was that popular voice and opinions should broadly prevail in the organisation and operation of the movement. With this change the movement made steady progress in several directions till 1929 when the great depression of the thirties set in. The catastrophic fall in the prices of agricultural goods and of land threatened the very existence of many societies and some of them went into liquidation.

To arrest further deterioration the various provincial governments appointed enquiry committees. They also gave necessary financial assistance to apex cooperative banks to enable them to supply fresh finance to members of the rehabilitated societies through central banks as also subsidies to meet the cost of management of central banks.

The provision of long-term finance to agriculturists through land mortgage banks was also thought of. The village credit societies were converted into multipurpose societies which could provide services to villagers in all their needs like the supply of farm implements, seed, household requirements, and assist them in the marketing of their produce.

Effect of Second World War

With the outbreak of World War II, the cooperative movement gave greater importance to production and distribution. In this period, i.e., between 1939 to 1945, many credit, purchase and sale societies took up the work of supply of the scarce consumer goods in addition to their usual functions. Societies like the ones for milk supply, cane-growers, fruit and vegetable growers, weavers and industrial cooperatives were also formed. On the

whole, there was an all-round expansion of cooperative activities both in credit and non-credit sectors.

With the end of World War II in 1945 the control on many of the consumers' commodities was withdrawn which brought contraction in the non-credit cooperative activities. Meanwhile, various committees were appointed to study the problem of rural indebtedness and other issues concerning cooperative movement. The study and observations of these committees later formed the basis of further development of cooperatives in the country.

After Independence

On 26th November, 1949, free India adopted a new constitution declaring itself a Sovereign Democratic Republic. The preamble of the Constitution proclaimed the objective to ensure social, economic and political justice and equality of status and of opportunity to all people. In 1950, the Union Government appointed a Planning Commission to work out the details of Five Year Plans for bringing about an economic democracy and all-round development in the country.

IX. COOPERATION AND THE FIVE YEAR PLANS

While drawing up the Five Year Plans, the Planning Commission envisaged cooperation as the principal basis of organisation in several spheres of economic activity, particularly agriculture, small industry, marketing, processing, distribution, construction and provision of essential amenities for local communities. The emphasis on the cooperative organisation was laid to avoid excessive centralisation and bureaucratic control likely to result from planning itself but also "to curb the acquisitive instincts of the individual producer or trader working for himself".

In December 1954, Parliament adopted socialist pattern of society as the objective of social and economic policy in the country. This objective gave a new significance to cooperation. It was no longer regarded as representing a defensive act of association on the part of an economically weaker section.

First Five Year Plan

The First Five Year Plan set a target to cover 50 per cent of India's villages and 30 per cent of the rural population with cooperatives in ten years. The Plan also stressed the importance of "agricultural marketing and of processing industries in rural areas through the agency of cooperatives".

The training and education of cooperative personnel engaged in the management of the cooperative institutions on an all-India level was also taken up during this plan period.

Second Five Year Plan

In the Second Plan the cooperative approach was further strengthened for the small and middle class sections in rural and urban areas.

In the industrial field also the principle of cooperation was accepted as a method to help small industrialists, artisans, craftsmen, etc., in increasing their productive capacity and financial resources.

By the end of the Second Plan period the cooperative sector had made significant progress; and certain definite policies in regard to the pattern of organisation at the village level, expansion of credit particularly to the weaker sections of the community, promotion of cooperative farming, development of cooperative marketing and processing on a large scale, increasing non-official participation and training facilities were laid down.

Cooperative Policy and Third Plan

In November 1958, the National Development Council reviewed the progress of the cooperative movement in the country and recommended far-reaching changes for the future development of cooperation. The main features of the policy recommended were :

(i) The development of the cooperative movement should be directed towards intensifying agricultural production, mobilising local manpower and resources, and, in general term, rebuilding the rural economy.
(ii) Cooperatives should be organised on the basis of the village community as the primary unit, and responsibility and initiative for the social and economic development at the village level should be placed fully on the village cooperative and the village panchayat. The cooperative movement should bring within its fold all families in the villages within as short a period as possible, at any rate, not later than the end of the Third Five Year Plan.

(iii) In a rural cooperative, members should have intimate knowledge of one another as well as a sense of mutual obligation and concern for the rehabilitation of the weaker sections of the community. Where villages are too small, with the consent of the communities concerned, it will be convenient to form larger groups into cooperatives.

(iv) Each village cooperative society should draw up a comprehensive programme of increased agricultural production in the village and the grant of credit should be closely linked to such a programme.

(v) Cooperative marketing should be linked to credit, and arrangements should be made to collect the surplus agricultural produce from farmers through village cooperatives and marketing societies at assured prices. The programme of cooperative processing, especially of food crops, should be enlarged.

