

**FUNCTIONING OF THE DIFFERENT TYPES OF COOPERATIVE
SOCIETIES IN PRAKASAM DISTRICT IN ANDHRA
PRADESH**

By

VENKATA LAKSHMI KUMARI, V.

**A Thesis Submitted to the University of Madras, In
Partial Fulfilment of the Requirements for the
Degree of Master of Science Through Sri
Avinashilingam Home Science Autono-
mous College for Women,
Coimbatore
MAY, 1982**



A C K N O W L E D G E M E N T

The author expresses her thanks to
Thiru N.S.Narayanaswamy, B.Sc.,M.Ed.(Madras), Dip. in
A.V.Edn., Dip. in Com.Devpt., NSS Coordinator (Trg.),
Sri Avinashilingam Home Science Autonomous College for
Women, Coimbatore, for his dynamic guidance and valuable
suggestions rendered in conducting the study.

The author also wishes to record her sincere
thanks to Dr.(Mrs.) Rajammal P.Devadas, M.A.,M.Sc., Ph.D.
(Ohio State), D.Sc.(Madras), Sri Avinashilingam Home
Science Autonomous College, Coimbatore for her constant
guidance throughout the study. She records her deep felt
gratitude to Dr.(Mrs.) G.Kamalanathan, M.S.(Cornell), Ph.D.,
for permitting her to conduct the study.

A great indebtedness is acknowledged to all the
Secretaries and beneficiaries of the selected Cooperative
Societies for furnishing necessary informations.



TABLE OF CONTENTS

| Chapter | | Page |
|---------|------------------------|------|
| | ACKNOWLEDGEMENT | |
| | LIST OF TABLES | |
| | LIST OF FIGURES | |
| | LIST OF APPENDICES | |
| I. | INTRODUCTION | 1 |
| II. | REVIEW OF LITERATURE | 6 |
| III. | EXPERIMENTAL PROCEDURE | 18 |
| IV. | RESULTS AND DISCUSSION | 26 |
| V. | SUMMARY AND CONCLUSION | 52 |
| VI. | BIBLIOGRAPHY | 62 |
| | APPENDICES | 69 |

LIST OF TABLES

| Table | Page |
|---|-------|
| I. YEAR OF STARTING OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES | .. 27 |
| II. NUMBER OF SHAREHOLDERS IN THE SELECTED COOPERATIVE SOCIETIES | .. 30 |
| III. TOTAL WORKING CAPITAL OF THE DIFFERENT TYPES COOPERATIVE SOCIETIES | .. 32 |
| IV. GOVERNMENT'S CONTRIBUTION ^{IN} TOTAL WORKING CAPITAL OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES | .. 35 |
| V. MEMBERS' CONTRIBUTION IN TOTAL WORKING CAPITAL OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES | .. 37 |
| VI. REASONS FOR THE SELECTION OF COOPERATIVE SOCIETIES OTHER THAN SHOPS | .. 48 |

LIST OF FIGURES

| Figure | | Page |
|--------|---|------|
| 1. | PRAKASAM DISTRICT MAP AND THE VILLAGES TAKEN UP FOR THE STUDY | 19 |
| 2. | YEAR OF STARTING OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES | 28 |
| 3. | TOTAL WORKING CAPITAL OF THE DIFFERENT TYPES OF COOPERATIVE SOCIETIES | 33 |
| 4. | REASONS FOR THE SELECTION OF COOPERATIVE SOCIETIES | 49 |

LIST OF APPENDICES

| Appendix | | Page |
|-----------------|---|-------------|
| I. | QUESTIONNAIRE TO ELICIT THE INFORMATION REGARDING THE FUNCTIONING OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES | 70 |
| II. | INTERVIEW SCHEDULE TO ELICIT INFORMATION REGARDING THE FUNCTIONING OF THE DIFFERENT TYPES OF COOPERATIVE SOCIETIES | 76 |

I. INTRODUCTION

History of Cooperative Movement

England is considered to be the birth place of cooperative movement in the world and Germany can claim to be the cradle of credit cooperatives in the world. In India the inspiration for the cooperative movement came largely from Germany. Unlike in European countries, cooperative movement was introduced in India as a state policy in 1904. Government was the prime mover of the cooperative movement in India. The first stage 1904 - 1912 was provided for the organisation of primary credit societies and stress was laid on the promotion of agricultural credit.

In 1929, the world economic depression set in and gave the movement a rude shock. Finding that agriculturists were raising huge funds on the mortgage security of their lands, Land Mortgage Banks were started on cooperative basis. The first Central Land Development Bank was established in Madras in 1929. These banks saved many cultivators from the hands of money lenders, by advancing loans for the redemption of lands and for other long term needs. It was hoped to cure all economic and social evils from which cultivators suffer.

Meaning of Cooperation:

The Webster Universal Dictionary defines cooperation as an association of a number of persons for a common benefit, especially in carrying on some branch of trade or industry, the profit being shared as defined among the members.

In the Encyclopedia of social work in India cooperation has been regarded as one of the most important agencies for promoting economic and social welfare. It helps to transform the social order voluntarily and in the process, builds up the moral and material strength of the people.

In other words, cooperation is a joint or collective behaviour that is directed some goal and in which there is common interest or hope of reward. Cooperation may be voluntary or involuntary, direct or indirect, formal or informal, but always there is a combination of efforts towards a specific end in which all the participants have a stake real or imagined.

The principles of cooperation are open-membership, political and religious neutrality, democratic control, distribution of surplus to members, promotion of business transactions, limited interest on capitals, pure goods and fair measures, sales at prevailing market price and promotion of education (Javile, 1976).

Pandit Jawaharlal Nehru (1958) addressing Indian Congress in 1958, sketched the development of India in the following words "The three basic pillars of India should be the village panchayat, the village cooperative and the village school. It is on the whole structure of India politically, economically and socially should be built up. R.D. Bedi, 1967 cooperative is one of the three basic institutions. It is considered as an important part of community development. Cooperative aims at arranging for better farming, better living and better business for people.

Panchayatiraj and cooperatives are incubators for democracy, living and dynamic institutions growing and changing with the people. They however, do not operate in a vacuum and their efficiency depends on the process of social change. Whereas panchayatiraj has taken democracy to the doors, cooperatives have played a significant role in providing institutional support to the organisation of agricultural production, accelerating the process of modernisation, providing an efficient distribution channel, maximising consumer welfare and containing monopoly power (Sharma and Malhotra, 1977).

The objectives of the cooperative movement are:

1. To provide the economic basis of the people

2. To improve the overall moral of the rural society planning percolate the most disadvantaged in the rural society.
3. To protect the weaker sections by giving support.
4. To improve social and welfare activities beneficial to the members.
5. To act as a defensive measure to help agriculturists suffering from draughts and floods and
6. To raise resources for the plans.

Cooperatives offer a great potential to rural development. Though cooperative institutions had been existence in India for several decades, only the five year plans gave them a new lease of life and wanted them to play a meaningful role in the planned economic and social development.

