

A Qualitative Analysis of Cooperatives as Alternative Institutions for Human Development

Dr. Siddhartha Chatterjee

Assistant Professor in Political Science

Vivekananda College, East Udayrajpur, Madhyamgram

District – 24(PGS), PIN – 700115, West Bengal, India.

Abstract:- Gandhiji pictured every Indian village as a republic, with the local panchayat in charge of all decisions, including those pertaining to defence. He believed the panchayat would handle the legislative, executive, and judicial responsibilities necessary for the smooth administration of the village economy. Gandhiji placed a high priority on cooperation as a strategy for rural development. While giving cooperatives specialised roles in the agricultural sector, he commended the promotion of cooperative farming and the accompanying reduction in additional landholding fragmentation. Among other cooperatives, he backed the development of credit cooperatives, weavers' and spinners' cooperatives, and dairy cooperatives. The cooperative may fill the void left by nationalised banks and free people from the grip of Ponzi schemes in an astonishingly effective way. When cooperatives attracted the attention of dishonest politicians, who began to view them as tools for political mobilisation and as a means of creating vote banks, they were dragged into the realm of party politics. Cooperatives offer individuals a formal means of forming their own self-help organisations. Thanks to their secondary and tertiary support networks, they provide basic services and generate cash in ways that are not otherwise imaginable. Co-operatives' main advantage is that they increase member income. Cooperatives have been considered by governments as instruments for achieving societal objectives.

Key Words: Human Development, Democracy, Sustainability, Panchayat, Cooperatives

Introduction:- Gandhiji envisioned each village in India as a republic, with the village panchayat having complete authority over all matters, including defence. He anticipated that the panchayat would carry out the legislative, executive, and judicial duties required for the efficient operation of the village economy. The village panchayat would also engage in many developmental tasks like education, health, and sanitation. However, because of governmental indifference, corruption, and partiality, this institution indicates

that the panchayat is insufficient to address all of these issues. Therefore, we must now consider a substitute for the panchayat.

Gandhiji valued collaboration as a tool for rural development greatly. He praised the promotion of cooperative farming and the resulting prevention of further landholding fragmentation while assigning cooperatives specific functions in the sphere of agriculture. He supported the creation of dairy cooperatives, weavers' and spinners' cooperatives, and credit cooperatives, among other kinds of cooperatives. India currently has the largest cooperative network in the world, and these cooperatives play a significant role in the country's rural economy. { Ravi Kishan, Gandhian Model of Rural Development, socialworkin, 2022 }

Objectives of The Study :-

- I) To assess the cooperative banks' development.
- II) To determine whether cooperatives may replace panchayati raj as an additional democratic institution.
- III) To look into the political context that has influenced the beginning and growth of cooperatives in West Bengal with a comparison to Purba Medinipur.

Methodology:-

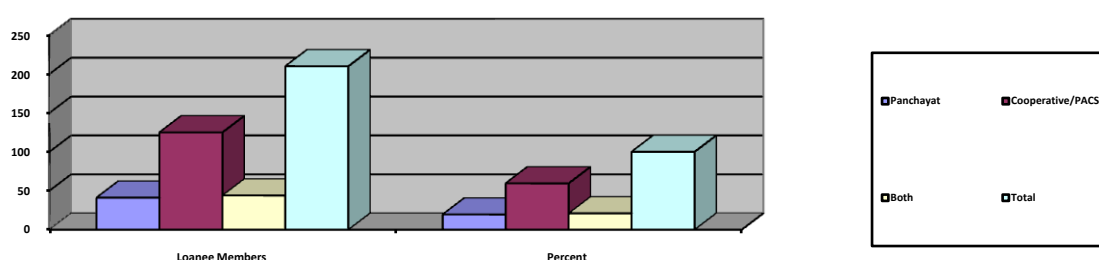
This article includes a study that used both secondary and primary data. The secondary data have been collected from National Federation of State Cooperative Bank (NAFSCOB). Using a random sample of families in a location with a greater frequency of cooperative influence across the district of Purba Medinipur, the primary data on the effectiveness and function of cooperative in the socioeconomic uplift of society were collected.