(vi) The existing laws, rules and procedures relating to cooperative societies should be modified to enable the cooperatives to function freely and organise their work and activities without excessive official interference and red-tapism. It is also essential that, by making takavi loans and other facilities available to individuals through cooperatives, conditions should be created in which every peasant and rural worker will find it to his advantage to join the village cooperative.

For the implementation of the above policy the National Development Council appointed a working group to suggest ways and means. The recommendations of this committee were considered by the government on the basis of which State Governments have been asked to observe the following points : (i) For the development of cooperation as a people's movement, it is essential that cooperatives be organised on the basis of the village community as the primary unit.

(ii) The primary function of a village cooperative will be to provide short and medium-term credit, supply agricultural and other production requirements and arrange to market agricultural produce. In addition, it will help in the formulation and implementation of plans of agricultural production. For specific functions separate cooperatives should be organised for a group of villages. Similarly separate cooperatives should be set up in the village itself for specific tasks or interests.

(iii) A large-scale programme of organising new societies and revitalising and reorganising existing societies should be taken up.

(iv) A village cooperative and a village panchayat should, to the maximum possible extent, be coterminous in their jurisdiction. They are the primary agencies for carrying out the community development programme and there must be the fullest coordination between them and the community development agency, full use of which should be made in carrying out the cooperative programme.

(v) The loan policies of cooperative societies should be modified and loans should be given on the basis of the purpose for which the loan is required and not on the credit-worthiness of the borrower on the basis of the property he possesses.

(vi) The target for membership of rural societies at the end of the Second Plan was fixed at 20 millions and the target to be achieved at the end of the Third Five Year Plan is universal membership.

(vii) The programme of cooperative marketing, storage and processing should be accelerated and expanded.

(viii) The staff of cooperative departments should be strengthened and adequate arrangements made for their training.

(ix) The movement, if it is to succeed as a popular movement, must increasingly be in the hands of non-officials, who must be encouraged in every way. Government officials should be withdrawn from the board of directors of cooperative organisations. Cooperative organisations at the State, district and lower levels should be set up for education, training, promotion, and supervision.

(x) A comprehensive programme of training for the staff of cooperative institutions and for the education of members and office-bearers of cooperative organisations should be drawn up and implemented.

(xi) The existing cooperative laws were often restrictive and the procedures resulted in considerable delays. Some suggestions for amending the laws and revising the procedures were made and State Governments requested to appoint expert committees to go into the question and take suitable action as early as possible.

(xii) Government assistance by way of takavi and loans for agricultural production, should, except in distress conditions, be channelled through cooperative organisations and for this purpose a phased programme should be formulated.

This approach formed the basis of the Third Five Year Plan which envisaged a growing cooperative sector, particularly in respect of agriculture, medium and small industries, trade and distribution, etc. It visualised the entire rural economy being organised on a cooperative basis including the provision of services, credit, production, storage, marketing, distribution and the diversification of the occupational structure.

For increasing agricultural production to meet the additional requirements of the defence forces now and for keeping the rise in prices of consumer goods in check, the scope of the cooperative movement is being expanded and attempts are being made to spread the spirit of cooperative living and of mutual help in various spheres of life.

X. COOPERATIVE CREDIT STRUCTURE

The cooperative credit structure in India is a three-tier organisation. At the village level there are the primary or the service cooperatives. These are affiliated to the Central Banks at district level. At the State level, the district banks are federated into an Apex Bank.

Long-term credit for agricultural purposes is provided by Central and primary land mortgage banks. There is a Central Land Mortgage Bank for each State at the apex level. This operates in some cases through primary land mortgage banks, each serving an area of a taluka or district, and in others through its own branches.

For urban credit, there are urban credit societies known sometimes as urban banks. These serve the salaried or professional classes in towns.

Primary Agricultural Credit Societies

The primary agricultural credit societies, which started as single-purpose credit societies in 1904 have now assumed the functions of multipurpose service cooperatives providing services such as the supply of seed and manure on the one hand and marketing of the produce on the other. It is also expected to associate itself with the formulation and implementation of the village production plan, but the extent to which the society can shoulder responsibility for non-credit functions depends on its resources and efficiency of its working. Its sources of income comprise the share capital of the members and borrowings from the Central Cooperative Banks or the Government.

Central Cooperative Banks

A Central Cooperative Bank raises resources by borrowing from the Apex Bank as well as by attracting deposits. Its primary function is to act as the balancing centre of their affiliated societies and to provide finance to the primary societies.

The members of the Central Banks are the rural cooperative credit societies, marketing societies, consumers' stores, farming societies, urban credit societies, weavers' societies and industrial societies. In some cases their membership also includes individuals who were earlier financed by a Central Bank.

State Cooperative Bank

The membership of a State Cooperative Bank comprises all the Central Cooperative Banks and apex and regional cooperative societies of different categories. The Bank plays a very important role in the formulation and execution of credit policies and maintains contact between the credit structure on the one hand and money market and the Reserve Bank on the other.