The movement has become a mammoth organisation covering about 95 percent of villages and 45 percent of rural population (Sharma and Malhotra, 1977).

Different Types of Cooperative Societies:

Cooperatives are of two types, namely, credit and non-credit cooperatives. Credit cooperatives are divided into two types, Agricultural and non-agricultural cooperative societies. Agricultural credit again is divided into short-

term credit societies like primary agricultural cooperative credit societies and long term credit cooperative societies like cooperative credit banks, land mortgage banks, agricultural development banks.

Non-credit societies are also divided into Agricultural and non-agricultural cooperative societies. Non-credit agricultural societies includes marketing, processing, irrigation, cooperative societies. Non-credit non-agricultural societies includes consumer, cooperative, housing, industrial and transport cooperative societies (Dewett, 1971).

The cooperatives can participate in schemes leading to generation of additional employment. Implementation of productive programmes and of the grass-root level beneficiary-oriented activities with tertiary sector. Since these cooperatives have built knowledge of the available physical, human and animal resources within the area, they can contemplate for a flexible and need oriented approach to development from the village level upwards and promote backward, forward and horizontal linkage effects.

The main short comings of cooperative system are the problem of overdue, indifferent management, domination by vested interests, shortage of resources, lack of efforts to mobilise deposits, untrained staff, certain policies and procedures, foiled which are not suitable to local involvement (Sharma and Malhotra, 1977).

II. REVIEW OF LITERATURE

The review of literature pertaining to this study is given under the following headings:

- A. Definitions of Co-operatives**
- B. Studies Carried out on Co-operatives in India and Abroad.**

A. Definitions of Co-operative Societies:

C. R. Fay defines a co-operative society as an association for the purpose of joint trading, originating among the weak and conducted always in an unselfish spirit on such terms that all who are prepared to assume the duties of membership may share in its rewards in proportion to the degree in which they make use of their association.

Sir Horace Plunkett, an Irish co-operator defined co-operation as "Selfhelp made effective by organisation". He summed up the theory and practice of co-operation in three phases: Better farming, Better business and Better living.

H. Calvert, an authority of Indian co-operation, defines co-operation, "as a form of organisation wherein persons voluntarily associate together as human beings

on the basis of equality for the promotion of the economic interest of themselves".

M.H.Herrick Co-operation is the act of persons voluntarily united for utilising reciprocally their own forces, resources, or both under the material management to their common profit or loss.

Mr. F.Hall, a co-operative society is an association of share holders, usually described as members, who have contributed a fund of capital to be employed under their collective direction for trading purpose in providing for their needs as producers or as consumers. In this definition, all the types of co-operatives, namely agricultural distributive, productive, credit as well as federal societies are included.

Dr. S.M. Hough defines co-operation as follows. "In its broadest sense, cooperation may be defined simply as voluntary association in a joint understanding for mutual benefit."

According to V.L.Mehta a veteran cooperator, cooperation is a vast movement which promotes voluntary associations of individuals having common needs who combine together the achievement of common economic ends.

Seligman, observes that cooperation in its technical sense means the abandonment of competition in distribution and production and the elimination of the middle men of all kinds.

Mr. Talmaki has defined a cooperative society as "an association of the weak who gather together for a common economic need and try to lift themselves and others out of weakness into strength, through business organisation, conducted for the common benefit of all who joint it.

Sir M. Darling defines cooperation in the following words, "Cooperation is something more than a system. It is a spirit which appeals to the heart and the mind. It is a religion applied to business. It is a gospel of self-sufficiency and service. Thus according to him the aim of cooperation is not merely economic but it also reaches the bounds of religion. It is a matter of faith and conviction.

According to Gordon and O'Brien cooperation is a special form of economic organisation in which people work together for business purposes under certain definite business rules. The root of the cooperative idea is a relation between business and ethics which is greater than the necessary commercial honesty of our present industrial system.

According to Mr. Katju, cooperation is self help as well as mutual help. It is joint association or enterprise of those who are not financially strong and or unable to stand on their own legs and therefore come together not with a view to get profit but to overcome disability arising out of adequate financial resources and thus better their economic conditions.

B. Studies Carried out on Cooperatives in India and Abroad

A study by Vimala (1980) on different types of cooperative societies pointed out that the secretaries of different types of societies interviewed mentioned that people who got the loans from the society were not repaying in time due to the interference of political factors and natural calamities, which reduced the services of the society. The major suggestions for the improvement of different types of societies was that the members should be educated on the principles of cooperation.

In Tamil Nadu, a study sources and utilisation of agricultural credit in selected villages in Madurai district by Subramanian and S.S.Nagarajan revealed that 33 per cent diverted their loan other than purpose which they borrowed.

A study on overdues of cooperative credit in Banda District of Uttar Pradesh (1973-1974) was conducted by Mr. U.K. Pandey. It has been observed that the defaulters of cooperative loans defined all conceivable economic logic in their behaviour with regard to the repayment of cooperative loans were highlighted in this study. It is confirmed that the lack of the fear of consequences on the part of defaulters had accounted for the large quantum of wilful defaulters. The reasons for absence of fear of the consequences may lie with the nature of organisation and working of cooperative societies.

The Agricultural Credit Department of the Reserve Bank of India has conducted a study on overdues of cooperative credit institutions (1974) to identify the levels and trends of overdues and the causes for the overdues. The study has observed that the general apathy shown in the matter of recovery by the directors of the Central Bank and the lack of discipline and the cultivators to repay were the principle features for the prevalence of overdues. Deficiency in lending policies and the government's decisions to write off the agricultural loans were also found to be responsible for the overdues. The socio-economic status of the farmers was also noted to be a main factor for affecting their repayment performance.

A study of utilisation of cooperative loans was undertaken at the instance of Ministry of Community Development and Cooperation, mainly to assess the magnitude, extent and forms of diversion in the utilisation of cooperative loans and to analyse the reasons for such diversion, and a sample of 25 central banks were selected from 15 states. From each of the selected bank a sample of five primary Agricultural Cooperative Credit Societies and from each society a maximum of 12 members borrowers were selected for the study. The important findings of this study were out of the 946 short term borrowed 40 per cent admitted having diverted loans from the allowed purposes (17 per cent wholly and 23 per cent partially). Taking both types of borrowers (short-term and medium-term) 41 per cent diverted their loans 19 per cent wholly and 22 per cent partially. The important reason for the diversion of loans were economic existence and the inadmissibility of purposes.

A study in Andhra Pradesh and Punjab was conducted by Choudhari T.P.S. and Sharma, J.N. with an attempt to analyse the nature and working of crop loan system and its contribution to agriculture development in the states of Andhra Pradesh and Punjab which were predominantly of rice and wheat growing areas as respectively.