Cooperative is an important institution in rural India as an alternative to panchayat. It is impossible to think about human development without cooperative. This point can be explained here by the data obtained by field survey. It can be explained correctly with certain tables.

Table 1- Which agency is more helpful or beneficial for the development for you?

	Loanee Members	Percent
Panchayat	41	19.5
Cooperative/PACS	125	59.5
Both	44	21.0
Total	210	100.0

Source- Primary Data

Chart 1- Which agency is more helpful or beneficial for the development for you?

Source- Primary Data

When we asked to our target respondents which agency is beneficial to you PACS/ Cooperative or Panchayat, most among all respondents supported Cooperative/ PACS. 59.5 % respondents support cooperative whereas only 19.5 % people support panchayat and 21% respondents support both system.

Table 2- Do you feel any contradiction between Panchayat & Cooperative/PACS?

Response	Loanee Members	Percent
Yes	145	69.0
No	65	31.0
Total	210	100.0

Source- Primary Data

From the above table it can be observed that 69% respondents among all respondents think that there are differences between Panchayat and Cooperative.

Table 3- (If yes) Describe the type of such contradictions

Description of Contradiction	Loanee Members	Percent
Can't say	18	8.6
PACS are helpful for economic development	38	18.1
easier to get loan	9	4.3
political factors are present in Panchayat not in PACS	51	24.3
Panchayat serving for all and PACS for Individual	14	6.7
Panchayat doing different types help & PACS doing economic help	15	7.1
Total	145	69.0
Missing	65	31.0
Total	210	100.0

Source- Primary Data

In rural regions, panchayats serve crucial functions. Their position is distinctive because they represent the best interests of all facets of the community. Numerous activities, such as organising volunteer labour for group projects, reassuring villagers to improve the standards of cultivation, acquiring and using government funding for the improvement of the village, such as building streets, tanks, etc., and for the most part assisting with the utilisation of financial a social reform law passed by the States, will typically fall within the domain.

On the other hand, a more coordinated and binding type of organisation is needed for the operation of specific financial development programmes where the general interest as well as the specific obligation and liability of a member must be assured. Cooperatives are the most effective way to carry out specific and practical tasks like recovering land, providing resources for better farming, and marketing the produce of the people, including both farmers and artisans. The cooperative agency would often need to abide by the business management principles, particularly those of good service and cost-effective operation. They are attractive agents of democratic planning since they do not have profit-seeking affiliations and because they cooperate for the common good. Therefore, it is crucial that

cooperative organisations in the village have the closest relationship possible with the panchayat, which is the main democratic body. It will be possible to develop a structure of fair democratic management of development plans through associations, panchayats, and cooperative societies despite the fact that in the discharge of their duties the two bodies have specific fields to work in and in various basic functions through shared representation and having typical ad-hoc committees.

These factors also been reflected in our primary data. From the above table it can be observed that most percentage of respondents don't like panchayat because of political factor and 18.1 % people support PACS because PACS is an institution where from people can get loan very easily. But 7.1% respondents support panchayat because from Panchayat they can get help for different purposes.

Table 4- Reason for doing business with PACS

Reasons	Loanee Members	Percent
Time and Flexibility in Working	170	81.0
Members who are involved in Management	7	3.3
Freed from the clutches of the usurers	11	5.2
Members who repay loan of usurers after taking loan from PACS	7	3.3
Above mentioned all	15	7.1
Total	210	100.0

Source- Primary Data

PACs have a much wider reach than any institution in rural areas. From the above table we can see that 81% respondents are ready to do business with PACS because of time and flexibility. The most interesting thing is that to get rid from the clutches of usurers 5.2% and 3.3% respondents are ready to do business with PACS. No other institutions can help the poorer section of the society like PACS.