Land Mortgage Banks

The individual agriculturists are members of primary land mortgage banks which serve their long-term cooperative needs at the base. The Central Land Mortgage Bank is a federation of the primary banks at the State level. Long-term loans are granted for repayment of old debts, improvement of land, purchase of costly agricultural equipment, construction of wells, erection of pumping sets, etc.

Funds for these banks are raised by the share capital and reserves and by the issue of debentures.

Urban Credit Societies

Urban credit societies are of two types : (i) urban cooperative banks, and (ii) urban credit societies. Both of these meet the credit requirements of the urban and semi-urban population, particularly small traders, artisans, salary-earners and the like. The urban credit societies, however, do not undertake any type of banking business other than raising deposits from and giving loans to their members. The urban banks, on the other hand, perform also other banking functions such as the collection of cheques and issue of drafts.

The sources of finance of urban banks are their share capital, reserves, deposits and loans from the State Cooperative Banks.

The Role of the Reserve Bank of India

As a Central bank in the country, the Reserve Bank of India has played a very important part in the development of cooperation. It has set up an Agricultural Credit Department, which studies all questions of agricultural credit and coordinates the activities of the agricultural credit agencies.

Among the important acts of the Reserve Bank of India in promoting the cooperative movement were the extensive survey its Committee of Directors conducted of the rural credit structure of the country and the establishment of the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund. These funds are very useful. The National Agricultural Credit (Long-term Operations) Fund provides loans to State Governments to purchase shares in cooperative credit institution, Central Land Mortgage Banks, State and Central Cooperative Banks and large-sized agricultural credit societies. The other Fund accords mediumterm loans to the State Cooperative Banks to enable them to convert their short-term agricultural loans due to the Reserve Bank of India into medium-term loans under certain difficult circumstances like drought, famine and other calamities leading to widespread default of short-term loans on the part of farmers, primary societies and Central Cooperative Banks.

The other important activity of the Reserve Bank is its participation in formulating and financing schemes of cooperative training. The Bank and the Government of India have jointly set up a central committee for organising training centres for cooperative personnel. From July 1, 1962, the entire responsibility for training was transferred to National and State Cooperative Unions.

State Bank of India

The State Bank of India is also engaged in promoting the cooperative movement by providing financial facilities to cooperative marketing and processing societies.

XI. COOPERATION IN DIFFERENT FIELDS

Cooperative Marketing and Processing

From the very beginning it was realised that the development of cooperative credit could be successfully brought about only by effectively linking it to the marketing of members' produce through cooperative organisations. It was, however, during the Second Plan period that the cooperative marketing organisations made significant progress. To help farmers buy their requisites and market their produce profitably, the programme of organising new cooperative marketing and processing societies is now being accelerated as part of the integrated scheme for the development of cooperatives in the country. Godown and storage facilities, which are essential for the working of marketing societies, are also being expanded.

Cooperative Marketing Societies: On June 30, 1962, there were 3,006 primary agricultural marketing societies with a member-ship of about 90,300 societies and over 15.5 lakh individuals.

The structure of marketing cooperatives consists of two or three tiers. Where the structure is two-tiered, it generally comprises primary marketing societies organised at the market level and an apex marketing society at the State level. In the threetier structure there is usually an intermediate organisation at the district level.

In addition to marketing and storage of agricultural produce, marketing cooperatives undertake the distribution of agricultural requisites and consumers' articles in rural areas. As a rule, the wholesale functions are performed by the marketing societies and their apex organisations, while retail functions are increasingly entrusted to cooperatives at the village level. Besides these functions, the marketing societies also handle inter-State and foreign export of agricultural produce. The government is encouraging this and free licencing is allowed to them to take up this trade. Among other facilities that the marketing cooperatives are enjoying is the subsidy from the government on a sliding scale for a period of three years towards managerial cost.

Cooperative Processing Societies: In cooperative processing, the most significant achievement has been in the field of sugar-cane. During the 1962-63 season 41 cooperative sugar factories were in production and they produced 4.8 lakh metric tons of sugar, accounting for about 21.6 per cent of the total production during that season. A number of other processing units have also been established. On June 30, 1962, about 130 cotton ginning and pressing societies and over 200 groundnut decorticating societies, Finances for a construction in the country.

Finances for a cooperative processing are generally raised from three resources : (a) share capital raised from members; (b) share capital contributed by the State Government; and (c) medium/long-term loans from financing agencies like cooperative banks and the State Bank of India.

The State Governments directly participate in the share capital of the processing units and also provide guarantee to the financing agencies for giving loans to these units. Further, cooperative units are given preference in the matter of licensing and certain tax concessions are extended to them.

The services of the technical officers in the State Governments are available to the cooperative processing units. The Central Food and Agricultural Ministry has a special cooperative cell which offers guidance to cooperative sugar factories in the country.