In both the states the actual process of preparing the credit limit statements of members as observed in the fields is highly unsystematic and unrealistic and differentiates from that stipulated by the Reserve Bank of India. The overall percentage of farmers reporting shortfall, as between amount of crop loan sanctioned, and those actually issued. The final conclusion that emerges from the analysis was that, although crop loan has been designed as an innovation to do away with the lacuna in the traditional system of crop production, credit in farming the expected benefit were not very much got in evidence.

The All India Rural Credit Review Committee (1969) after examining the results of the studies sponsored by the Planning Commission and the Reserve Bank of India in different parts of the country concluded that the existing institutions such as cooperatives, extension agencies and other governmental agencies, had failed in offering suitable help to the weaker sections of rural community.

The committee observed that small and marginal farmers had not benefitted in proportion either to their development. It recommended the setting up of institutions namely small farmers development agencies and agencies for marginal farmers and agricultural labourers.

A field study was conducted by Reserve Bank of India on small farmers in the year 1968-69. The study revealed that a majority of small farmers indicated the scope for investment expenditure existed and gave lack of credit facilities as a reason for not implementing their plans. Again the relatively poor performance of small farmers in the adoption of improved farm inputs was not so much due to any credit or supply constraints as due to such factors like lack of irrigation and poor extension efforts. In the issue of cooperative credit the record of cooperatives was dismal and essential features of crop loan system was not observed.

A study on urban cooperative bank was conducted by the Reserve Bank of India during 1977-78 to evaluate the role of urban banks in the banking system. This study was covered the whole India. It was observed that despite various limitations urban bank could mobilise substantial local resources. Their need to serve small borrowers was also highlighted. The suitability of these banking in filling up the existing credit inadequacies in urban and semi urban areas at comparatively lower cost of operations was emphasised in this study. Specific disaggregate level studies on performance of urban cooperative banks in the mobilisation

of deposits and lending operations are still lacking. This study seeks to fill up the lacuna in this report.

A study on the Poona consumer shopping habits was conducted by Vaikunth Mehta National Institute of Cooperative Management with a view to find out the shopping management and the shopping habits of consumers in Poona. This study covered Poona Municipal and Cantonment areas and selected 350 households are respondents. The most striking finding of the study is that the consumer is 'universal' and many aspects of this shopping habits are not influenced by his religion, language, profession, income or any other social or economical features.

A study of personnel management in the selected super markets in India was conducted by the International Cooperative Alliance Regional Office for Educational Centre for South East Asia, New Delhi. The study had covered the aspects like role of personnel section, personnel planning and personal problems and given valuable suggestions for improving the system of personnel management.

Very few micro level study has been made in Japan on the role of women in Japanese consumer movement. The result of the study revealed that the

Japanese women were fully involved in the movement and cent per cent of the housewives are attending the general body meeting of cooperative societies and all the meetings. The study has indicated that there is a very close coordination between the society's staff and the member housewives.

Rao Vaikunth Mehta National Institute of Cooperative Management, Poona had made a pilot study in 1968 with the objectives of identifying the factors which could be said to be generally responsible for causing losses in consumers cooperative societies and to find out whether any general guidance could be drawn out of the experience of the societies so that other societies could avoid committing the same mistakes.

This study covered thirty societies. These thirty societies represent 8.8 per cent of all whole sale as on 30th June, 1968. Wrong purchase policy and ineffective management are said to be the main causes for the loss of the consumer cooperatives.

Selvaraj made a study in 1974 entitled Small fisherman in Tamil Nadu with the objectives of studying the socio-economic conditions of fisherman and the problems of their marketing. The important findings

were, the socio-economic status of fishermen who were using indigenous boats was low, as measure by low income low savings.

A study on the role of middle men and cooperative in the production and marketing of fish in Thane (Dist.) was conducted by the Department of Economics, University of Bombay under the guidance of Dr.M.P.Desai and Dr.P.R.Baichwal. The main objectives were the method of operation and efficiency of cooperatives and private agencies engaged in the production and distribution of fish. The main finding of the study was that cooperative marketing of fish though far from supplementing the private agencies has considerably reduced the scope for exploitation available to the later by providing an alternative agency. It was observed that the private agencies can sometimes complete the cooperative agencies because of large financial resources flexibility in operation and accumulate marketing expertise and expenditure.

A recent study had been made on the District Dairy Cooperatives in Gujarat which is an elaborate treatment of the multi-directional integrations of the various district milk union in Gujarat. This study had brought out that better and scientific animal practices improved breeding, feeding, animal care and management had acted as an incentive for increased milk production and expanded the marketable surplus of milk in rural

areas. It also emphasised the role of cooperatives
treatment, products manufacture, marketing and
distribution as also the horizontal, vertical,
lateral, and integration between various cooperatives
at different levels.

III. EXPERIMENTAL PROCEDURE

Experimental design is defined by Young (1968) as "one which is designed to reasoning and solving scientific problems, ascertain appropriateness of techniques and ^{to} determine accurate data".

Bancroft (1962) states that proper selection of experimental design is of utmost importance.

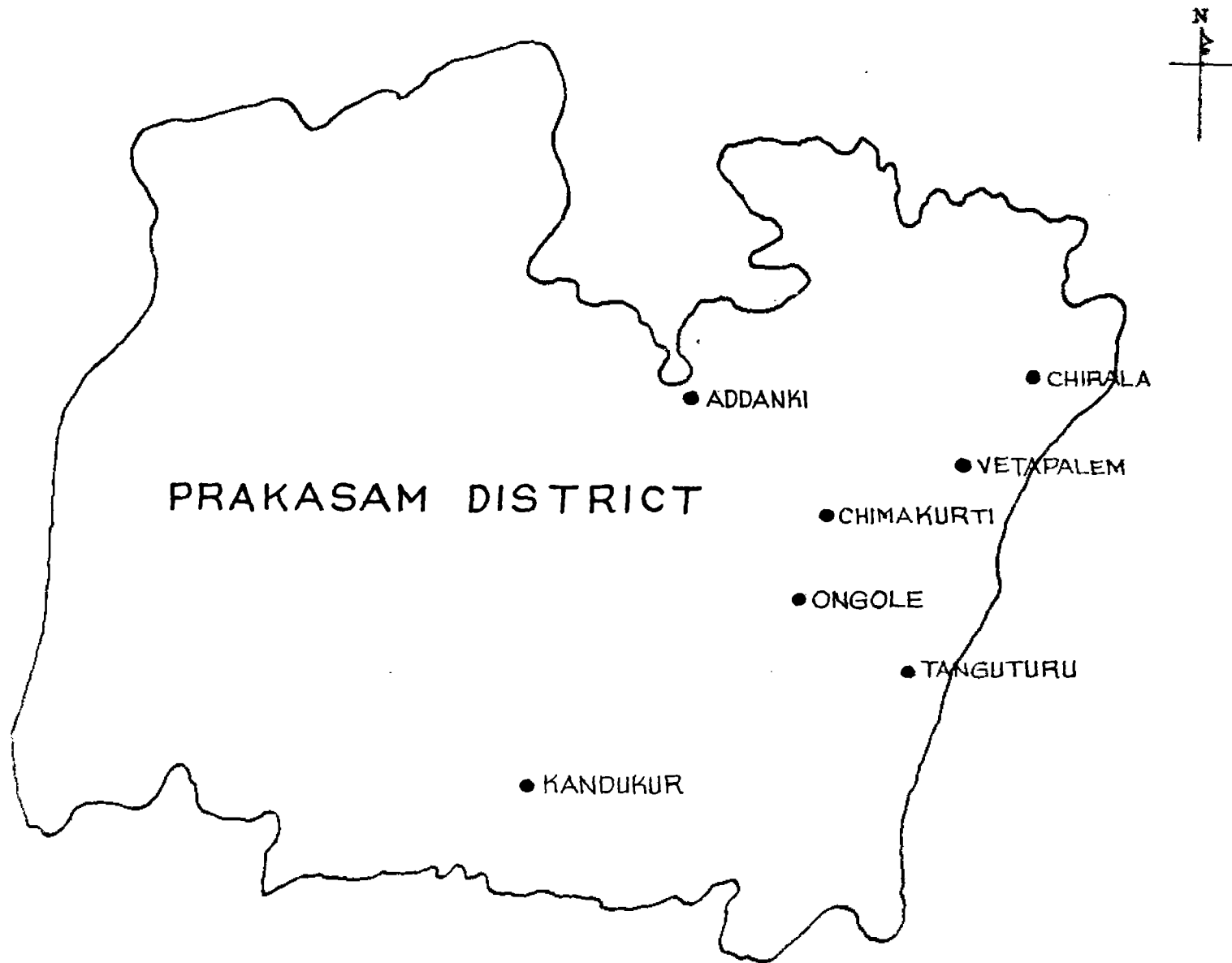
The experimental procedure of this research consisted of the following main steps:

- A. Selection of the place
- B. Selection of the sample
- C. Selection of the method
- D. Conducting the survey
- E. Limitations of the Present Study
- F. Collection, analysis and interpretation of data

A. Selection of Place

According to Gupta (1981) survey is clearly stated as to decide upon the area where the investigation was to be conducted. The area was selected according to convenience of the investigator and this comprised of Ongole and Chirala Taluks in Prakasam District in Andhra Pradesh (Figure 1). Based on location and easy

FIGURE-1: PRAKASAM DIST MAP AND THE VILLAGES TAKEN UP FOR THE STUDY



accessibility, different types of cooperative societies were selected for the study. The area in Ongole taluk included Ongole, Taugatur, Addanki, Kandukur, Chinakurthi, and the areas in Chirala Taluk included Chirala and Vetapalayam.

The cooperation extended by the office bearers of the cooperative societies and the guidance extended by the officers influenced the investigator to select the above cooperative located in the different areas.

B. Selection of ^{the} Samples

The sample was selected using random sampling method. Shulka (1973) states that simple random sampling refers to the sampling technique in which each and every item (unit, group, class, district, city) in the whole population (which is essentially homogeneous in terms of some characteristics relevant to this enquiry) has an equal chance of being included in the sample.

Maris (1977) states that in random sampling we rely on chance in the selection of individual representatives of the general population for the sample taking care only that the action of the random mechanism not be distributed. Consciously or unconsciously by



the investigator since this could result in a bias of the sample selected.

Since the selection of items in the sample defines entirely on chance, there is no possibility of personal bias effecting the results. The random sample represents the universe in a better way as quoted by Aggarwal (1975). Hence random sampling method was adopted for the present study to carry out on the investigation after the cooperative societies were grouped.

C. Selection of the Method:

To collect data on the functions of different types of cooperatives, the investigator considered, the method of collecting data by using questionnaire (Appendix I) to the cooperative societies, and a small interview schedule (Appendix II) for the beneficiaries were most appropriate.

A Questionnaire refers to a device for securing answers to questions by using a form which is usually filled in by the respondent himself. It has got the the following merits:

1. It can be easily adopted where the field of investigation is very vast and the informants are spread over a wide geographical area.

2. It is also relatively cheap and expeditious provided the informants respond in time (Gupta, 1977, Choudari, 1979).

By taking into consideration of these facts the investigator selected questionnaire method for collecting data for the study.

The interview schedule method was also selected for the investigation. According to Prakasam (1974) schedule is ordinarily filled in by the interviewer from the information replies. It is usually in the form of tables for convenient use in both the field and office.

Devadas (1976) states the interview schedule makes it a face to face association possible and this helps in securing data not obtainable by methods that do not involve an interpersonal relationship. Schedule method was selected because it has few advantages over interview questionnaire method.

Mouly (1970) points out that the interview schedule permits the interviewer to help the respondent clarify his thinking on a given point so that he will give a response where he would normally plead ignorance and even more important so that he will give a correct

answer instead of a false one. Johnson (1977) recommends this method where an information can be collected from the people who are limited in their ability to read and write.

Detailed components of the questionnaire are underlined below in the following manner:

1. Biadata of the cooperative society
2. Objectives and functions of the cooperative Society
3. Shareholders and working capital of cooperative society
4. Problems from members
5. Suggestions for solving problems, if any.

Detailed components of the interview schedule are underlined below in the following manner:

1. Membership in the society
2. Purchasing^{items} in the society
3. Reasons for selecting cooperatives
4. Problems of beneficiaries
5. Suggestions for improvement

D. Conducting the Survey:

Nisbert (1970) defines survey as a process of collecting data from existing population units with no

particular control over factors that may affect the population characteristics of interest in the study. The investigation was carried out in the above mentioned areas as convenient to the timings of the cooperative societies. Almost all the selected cooperative societies were working sixteen hours per day. The aim of her investigation being to elicit information on the functions of different types of cooperative societies, the investigator personally went and administered the questionnaire and collected the filled in questionnaires from the secretaries of the cooperative societies. This helped the investigator to clarify the doubts of secretaries of the societies while filling the questionnaires. She also personally contacted the beneficiaries^{five} from each of the 13 types of societies (250 beneficiaries) to know about the working conditions of the cooperative societies with the help of the interview schedule and filled the responses on the spot itself. Thirteen different types of cooperatives were studied taking in two or more from each type of the cooperative societies. Thus fifty cooperative societies were the sample taken for the study and the conclusions were drawn on the benefits^{basis} of the data gathered from the societies and beneficiaries.

E. Limitation of the Present Study

The present study like most other studies was certain limitations. As the time for investigation was short and due to the lack of time and the cost factors, the study was confined to the different types of cooperative societies functioning in Ongole and Chirala taluks of Prakasam Dist. Except for these limitations the study was carried on very sistamatically and scientifically. The findings are reveal^{lay out} out for this reason only and they should always be interorated bearing in mind the limitations mentioned above.