To secure one's future and achieve financial well-being, one must save money. A great gift for a child's future is to start saving now. However, the saving is now in jeopardy. India has a sizable, rural, low-income population with little access to official banking services. To cover the void, a web of alternative informal banks developed. Moneylenders, who

formerly charged exorbitant interest rates, were located within. By the 1950s, several Moneylenders Acts were approved by the State governments of India to regulate this business. {Gupta, SC; Shankar, Girish; Giridhar, A (2007)} Disappointments, however, to replace the function of moneylenders rise to dishonest financial operators who operated Ponzi schemes. Some observers blame these kinds of Ponzi schemes on greed rather than on being shut out of conventional banking systems.{ Chaki, Deborshi (28 April 2013)} The cooperative may fill the void left by nationalised banks and free people from the grip of Ponzi schemes in an astonishingly effective way. According to a NAFSCOB report, individual deposits into State Cooperative Bank for the 2012–2013 fiscal year totaled Rs. 1895678 lakh for all of India and Rs. 98119 lakh for West Bengal. {wikipedia + Saradha_Group_financial_scandal, website}

For Balageria District Central Cooperative Bank, Mugberia District Central Cooperative Bank and Tamluk-Ghatal District Central Cooperative Bank, during 2012-13 savings from individual were accordingly Rs. 12281 lakh, Rs. 32263 lakh and Rs. 22843 lakh. From these data it can easily prove that public does believe for saving in cooperative. With Primary data this point can be established.

Table 5- Is deposit in Cooperative safe according to your view?

Response	Loanee Members	Percent
yes	202	96.2
no	8	3.8
Total	210	100.0

Source- Primary Data

From the above table it can be observed that among all respondents 96.2 % respondents do believe in cooperative for saving whereas only 3.8% respondents don't believe in cooperative for safely deposit. From the secondary and primary data it is already established that cooperative is the safest way for savings as a complementary way to nationalized bank.

Now it will be tried to investigate the political environment present in the origin and development of PACS in West Bengal since its inception, with a comparative reference on Purba Medinipur. The state, the government, its agencies, its laws, and the public and private players who work in, engage with, or have an impact on that system make up the

political environment. The kind and extent of the policies that were implemented let this kind of social business reform solidify and expand throughout India. Government policies toward the cooperative sector vary greatly in India, a country with a strong tradition of cooperative entrepreneurship. There are at least two plausible clarifications proposed in the extensive political economy literature on the formulation of policies and the implementation of policies. From one angle, proponents of the so-called "politics matters" school of thought assert that party factors have an impact on policy outcomes. According to the typical Left-Right representation of the political spectrum, incumbents on the Left are motivated by ideals and interested in equality and advancement, whereas right-wing governments are typically driven by interest and have a tendency toward imbalance and conservatism. {Bobbio, N. 1997} On the other hand, proponents of the economic theory of regulation contend that political and regulatory outcomes are the product of intricate coordination between the advantages that the government provides and the desire of both consumers and businesses for those advantages. {Stigler, G. 1971}

In India, cooperation existed prior to cooperative legislation. Undoubtedly, it might be argued that with each new piece of cooperative law, true collaboration has decreased. The colonial administration, which had to make sure the locals "did not make off with money," was the first step in this process. To achieve this, they forced an Indian Civil Service person into the position of Registrar, denying the cooperatives a true sense of autonomy or self-rule. Since independence, and particularly in the past 20 years or so, cooperative legislation has been altered and amended to vest virtually all management and operational authority with the government, leaving cooperatives with just responsibility. As a result, legislation and regulations now frequently govern things that clearly belong in the bye laws of certain cooperatives. Government may, suo-motto, change a cooperative's bylaws, combine or separate cooperatives, hold elections or not, veto, dissolve, or suspend a cooperative's decisions, assign its own officers to supervise cooperatives, and pick, suspend, or remove committee members arbitrarily. Such laws are hostile to the cooperative and professional management's core nature. For all intents and purposes, professional management accountable to the members is blocked by the reservation of managerial roles for civil workers. Political intervention becomes possible when the government is implied into cooperative management.

India's cooperatives operating in many industries deal with a variety of issues. The fact that cooperatives are a State matter under the Indian Constitution and that State cooperative legislation and their execution have varied greatly further complicates the problem. In

India, cooperatives have primarily served as government agents. Cooperatives are viewed as the organisations that communicate State programmes to the populace and receive funding from the State. Over the years, at various times, shifts in political power at the State level have led to the total supersession of cooperative organisations in numerous States, vitiating their ability to continue operating as democratically elected cooperative institutions.