Cooperative Farming

The pooling of uneconomic units of cultivation into cooperative farms has been engaging the attention of the country for a long time. In the Second Plan period, 1,415 cooperative farming societies were established. In the Third Plan period attempts are being made to organise one pilot project in cooperative farming in every district to demonstrate the advantage of cooperative farming to the farmers. Till June 1963 about 1,000 societies were organised in pilot areas and the same number in places outside the pilot areas.

Besides the collective resources, a cooperative farming society gets timely and adequate financial assistance from cooperative banks. The State Governments also provide share capital to strengthen its financial position which is payable within ten years. To meet the secretarial expenses of a new society the Government gives subsidy for three years.

Technical guidance is provided to the cooperative farming societies by the district officers engaged in the implementation of agriculture and community development programmes. At the national level, the Government of India have constituted a National Cooperative Farming Advisory Board for planning and promoting cooperative farming programme and coordinating the inter-State developments. On this pattern States are also constituting State Boards. Cooperative farming in India is not an attempt at coercing the farmers—rich or poor—to part with their land or forgo their income therefrom. It is only an attempt to pool the resources of small cultivators and landless labourers into an economic enterprise by way of which the available land may become profitable and provide employment to under-employed members. It is entirely voluntary and every member retains his individual ownership. They only work together by employing labour intensive methods. Working together, they improve their financial capacity. Cooperative farming also brings about a change in social attitude : it promotes the spirit of self-help and mutual assistance in the community.

Cooperation in Other Fields

The cooperative movement in India is now gradually being extended to many other fields of economic activity to form cooperatives of labourers, manufacturers of palm-tree products, general insurance, housing and construction, transport and rickshaw pullers, printing and writers' societies, consumers' stores, health cooperatives for medical aid and sanitation, and women's cooperatives for providing additional employment and income to low and middle-income group women. The Government in every case help these cooperative societies with funds as loans and as subsidy towards managerial cost.

National Cooperative Development and Warehousing Board

On August 1, 1956, the National Cooperative Development and Warehousing Board was constituted to create an agency to look after the development of cooperative marketing and processing. Its functions are generally to plan and promote programmes for the production, processing, marketing, storage, warehousing, and the import and export of agricultural produce through cooperative societies. To enable the Board to carry out its task, it receives grants from the Government of India from year to year. These grants are re-appropriated to two funds, namely, the National Cooperative Development Fund and the National Warehousing Development Fund. The former Fund is utilised for advancing loans and granting subsidies to State Governments to enable them to subscribe to the share capital of cooperative



A three-tier cooperative credit structure in the country has been set up. At the village level, there are the primary or the service cooperative societies which are affiliated to the Central Banks at the district level. The district banks are federated into the Apex Banks which function at the State level. Seen *here* is the Karnatak Co-operative Central Bank at Dharwar in Mysore State.

Many cooperative farming societies are proving profitable to their members having small holdings and lacking adequate resources to carry out major improvements. This has been the experience of 226 members of the Mahisagar Bhata Cooperative Farming Society, Kaira District (Gujarat State), which has doubled its income in six years. Picture shows members of the Society at work.





To help farmers purchase their requisites and sell their produce profitably, marketing cooperatives have been established. Shown here is the sales section of the **Ryots** Agricultural Produce Cooperative Marketing Society at Mandya (Mysore State).

The cooperative movement in India has extended beyond credit and farming to other fields of economic activities. *Below*: The South India Cooperative Spinning Mill at Tirunelveli, Madras State, with an installed capacity of 16,000 spindles. The yarn produced is sold to the constituent apex-cooperative, which allocates the supply to primary weavers' cooperatives.





In cooperative processing the most significant achievement has been made in sugar-cane. The picture gives a view of the Pandavpura Cooperative Sugar Factory, Mandya, in Mysore State.

The Transport Cooperative Motor Society for Ex-servicemen, Kerala





Filling of matchboxes and packing at the Family Welfare Cooperative Industrial Society Ltd. Vijayawada, Andhra Pradesh.

A view of the houses built by the Pataliputra Cooperative Society



marketing and processing societies, and for financing cooperative societies by grant of subsidy for certain purposes. The Warehousing Fund is utilised for buying shares of the Central Warehousing Corporation, giving loans to State Governments to enable them to subscribe to the share capital of State Warehousing Corporations and for advancing loans and subsidies to cooperative institutions for the purpose of promoting the storage of agricultural produce.

The Board has adopted various measures for the development of cooperative movement and successful working of cooperative marketing and processing. Important among these are assistance to the credit institutions at various levels by way of subsidies to meet the cost on account of the appointment of additional or new managerial and supervisory staff; assistance to marketing societies through the State Governments to build up a comparatively strong capital base, to appoint qualified managerial staff and to construct godowns; encouraging the distribution and supply of nitrogenous fertilisers, manures, agricultural implements, insecticides and pesticides through marketing societies; setting up of warehouses at places of all-India importance or at sub-divisional centres. Besides advancing financial assistance, the Board undertakes evaluation studies to examine the progress made by various cooperative institutions assisted under the programme and appoints special committees to study the working and the problems of different cooperative societies.