F. Analysis and Interpretation of Data

After conducting the survey the results were consolidated and analysed. The Results are presented in Chapter IV under results and discussion.

IV. RESULTS AND DISCUSSION

The results and discussion of the investigation on "Functioning of Different Types of Cooperatives in Prakasam District in Andhra Pradesh are dealt as follows:

- A. Year of starting of Different types of Cooperative societies**
- B. Number of share holders in the selected Cooperative societies**
- C. Total Working capital of the selected Cooperative societies**
- D. Government's contribution in the total working capital of the selected Cooperative societies**
- E. Members contribution in the total working capital of the selected cooperative societies**
- F. Objectives of different types of cooperatives**
- G. Eligibility requirements for the membership**
- H. Set up of the societies**
- I. Society members meeting**
- J. Services of the societies**
- K. Place from where raw materials are procured**
- L. Conditions for giving loans**
- M. Duration to repay loans**
- N. Expansion of the societies**
- O. Problems encountered by the societies**
- P. Suggestions for solving the problems**

A. Year of Starting of Different Types of Societies

The year of starting of the different types of Cooperative societies are given in the following table.

TABLE I

YEAR OF STARTING OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES

| S.No. | Types of Cooperative Societies | 1910-20 | 1920-30 | 1930-40 | 1940-50 | 1950-60 | 1960-70 | 1970-80 | Total |
|-------|--|---------|---------|---------|---------|---------|---------|---------|-------|
| 1. | Beavers Cooperative Societies | - | 2 | 2 | - | 1 | 1 | 2 | 8 |
| 2. | Consumer Cooperative Societies | - | - | - | - | - | - | 7 | 7 |
| 3. | Primary Agricultural Cooperative Societies | - | - | - | - | 4 | 1 | 1 | 6 |
| 4. | Housing Cooperative Societies | - | - | - | 4 | 1 | 1 | 2 | 8 |
| 5. | Marketing Cooperative Societies | - | - | - | 1 | 1 | - | 2 | 4 |
| 6. | Land Development Banks | - | - | 1 | 2 | - | - | 1 | 4 |
| 7. | Cooperative Urban Banks | 1 | - | - | - | 1 | - | - | 2 |
| 8. | Service Cooperative Societies | - | - | - | - | - | - | 3 | 3 |
| 9. | Women Welfare Cooperative Societies | - | - | - | - | - | - | 2 | 2 |
| 10. | Staff Credit Cooperative Societies | - | - | - | - | 1 | - | 1 | 2 |
| 11. | Large sized cooperative credit societies | 2 | - | - | - | - | - | - | 2 |
| 12. | Central Cooperative Banks | - | - | - | - | - | - | 2 | 2 |
| 13. | Printing Cooperative Societies | - | - | - | - | - | 2 | - | 2 |
| | | 3 | 2 | 3 | 4 | 10 | 5 | 23 | 50 |

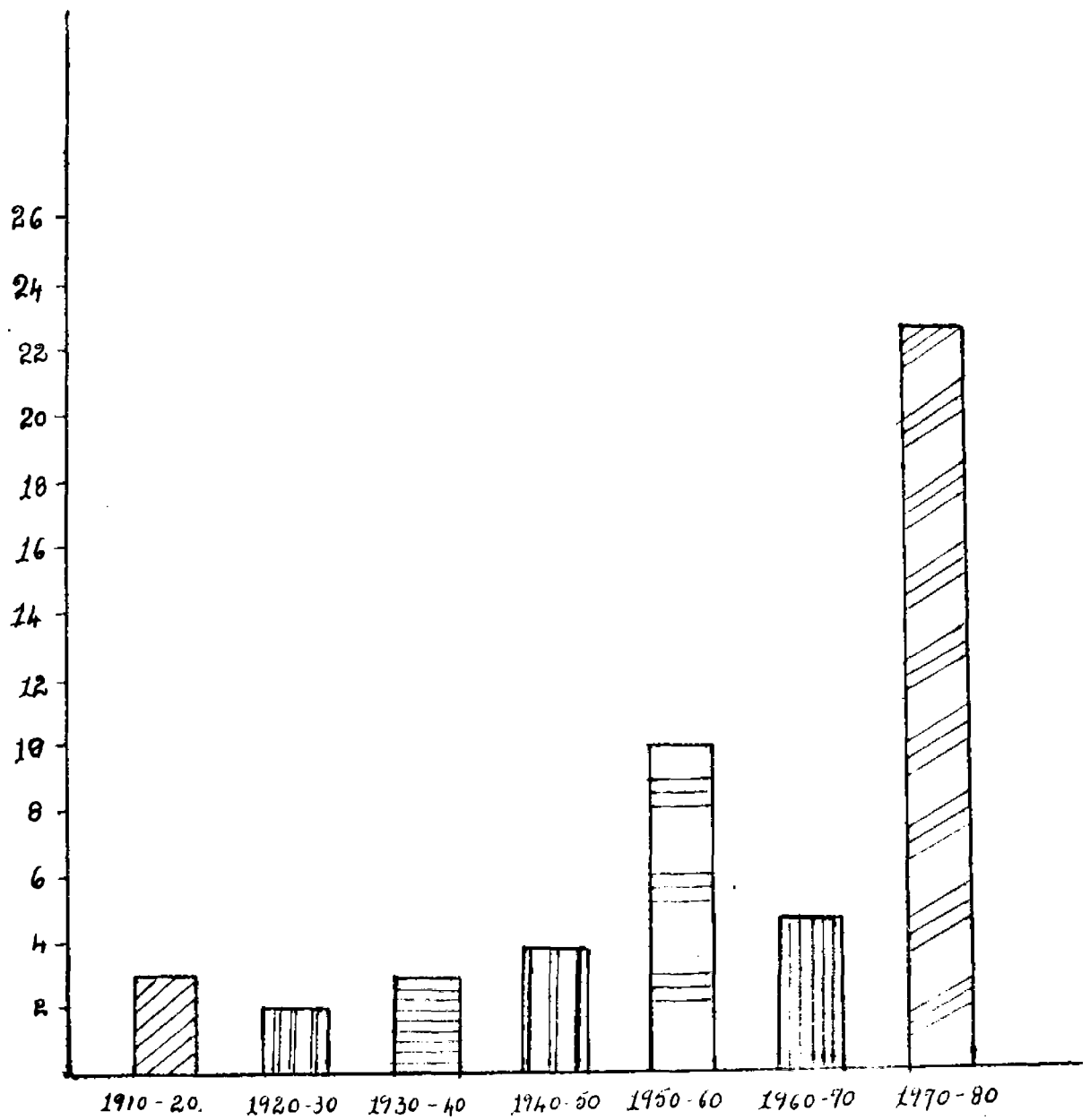


Figure 2: YEAR OF STARTING OF THE DIFFERENT TYPES OF COOPERATIVE SOCIETIES

The Table I and Figure II reveals that the earliest type of Cooperative Societies namely cooperative urban bank and large sized cooperative credit societies were started during the year 1910-1920. Twenty three out of fifty different types of cooperatives studied were started during the year 1970-1980.