When cooperatives attracted the attention of dishonest politicians, who began to view them as tools for political mobilisation and as a means of creating vote banks, they were dragged into the realm of party politics. The Agricultural Credit Review Committee (1986–1989), also known as the Khusro Committee, made reference to how (credit) cooperatives were becoming increasingly officialized and politicised to the point where they were effectively losing their vitality as well as their democratic and autonomous nature. {Shah, Tushaar (1995)}

Political parties in a state like West Bengal consider controlling cooperative organisations to be essential and significant for gaining political capital. In most cases, the political party in power strives to control cooperative societies. The same is true for the region where we work. With some tables it can be explained properly. When we asked the following questions---

Table 6- Did you get any difference between the operation of or emphasis on PACS/Cooperative under previous government and recent government?

	Loanee Members	Percent
<u>yes</u>	<u>102</u>	<u>48.6</u>
<u>no</u>	<u>71</u>	<u>33.8</u>
<u>can't say</u>	<u>37</u>	<u>17.6</u>
<u>Total</u>	<u>210</u>	<u>100.0</u>

Source- Primary Data

From the above table we can see that the highest percentage of respondents' means 48.6% respondents told that there are differences between the operation of or emphasis on PACS/Cooperative under previous government and recent government. Whereas 33.8% people among all respondents told there is no difference between the operation of PACS/Cooperative under previous and current government. This means according to those 33.8% respondents both governments are same towards the operation of or emphasis on

PACS/Cooperative. Now the question is according to the respondents if there are differences then what type of differences are there. With a table it can be explained properly.

Table 7- (if yes) Describe in details the difference

Differences	Loanee Members	Percent
office was running good in previous government's time	8	3.8
easier and faster to access loan in present government	32	15.2
This organisation was liberal in previous govt.'s time	4	1.9
In time of previous govt. landless member could get the loan	5	2.4
In previous Govt.'s time there was no corruption, Partiality	45	21.4
In present government's time everything happening forcefully	8	3.8
Total	102	48.6
Missing	108	51.4
Total	210	100.0

Source- Primary Data

From the above table we can see that 21.4% respondents support the previous government from the perspective of corruption. According to those respondents in the time of left front government within the cooperative there was no corruption or we can say that the system of cooperative or PACS was corruption less. But here we can't ignore another factor which is that according to 15.2% respondents' view, present government more helpful than the previous government to access loan very easily and quickly. Still two factors are there which are very crucial to understand the differences between two regimes. According to 2.4% respondents' response, in the time of previous government there was scope for the landless members to get the loan from PACS. Not only had that but 3.8% respondents also made an allegation against the present government that everything happens forcefully. From the above discussion we can say that the situation of cooperative/PACS was something better in the time of previous government but that does not mean in the time of present government condition of Cooperative / PACS is in a hopeless position. But there is a need of political willingness for further development of Cooperative / PACS.

Table 8- Is there any qualitative difference in the changes of your lifestyle during the two regimes you have observed?

Response	Loanee Members	Percent
yes	45	21.4
no	66	31.4
can't say	6	2.9
Total	117	55.7
Missing	93	44.3
Total	210	100.0

Source- Primary Data

From the above table we observe that 31.4% respondents among all respondents told that no there isn't any qualitative difference in the changes of their lifestyle. Whereas 21.4% respondents told that yes there is qualitative difference in the changes of their lifestyle during the two regimes. Now the question is that if there is qualitative difference in the changes of their lifestyle during the two regimes then were they better in the time of previous govt. To get this answer we present a table here.

Table 9- (if yes) were they better in previous govt.

Response	Loanee Members	Percent
can't say	17	8.1
Yes it was	18	8.6
no	10	4.8
Total	45	21.4
Missing System	165	78.6
Total	210	100.0

Source- Primary Data

From the above table we can say that among 45 respondents 8.6% respondents support previous government and according to them condition of their lifestyle through Cooperative/ PACS was better in the time of previous govt. whereas 4.8% respondents among 45 respondents didn't support the previous government.

Table 10-Do you think more government intervention or help is necessary for smooth running of the cooperatives/PACS?