Established in 1956, the Board has in the last seven years played an effective role in the development of economic activities of the farmers by providing and fostering the institutional framework of marketing and processing.

Industrial Cooperatives

Industrial cooperatives are normally formed by artisans, craftsmen, industrial workers and small industrialists; they are limited liability concerns, the liability normally extending to the value of the shares.

During the first two Plans, the industrial cooperatives made a definite progress. Weavers' cooperatives have been established on a firm footing under the guidance of the All-India Handloom Board. The latter provides the cooperatives with Government grants and loans and helps in strengthening the marketing organisation. It further helps the movement in building up its internal resources by increasing the share capital. Similarly coir cooperatives have been set up in Kerala State. The Khadi and Village Industries Commission which is responsible for organising village and cottage industries in rural areas has introduced a special programme for organising cooperatives of workers in these industries and extending assistance to them. Another organisation which is helping village artisans and craftsmen in improving their techniques and marketing of goods is the All-India Handicrafts Board.

The Small Industries Service Institute has made special efforts to offer technical guidance and business management advice to societies in the field of small industries. The Government of India have a set up in the Ministry of Commerce and Industry to offer specialised advice and assistance to State Governments and the industrial cooperatives.

Most of the funds for industrial cooperative societies are available from cooperative banks. Efforts are being made to set up more of such institutions for financing industrial cooperative societies. State Financial Cooperatives also assist those societies which are engaged, or propose to be engaged, in the manufacture, preservation or processing of goods.

Since the business management of industrial cooperatives requires special training, the Government has made arrangements for the training of such personnel; and training centres have been opened in the country. The industrial societies can also secure the services of the officers of cooperative departments for a short period.

Similarly, considerable attention is being paid to the introduction of improved tools and techniques amongst industrial cooperative societies by different all-India and State organisations. Cooperative Industrial Estates are also being developed where sites are made available to members with common facilities, worksheds, exhibition houses, industrial museums, quality marketing units, 47

testing and finishing units, godowns, sample rooms, transport, canteens and similar services.

As the industrial cooperatives progress it is expected that this sector will play an increasingly vital role in the development of small industries and rural industrialisation. Special emphasis is being laid on this in the Third Five Year Plan, and it is expected that by the end of its period the number of industrial cooperatives will reach 40 thousand with a membership of 30 lakhs and a total share capital of Rs. 20 crores. The programme for development of these cooperatives has been given priority with a view to developing industries in rural areas.

Handloom Cooperatives

The handloom industry has enjoyed an important place in the Indian economy from time immemorial. In the pre-independence period the Swadeshi Movement helped it to grow. In the post-independence period the Government took positive measures to develop this indust \cdot including the levy of an additional excise duty on mill cloth. Known as cess-fund, this is used exclusively for the promotion of handloom industry.

In 1952, an All-India Handloom Board was constituted to take steps for the development of handloom industries. Under the guidance of this Board handloom cooperatives are being encouraged. In the First Plan period about Rs. 1,071.89 lakhs were sanctioned for the development of the handloom industry. In the Second Plan period the tempo of development was accelerated and the expenditure incurred by the various State Governments and the All-India Handloom Board in the development of handloom industry was about Rs. 29 crores. In addition, Rs. 2 crores is. estimated to have been spent on the introduction of power-looms. in the handloom sector. During the Third Plan period the programme for the development of handloom industry is being reoriented to consolidate the cooperative organisations, improve the technique of production and processing, improve the condition of the weavers. and expand the cooperative supply of raw materials, cooperative processing and cooperative financing. A sum of Rs. 34 crores.

has been provided in the Third Five Year Plan for increasing the production of textiles by the handloom industry. This outlay is exclusive of the working capital required for production and marketing which is to be met from the resources of cooperative institutional agencies.

Urban Consumers' Cooperation

Except for few employees' stores the movement of consumers' cooperative societies did not grow till recently. It was only during the last world war that the movement took a proper shape due to shortage of some of essential consumers' goods like foodstuffs, salt, medical supplies and the inferior qualities of cotton cloth. But after the war, when price control was withdrawn and supply of essential goods improved, many of the consumers' stores collapsed due to competitive market prices and the tactics of shrewd professional middlemen. Other problems which faced consumers' stores were : (a) weak organisational structure, (b) small and uneconomic size, (c) too much dependence on controlled commodities, (d) inadequacy of funds and heavy working cost, (e) lack of business experience on the part of the members of managing committees, (f) inadequate loyalty on the part of the members, (g) dependence on honorary services and consequent lack of interest in management, (h) lack of properly trained and experienced staff, and (i) keen competition from private trade which leaves a very low margin of profit.