B. Number of shareholders in the selected Cooperative Societies:

Table II indicates clearly the details regarding number of shareholders in the selected Cooperative societies.

TABLE II
NUMBER OF SHAREHOLDERS IN THE SELECTED COOPERATIVE SOCIETIES

| S.No. | Types of Cooperatives | Below 2,000 | 2,000- 4,000 | 4,000- 6,000 | 6,000- 8,000 | 8,000- 10,000 | 10,000 and above | Total |
|-------|--|----------------|-----------------|-----------------|-----------------|------------------|------------------------|-----------|
| 1. | Weavers Cooperative Societies | 6 | 2 | | | | | 8 |
| 2. | Consumer Cooperative Societies | 7 | | | | | | 7 |
| 3. | Primary Agricultural Cooperative Credit Societies | 6 | 1 | | | | | 6 |
| 4. | Housing Cooperative Societies | 4 | 1 | | | | | 5 |
| 5. | Marketing Cooperative Societies | 3 | | | | | 2 | 5 |
| 6. | Land Development Banks | - | - | - | 4 | - | - | 4 |
| 7. | Cooperative Urban Banks | - | - | - | - | 2 | - | 2 |
| 8. | Service Cooperative Societies | 1 | - | - | 2 | - | - | 3 |
| 9. | Women Welfare Cooperative Societies | 2 | - | - | - | - | - | 2 |
| 10. | Staff Credit Cooperative Societies | 2 | - | - | - | - | - | 2 |
| 11. | Large Sized Credit Cooperative Societies | 2 | - | - | - | - | - | 2 |
| 12. | Central Cooperative Banks | 2 | | | | | | 2 |
| 13. | Printing Cooperative Societies | 2 | | | | | | 2 |
| | Total | 37 | 3 | - | 6 | 2 | 2 | 50 |

Table II indicates clearly that thirty seven out of fifty different types of Cooperatives studies were having 2,000 and below share holders, whereas two namely marketing cooperative societies, were having 10,000 and above share holders.

C. Total Working Capital of the Different Types of Cooperatives Societies:

The total working capital of the different types of cooperative societies is given under the table III and Figure III

TABLE III

TOTAL WORKING CAPITAL OF THE DIFFERENT TYPES OF COOPERATIVE SOCIETIES

| S.No. | Types of Cooperatives | Below Rs. 5 lakhs | Rs. 5-10 lakhs | Rs. 10-15 lakhs | Rs. 15-20 lakhs | Rs. 20-25 lakhs | Rs. 25 lakhs and above | Total |
|-------|---|-------------------------|-------------------|--------------------|--------------------|--------------------|------------------------------|-----------|
| 1. | Weavers Cooperative Societies | 6 | 2 | | | | | 8 |
| 2. | Consumers Cooperative Societies | 8 | 2 | | | | | 7 |
| 3. | Primary Agricultural Cooperative Credit Societies | 3 | 1 | 2 | | | | 6 |
| 4. | Housing Cooperative Societies | 4 | | | | | 1 | 5 |
| 5. | Marketing Cooperative Societies | 2 | 2 | | | 3 | | 5 |
| 6. | Land Development Banks | | | | | | 4 | 4 |
| 7. | Cooperative Urban Banks | | | | | | 2 | 2 |
| 8. | Service Cooperative Societies | 2 | | | | | | 2 |
| 9. | Women Welfare Cooperative Societies | 2 | | | | | | 2 |
| 10. | Staff Credit Cooperative Societies | 1 | | | 1 | | | 2 |
| 11. | Large sized Cooperative Societies | | 2 | | | | | 2 |
| 12. | Central Cooperative Banks | | | | | | 2 | 2 |
| 13. | Printing Cooperative Societies | 2 | | | | | | 2 |
| | Total | 25 | 7 | 2 | 2 | 3 | 11 | 50 |

Scale :

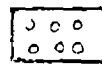
Y AXIS

1 cm = 2 Co-operators

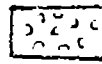
Key:



: BELOW RS. 5 LAKHS



: RS. 5-10 LAKHS



: RS. 10-15 LAKHS



: RS. 15-20 LAKHS



: RS. 20-25 LAKHS



: RS. 25 LAKHS AND ABOVE

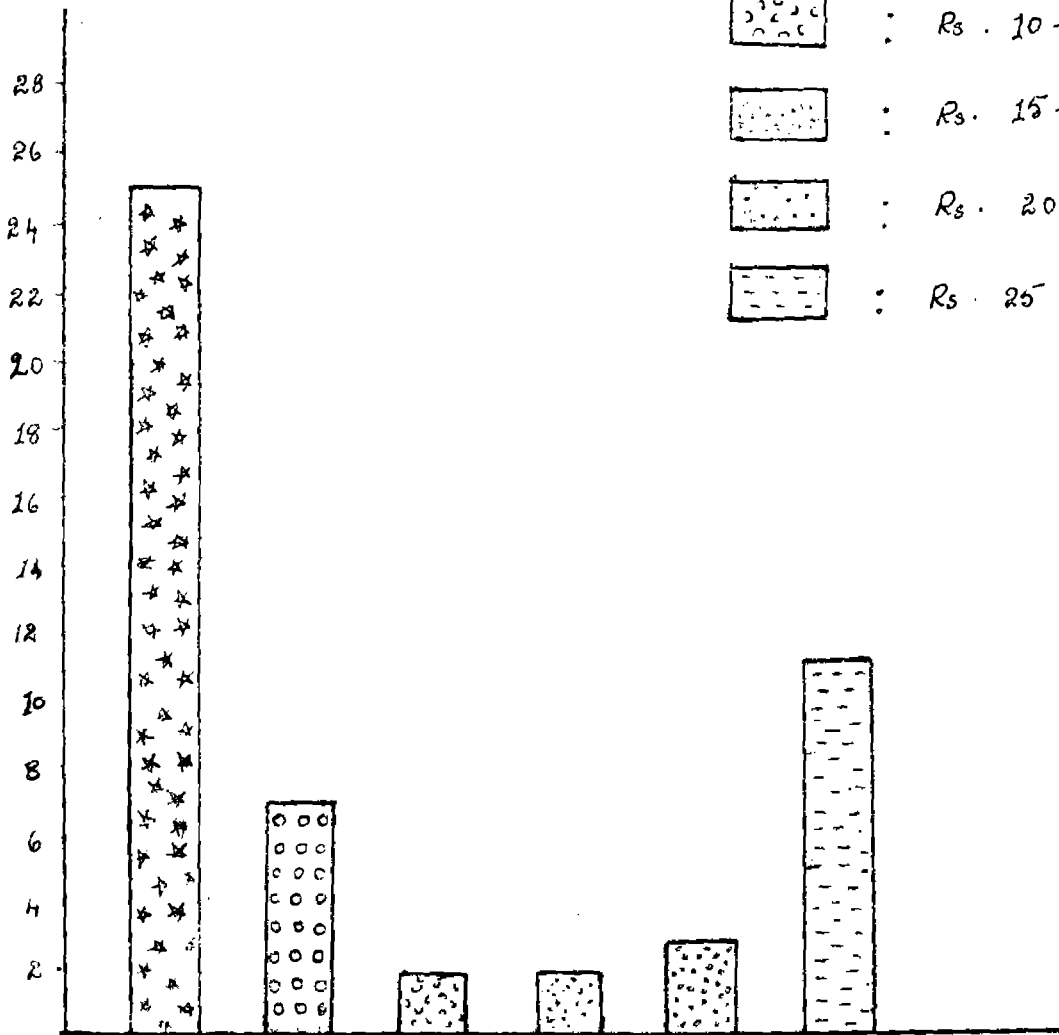


Figure 3: TOTAL WORKING CAPITAL OF THE DIFFERENT TYPES OF COOPERATIVE SOCIETIES

From the above table we can see that twenty five out of fifty different types of cooperatives studied were having a working capital of Rupee five lakhs and below. Seven societies namely housing cooperatives, land development banks, Cooperative urban bank and service cooperative society were having a working capital of Rs. 25 lakhs and above.

D. Government Contribution in Total Working Capital of the Selected Cooperative Societies:

Table IV shows the details about the Government's contribution in working capital of the selected cooperative societies.

TABLE IV

GOVERNMENT'S CONTRIBUTION IN TOTAL WORKING CAPITAL OF THE SELECTED COOPERATIVE SOCIETIES

| S.No. | Types of Cooperative Societies | Below Rs.5 lakhs | Rs.5- 10 lakhs | Rs.10-15 lakhs | Rs.15-20 lakhs | Rs.20-25 lakhs | Rs.25-30 lakhs | Rs.30 lakhs and above | Total |
|--------------|--|------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|-----------|
| 1. | Weavers Cooperative Societies | 8 | - | - | - | - | - | - | 8 |
| 2. | Consumer Cooperative Societies | 7 | - | - | - | - | - | - | 7 |
| 3. | Primary Agricultural Cooperative Credit Societies | 3 | 3 | - | - | - | - | - | 6 |
| 4. | Housing Cooperative Societies | 5 | - | - | - | - | - | - | 5 |
| 5. | Marketing Cooperative Societies | - | 3 | - | - | - | - | - | 3 |
| 6. | Land Development Banks | - | - | - | - | - | - | - | - |
| 7. | Cooperative Urban Banks | - | - | - | - | - | - | - | - |
| 8. | Service Cooperative Societies | - | - | - | - | - | - | 3 | 3 |
| 9. | Staff Credit Cooperative Societies | - | - | - | - | - | - | 2 | 2 |
| 10. | Large Sized Cooperative Credit Societies | 2 | - | - | - | - | - | - | 2 |
| 11. | Central Cooperative Banks | - | - | - | - | - | - | 2 | 2 |
| 12. | Women Welfare Cooperative Societies | 2 | - | - | - | - | - | - | 2 |
| 13. | Printing Cooperative Societies | 2 | - | - | - | - | - | - | 2 |
| Total | | 31 | 6 | - | - | - | - | 7 | 44 |

The above table explains that two out of the thirteen different types of cooperative societies studied were not having the government contribution in the working capital of the societies. Seven societies were having the government's capital in the range of Rs. 30 lakhs and above as Government contribution whereas thirty one had only Rupees five lakhs and below.

B. Member's Contribution in Total Working Capital of
Different Types of Cooperative Societies.

Table V represents the details regarding the members contribution in total working capital of different types of cooperative societies.

TABLE V

MEMBERS' CONTRIBUTION IN TOTAL WORKING CAPITAL OF DIFFERENT TYPES OF COOPERATIVE SOCIETIES

| S.No. | Type of Cooperatives | Below Rs.2 to Rs.4 to Rs.6 to Rs.8 to Rs.10 to Rs.12 lakhs and above | | | | | | | Total |
|-------|---|--|---------|---------|---------|----------|----------|-----------|-------|
| | | Rs. 2 lakhs | 4 lakhs | 6 lakhs | 8 lakhs | 10 lakhs | 12 lakhs | and above | |
| 1. | Weavers Cooperative Societies | 8 | - | - | - | - | - | - | 8 |
| 2. | Consumer Cooperative Societies | 7 | - | - | - | - | - | - | 7 |
| 3. | Primary Agricultural Cooperative Credit Societies | 5 | 1 | - | - | - | - | - | 6 |
| 4. | Housing Cooperative Societies | 4 | 1 | - | - | - | - | - | 5 |
| 5. | Marketing Cooperative Societies | 3 | - | - | - | - | - | 2 | 5 |
| 6. | Land Development Banks | - | - | - | - | - | - | 4 | 4 |
| 7. | Cooperative Urban Banks | - | - | - | - | - | - | 2 | 2 |
| 8. | Service Cooperative Societies | - | - | - | - | - | - | 3 | 3 |
| 9. | Women welfare Cooperative Societies | 2 | - | - | - | - | - | - | 2 |
| 10. | Staff Credit Cooperative Societies | - | - | - | - | - | - | 2 | 2 |
| 11. | Large sized Cooperative Credit Societies | 2 | - | - | - | - | - | - | 2 |
| 12. | Central Cooperative Banks | - | - | - | - | - | - | 2 | 2 |
| 13. | Printing Cooperative Societies | 2 | - | - | - | - | - | - | 2 |
| Total | | 33 | 2 | - | - | - | - | 15 | 50 |

The cooperative societies function on the contribution of its members in the societies. It is clear from the Table V, fifteen societies out of 50 taken for the study had Rs. 12 lakhs and above as members contribution; thirty three societies Rs. 2 lakhs and below, and two societies between the range of Rs. 2 and 4 lakhs as members' contribution to the working capital.

F. Objectives of Different Types of Cooperative Societies:

All the cooperative societies have almost the same objective of helping the people, may be in form of providing materials or loans to the people.

The objectives of the weavers' Cooperative Societies are:

1. To improve the handloom industry and the economic conditions of the weavers
2. To purchase raw materials and appliances as may be required for their industry and retail the sale either for ^{Cash} or credit to the weaver members residing in these places.
3. To convert materials into finished products and to sell them to the best advantage of the members

The objectives of the consumer cooperative societies are:

1. To undertake wholesale, retail distribution of consumer goods and essential commodities and to establish departmental stores
2. To develop an effective link between producers and the consumers.

Primary Agricultural cooperative credit societies, marketing societies and large sized cooperative credit societies have the same following objectives:

1. To encourage self help, thrift and cooperation among members.
2. To provide short-term and medium-term loans
3. To purchase and distribute of agriculturally essential goods and implements
4. To help in the marketing of the farmers produce.