Response	Loanee Members	Percent
yes	130	61.9
no	80	38.1
Total	210	100.0

Source- Primary Data

Though according to The Agricultural Credit Review Committee (1986-89) popularly known as the Khusro Committee “increasing officialisation and politicisation of (credit) co-operatives culminating in virtually depriving them of their vitality as well as their democratic and autonomous character”. From the above table we can see that most of respondents from our survey field area support more government intervention or think government help are necessary for smooth running of the cooperatives or PACS.

Cooperative is an organisation in which all the people are involved in making decisions about its affairs, typically by voting to elect representatives. As democratic and participatory organisations, cooperative or PACS encourage equity and equality. Cooperative is mainly a democratic organisation though there is political intervention which we have already discussed. From our field survey we have observed that most of our respondents recognise cooperative as a democratic organisation. With two tables it can be explained properly.

Table 11- Do you think the elections in PACS/Cooperatives are happening through proper democratic way?

Response	Loanee Members	Percent
yes	90	42.9
no	85	40.5
Don't know	35	16.7
Total	210	100.0

Source- Primary Data

From the above table we can see that 42.9% respondents think that the elections in PACS / Cooperatives are happening through proper democratic way. But simultaneously we can

see that 40.5% people don't think that the elections in PACS / Cooperatives are happening through proper democratic way. But this organisation is more democratic than other democratic organisation like Panchayat. With another table it can be explained properly.

Table 12-According to you which agency Panchayat or Cooperative do you think run more democratically?

Agency	Loanee Members	Percent
Panchayat	16	7.6
Cooperative/PACS	87	41.4
Both are not democratically organised	25	11.9
Can't say	62	29.5
Both are running democratically	20	9.5
Total	210	100.0

Source- Primary Data

From the above table we can see that most of the respondents mean 41.4% respondents think that Cooperative runs more democratically than other democratic organisations, whereas only 7.6% respondents recognise panchayat as more democratic.

Conclusion

According to the explanation above, co-operatives are created to assist its members in achieving their economic and social goals and aspirations. These organisations promote fairness and equality because they are democratic and participative. They offer their members business services as economic entities. They represent the social justice and environmental issues of their local communities because they are locally based institutions. The United Nations Secretary-conclusion General's that "co-operative enterprises provide the organisational means by which a significant proportion of humanity is able to take into its own hands the tasks of creating productive employment, overcoming poverty, and achieving social integration" in a 1994 Report to the General Assembly is therefore not surprising. { uwcc + sustain, website }

Because cooperatives offer economies of scale, they are successful. They give people an official way to organise into self-help groups on an individual basis. They deliver common services and create income in ways that are not otherwise conceivable thanks to their support networks at the secondary and tertiary levels. The main benefit of co-operatives is

that they boost member income. Governments have viewed cooperatives as tools to be used in the achievement of societal goals. Co-operatives are naturally interested about the neighbourhoods in which their members reside because they are locally based entities. As a result, the cooperative is always working toward its members' opportunities, who mostly come from lower socioeconomic classes, rather than for personal benefit.

Bibliography

1. Bobbio, N. (1997). Left and Right: The Significance of a Political Distinction. Chicago, University of Chicago Press, 1997.
2. Chaki, Deborshi, "Indian Ponzi scheme pushes many to penury". Al Jazeera. Retrieved 29 April 2013.
3. Gupta, SC; Shankar, Girish; Giridhar, A, Report of the Technical Group Set up to Review Legislations on Money Lending. Reserve Bank of India, 2007.
4. Kishan, Ravi , Gandhian Model of Rural Development, socialworkin, 2022.
5. Shah, Tushaar, Liberalisation and Indian Agriculture: New Relevance of Farmer Co-operatives, || Indian Journal of Agricultural Economics, 50(3), July-September, 1995.
6. Singh, Katar, Rural Development: Principles, Policies and Management, Sage Publication, New Delhi, 1999, P-87.
7. Stigler, G, "The Theory of Economic Regulation" Bell Journal of Economics and Management Science, Vol-2, No. 1, 1971, pp. 3-21
8. http://en.wikipedia.org/wiki/Saradha_Group_financial_scandal
9. <http://www.uwcc.wisc.edu/>
10. Co-ops & Human Sustainable Development: Global Perspective
<http://www.uwcc.wisc.edu>.