During the First and Second Plans the need for organising consumers' cooperatives in urban areas was felt but due to more pressing problems it could not get any priority. It was only in the Third Plan period that a priority was fixed for providing urban consumers' cooperative stores.

In 1959-60 there were about 7,000 primary consumers' stores in the country with a membership of about 1.4 million. A majority of these stores were not functioning properly and even those that earned a small profit operated in a very small way. No positive programme for the promotion of consumers' stores was taken up by the Central Government during the Second Plan. In view of their importance, a scheme was introduced in the Third Plan to revitalise some of the existing primary stores and organise

new ones. Under this scheme the Government's share in the capital participation in an apex wholesale store was fixed at a maximum of Rs. 50,000 and in a primary store up to Rs. 2,500. It provided for a managerial subsidy up to Rs. 6,000 to an apex wholesale store and Rs. 1,800 to a primary store for a period of three years.

This scheme was intended for the benefit of the urban population; it was contemplated that in rural areas, the distribution of essential consumers' goods would be arranged through marketing and service cooperatives.

It was observed that, in spite of this pattern of assistance, progress in the implementation of the scheme was slow. Since the building up of a large network of consumer cooperatives is a matter of national importance in the context of the emergency in the country, it has now been decided that the scheme should be introduced as a centrally sponsored one on an intensive scale, providing for more liberal financial assistance. The pattern of assistance envisaged is as follows :

- (1) Wholesale stores
- 1. Share capital contribution

.. Rs. 1 lakh on a matching basis with the subscribed share capital.

- 2. Clean credit accommodation through Rs. 2 lakhs. central cooperative banks.
- 3. Loans and grants for godowns and purchase of trucks and equipments.
- 4. Subsidy for managerial expenses and rent.
- (2) Primary stores
- 1. Share capital
- 2. Subsidy for managerial expenses and rent.
- Rs. 1 lakh (25% subsidy and 75% loan).
- Rs. 10,000 spread over a period of 3 to 5 years.
- Rs. 2,500 on a matching basis. Rs. 2,000 spread over a period of 3 to 5 years.

XII. COOPERATIVE TRAINING AND EDUCATION PROGRAMME

Cooperative Training

Imparting the philosophy and practice of cooperation to cooperative personnel is necessary for the proper development of the cooperative movement. The term 'cooperative education' refers to the programmes which seek to increase the knowledge and understanding of the members and office-bearers of the co-operative institutions while 'cooperative training' implies programme for the training of paid employees of the cooperative departments and institutions. Various steps have been taken by the Central and State Governments to provide training and education to the office-bearers of the cooperative societies and also to the co-operators.

The responsibility for administering and implementing the programme of cooperative education rests with the cooperative institutions at the national and State levels. The centres for the training of junior and intermediate workers are looked after by the State Cooperative Unions while at the Central level the programme of cooperative education has been entrusted to the National Cooperative Union of India. The latter is also responsible for the coordination of the entire programme.

The training of senior or higher personnel, both departmental and institutional, is conducted on an all-India basis at the Cooperative Training College, Poona. For intermediate level workers there are 13 training centres. The training of junior cooperative personnel is conducted by the State Governments and for this purpose 64 training centres have been opened in different parts of the country.

Research and Field Studies

The research and field studies in the theory of cooperation are conducted generally in post-graduate courses. Some rural institutes for higher education also provide a forum for research into cooperative problems. Similarly some State Cooperative Unions and the All-India Cooperative Union have done some work in this direction. The All-India Cooperative Union recently set up a research programme division with assistance from the Joint India Fund. From time to time the Rural Economics Division of the Reserve Bank of India too has carried out certain field-studies and research programmes connected with cooperation and subjects allied to it. To encourage research in cooperation at the universities tours and scholarships have been proposed.

Cooperative Education The All-India Cooperative Union has been assigned the task of implementing member-education programme, whose principal features are : (a) to educate the honorary office-bearers of the primary societies such as Presidents and Secretaries in the principles, practices and policy of cooperatives, the laws governing them, the business and accounting procedure adopted by them, etc., to enable them to transform their societies into popular and effective units; (b) to educate the members of the managing committees in their duties, obligations and role in ordering the affairs of the societies, first as cooperators, secondly as selected representatives of a large number of members, and (c) to educate members and potential members of societies in

the ideology behind the integrated cooperative development scheme, the economic benefits that flow from its operation, and from cooperation in general.

Besides the initial courses of instruction, the member-education scheme envisages regular follow-up in the shape of conferences, seminars, group discussions, study tours and summer camps.

Mobile units have been set up to organise training courses for office-bearers, committee members, ordinary members and prospective members. The implementation of this scheme has been entrusted to State Cooperative Federations/Unions. Each mobile unit is equipped for imparting education through audiovisual aids to increase the effectiveness of the course. At present over 400 peripatetic units are in operation in various States. The programme has, however, been modified in different States according to local conditions.

Teaching of Cooperation in Schools and Colleges

Cooperation is being taught as a part of extra-curricular course in primary and secondary education. The purpose is not to burden students with academic information but that they should be familiar with the basic cooperative principles and the working of cooperative organisations.

Some universities have now introduced cooperation as an optional subject in the commerce degree course; some others have

introduced it in their post-graduate courses. In 1961 a Conference of State Ministers of Cooperation recommended that cooperation subjects should be introduced at various levels in schools and colleges as part of their cooperative education programme to the people for the next generation.

Steps have been taken to make cooperative education really effective. These include : (i) holding of special training courses or classes; (ii) issue of publicity literature; (iii) production of films; (iv) the use of other audio-visual aids and arranging of radio broadcasts; and (v) holding of annual general meetings and seminars.

XIII. TOWARDS A COOPERATIVE WAY OF LIFE

An important objective of the community development movement is to promote a cooperative way of life in which the entire village population can function as one community for social, economic and cultural progress. Various types of cooperatives in which individuals pool their resources and utilise them for the common and individual good are the means of achieving this progress. As we have seen, service cooperatives play a vital role in the implementation of village agricultural production plans by supplying not only credit to their members but also meeting agricultural needs like seeds, fertilisers, farm implements and other consumer items like salt, sugar and matches. Being linked to marketing societies, they also help in the marketing of the produce of their borrowers. Industrial cooperatives for the artisans, labour cooperatives for landless labourers, forest cooperatives for the tribal people in forest areas, etc. create an incentive for the members to work with a common purpose. Similarly, cooperative farming societies lead to capital formation which may not be fully used; a fair part of it may be used for investment in other activities resulting in the economic development of the village as a whole. Further, the emphasis on homogeneity and unanimity in the working of cooperatives creates that atmosphere in village communities which is essential for social and economic progress. Thus, the growth of cooperatives, which build up capital resources for economic growth, and the community development movement, which helps in the building up of 'human capital through education', are two inter-related processes for an integrated development of Indian villages.

Panchayati Raj, described as the natural corollary of community development, has special relationship with cooperatives. While the former has been described as the instrument of political and administrative democracy in India, the latter is called the instrument of economic decentralisation. In the present concept of Panchayati Raj the two institutions have to work in continuous collaboration.

In July 1961, the Government of India appointed a working group to evolve a pattern of coordination and collaboration between Panchayati Raj institutions and cooperative societies. Following the recommendation of this working group, a device has been adopted by which the two institutions help each other in the economic development of village communities.

The panchayat is responsible for publicising the activities of cooperatives. It also helps in stepping up membership, deposits and share capital of the local cooperative and sees that every family in the area joins the service cooperative and gives it full support. For the village production plans the cooperatives meet their requirements first and then provide finances for other purposes, while the panchayats are generally responsible for the proper utilisation and repayment of credit thus provided. The officebearers of the cooperatives are associated in the agricultural production committee of the village panchayat.

For proper coordination, it has been decided that the panchayat as a body and the entire managing committee of the cooperative must meet at least once a quarter to thrash out all common problems. At the block level, the Panchayat Samiti has a cooperative sub-committee for promoting cooperative institutions in which representatives of the appropriate cooperative organisations are coopted. At the district level, cooperative institutions are represented in Zila Parishads. Similarly, Zila Parishads are also represented on the managing committees of the District Cooperative Banks and the District Cooperative Unions. As a policy, the panchayat gives priorities to the needs of cooperatives like lease of land for housing the cooperatives or of tanks for pisciculture. As a matter of fact one of the test points of the success of Panchayati Raj is the promotion of cooperatives.

National Emergency

There are now over 3 lakh cooperatives of all types in the country with a membership exceeding 30 million; of which about 2,12,000, with nearly 20 million members, function in rural areas. These societies exert varying degrees of influence on more than 80 per cent population in the country. Since cooperation has great potentiality of generating forces to help the country in any eventuality, the national emergency created by the Chinese aggression has imposed great responsibilities on the cooperatives and the cooperators.

In the field of agricultural production, so essential for the country's defence, cooperatives can play a vital role along with panchayats in increasing agricultural production to meet defence requirements. Besides providing timely supply of credit, agricultural requisites and marketing arrangements, the cooperatives can also help in enlarging irrigational facilities and implementing a soil conservation programme.

When thrift and savings are so necessary for investment in defence production the cooperatives can influence people to avoid waste and unnecessary expenditure. In the field of cooperative farming special emphasis can be laid on those farming societies which are nearer to urban areas to produce vegetables and fruits, and to take up poultry farming and pisciculture according to local conditions. Items of land development which are likely to help immediately in increasing production should be tackled first.

Cooperative marketing and processing can play a valuable part in the supply of certain defence requirements. The Army Purchase Organisation has already granted certain facilities to cooperatives in this regard. Holding of the price line by the formation of consumers' cooperatives, is another important responsibility of cooperatives. Supply of consumer articles through cooperative organisations, particularly articles in short supply, can

always help in curbing the activities of anti-social elements. A programme has been launched for establishing 200 wholesale stores. and 400 primary consumers' stores in about 200 large urban areas. These stores will be supplied certain foodstuffs, textiles and drugs by the Government; the other articles will be procured by them direct from manufacturers, agricultural marketing. societies and the trade.

In rural areas the village cooperatives are taking over the distribution of essential consumers' goods like sugar, kerosene and salt. A scheme has been prepared under which village cooperatives will take up the work on a large scale. In addition to supplying commodities like sugar, kerosene and salt, they will undertake distribution of foodgrains in deficit areas. Primary marketing societies located in wholesale market will be strengthened and given financial assistance to enable them to take up this work on a large scale.

Thus cooperators through a disciplined, unified and sustained effort can gear up the country towards meeting the needs of national defence by producing more and creating a spirit of unity.

The Future

The future course of the cooperative movement in India is. thus described in the Third Plan : "In a planned economy pledged to the values of socialism and democracy, cooperation should become progressively the principal basis of organisation in many branches of economic life, notably in agriculture and minor irrigation, small industry and processing, marketing, distribution, supplies, rural electrification, housing and construction and the provision of essential amenities for local communities. Even in medium and large industries and in transport, an increasing range of activities can be undertaken on cooperative lines. The socialist pattern of society implies the creation of large numbers of decentralised units in agriculture, industry and the services. Cooperation has the merit of combining freedom and opportunity for the small man with the benefit of large-scale management and organisation as well as goodwill and support from the community. Thus, a rapidly growing cooperative sector, with special emphasis on the needs of the peasant, the worker and the consumer, becomes

a vital factor for social stability, for expansion of employment opportunities and for rapid economic development. Along with a growing public sector and a private sector which functions with responsibility to the community as a whole, the influence of cooperation extends far beyond the particular activities organised on cooperative lines, and gives to the social structure and the national economy, balance, direction and a sense of values".

It is thus visualised that as the cooperative sector extends, India will near its goal of economic democracy. The possibility of sections, economically or politically stronger, exploiting the weaker sections will be minimised.

APPENDIX A

Some Imporant Achievements under Community Development Programme

Programme Achievements	During the First Plan	During the Second Plan	During the Third Plan (April 61 to Sept., 62)
Agriculture			
1. Improved seeds distributed (thousand tons)	170	1,150	421
2. Chemical fertilisers distributed (thousand tons)	341	2,556	1,146
3. Agricultural demonstrations held (thousands)	1,141	8,134	1,637
Animal Husbandry			
4. Improved animals supplied (thousands)	12	83	25
5. Improved birds supplied (thousands)	193	1,176	649
Village and Small Industries			
6. Brick kilns started (thousands)	not available 24*		23-
 Brick kins started (thousands) Sowing machines distributed (thousands) 	Do.	13*	11

Health and Rural Sanitation

APPENDIX B

Training Facilities for the Service and Non-service Personnel Engaged in the Community Development Programme

Calassa					
Category of Staff	No. of Training Centres	g of	Annual Capacity	No. So Fai Trained (31-5-1963	
 (a) Key administrative and technical staff of Central Minis- tries and State Governments (b) Members of Parlia- ment and Legis- lature (c) Pramukhs and Pra- dhans of Zila Pari- shads/Panchayat Samitis] 1	4 weeks	200	1,029	
2. Distt. Panchayat Officers					
	1	6 weeks	120	2,472	
3. Block Dev. Officers	10	10 weeks	1,200	5,313	
 Social Edu. Organisers Mukhya Sevikas (Lady Social Education 	8	5 months	340	3,769	
Organisers)	10	9 months	410	0.110	
 Extension Officer (Indp.) Extension Officers 	10	12 months	800	2,118 2,868	
(Coop.) 8. Gram Sevaks (Village Level Workers)	13	11 months	1,024	4,334	
9. Gram Sevikas (Lody	98	2 years	4,900	52,454	
vinage Level Workers)	46	1 year	1,840	4,874	
 D. Health Personnel B. D. C. members, Panchayat Samiti members, Presidents & Vice-Presidents, of Village Panchayats 	3	8 weeks	630	4,674 3,109	
(a) Sanctioned	93	1 week	not avail- n	ot avail-	
(b) Functioning2. Village Leaders (Gram Sabawales)	64		able able		
3. Trainers in Panchavati	-	3 days	— (u	4.9 million up to Dec	
Raj Training Centres	1	2 manut		1962)	
50DPD/63—GIPF.	58	3 months	80	142	

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