Housing cooperatives have the objectives:

1. To provide loans to houseless middle income low economic group people.
2. To layout land as house sites for the benefit of the members of the society.
3. To provide loans for the construction of houses to members.

Cooperative Agricultural Development Banks and Service Cooperatives Societies have the objectives:

1. To provide long-term credit for agricultural purpose such as, development of land, dig wells, electric motors, tractors, poultry, sheep, and dairy on the mortgage of agricultural lands.

Cooperative Urban Banks have the objectives (1) to borrow funds from members of others to be utilised for loans to members for usual purposes (2) to encourage thrift, self help and cooperation among members.

Women Welfare Cooperative Societies have the objectives to help and provide thrift to destitute and deserted women.

Staff Credit Cooperation Societies have the objective to provide the loans, compulsory thrift deposits, Central Cooperative Banks, to finance primary Agricultural Cooperative Credit Societies, Regional Rural Banks, ^{large} Long Sided Credit Societies, Printing Cooperative Societies to undertake Printing, Publishing and allied works.

9. Eligibility Requirements for Membership

An individual who has attained 18 years age and of having sound mind, residing in the operational areas and carrying out particular vocation are eligible for membership in the societies. Share value of shall most all the societies is in the range of rupees five to ten, except in

housing societies who's single share value is Rs. 100.

H. Set up of the Societies:

In addition to office bearers, namely president, Vice President, Secretary and Directors the following persons are working in Land Development Banks, Cooperative Urban Banks, Central Cooperative Banks, Staff Credit, Marketing Societies.

1. Manager
2. Senior clerks
3. Clerks
4. Supervisors
5. Typists
6. Attenders
7. Watchman

Consumer and weavers cooperatives the following persons are working.

1. Manager
2. Salesman
3. Clerks
4. Attenders

The Set up of Primary Agricultural Credit Societies, Large Sized Cooperative Credit Societies, Housing, women.

Welfare societies are having the following working personnel:

1. Clerks
2. Attenders
3. Watchman

In printing cooperatives the persons working are namely compositers, todelman, binders, assistants.

I. Meeting of the Members of the Society

Most of the societies (69 per cent) are conducting society members meeting thrice in a year. The normally discussed items in the meeting were approval of budget report, by-law amendments, admission of new members, recovery of loans, new ^{schemes} salesmen, and working conditions of the society. All most all societies (83 per cent) are providing share profit not less than four per cent.

J. Services of the Societies

The functions of weavers Cooperative Societies are:

1. Improvement of the handloom industry and the economic conditions of weavers.
2. Convert raw materials into finished products and selling them to the best advantage of the members.

Consumer Cooperative Societies are functioning in the following way:

1. Undertake wholesale and retail distribution of consumer goods and essential commodities and to establish departmental stores.
2. Develop an effective link between producers and consumers.

Central Cooperative Bank is functioning by financing to Primary Agricultural Cooperative ^{or} Credit Societies, Regional Rural Banks, Large sized credit societies. These Primary Agricultural credit societies, service Cooperatives, Large sized credit societies are functioning by providing short-term and medium-term loans to the farmers at village level. Marketing societies through marketing the farmers produce. Land Development Banks have the functions:

1. To provide long-term credit for agricultural purpose such as, development of land, dig wells electric motors, tractors, poultry, sheep and dairy on the mortgage of agricultural lands.

The services of the cooperative urban banks are borrowing funds from members of others to be utilised for loans to members for usual purposes.

Housing cooperative Society have the services:

1. To provide loans to house less middle income low income group people.
2. To lay out land as house sites for the benefit of members of the society.
3. To provide loans for the construction of houses to the members.

Women welfare cooperative societies are functioning by providing thrift, to destitute and deserted women and to promote self employment among the needy women.

Printing cooperative societies are functioning by undertaking printing, publishing and allied works.

K. Place from where Raw Materials are Procured:

The selected societies taken for the study are getting raw materials from the Andhra Pradesh Cooperative federations and from the local markets. Materials are being sold at five percent profit rate to maintain the establishment.

L. Conditions for Giving Loans:

The loans are given to the members of the society on the personal, group securities, land and community mortgage bonds.

M. Duration for the Repayment of Loans:

All short-term loans taken by the farmers should be repaid at the end of the year through twelve instalments; medium-term loans at the end of third year in six half yearly instalments and long term loans should be repaid on annual instalment basis over a period of five to fifteen years depending upon the purpose for which loan was taken. While collecting the loans the societies are charging ten to fifteen per cent rate of interest.

N. Expansion of the Societies:

Most of the societies (68 per cent) are interested to expand the societies by giving more loans, by providing loans for self employment schemes, and by stepping up of sales.

All the secretaries of the different types of cooperative societies studies stated in the questionnaire they had not received any complaints about the functioning of the societies from the members. The societies helped the people and the people are utilising these societies to the fullest extent possible.

O. Problems Encountered by the Societies:

The problems encountered by the societies as mentioned by the secretaries are:

1. The loans are not repaid in time by the members who had taken. This affects the functioning of the societies.

2. The people are not much aware of the societies and hence not utilising well.

we have to create first cooperators and then establish cooperatives.

2. Suggestion for Solving the Problems:

The suggestions as given by the secretaries for the better functioning of the societies are:

1. Much publicity about the societies must be made the people must be made aware of the benefits of the societies. For this campaigns and of cooperative fortnights every year may be organised.
2. Well trained personnel may be appointed in the society.
3. Loans should be given to all members as well as non-members who could repay the amount in time.
4. More financial assistance by the Government may help to expand the functioning of the society.

The investigator interviewed 250 beneficiaries (Five from each of the 50 cooperative societies taken up for the study) with the help of a prepared interview schedule. The answers given by the beneficiaries about the functioning of the cooperative societies are consolidated and are given below.

A. Membership in the Society:

Majority of the beneficiaries (73 per cent) interviewed are the members of the particular cooperative society.

B. Items purchasing in the society:

Forty five per cent of the beneficiaries ⁹¹⁰⁵ have said in the interview that they are purchasing household commodities and the 55 per cent are purchasing agricultural inputs.

C. Reasons for the selection of cooperative societies

Other than shops:

Table VI and Figure IV shows the details regarding the reasons for selection of cooperative societies other than shops.

TABLE VI

REASONS FOR THE SELECTION OF CO-OPERATIVE SOCIETIES

| S.No | Reasons | No of persons | Percentage |
|------|---------------------------------|---------------|------------|
| 1. | Can get unadulterated materials | 50 | 20 |
| 2. | Fair Price | 75 | 30 |
| 3. | Credit facility | 88 | 35 |
| 4. | Reasonable interests | 37 | 15 |





The above Table depicts clearly that 35 per cent of the beneficiaries have said that because of the credit facility they purchased from cooperative societies; 30 per cent because they can get materials at fair prices; 20 per cent because they get unadulterated foods, and 15 per cent have said that they are getting loans at reasonable interest rates.

All most all the beneficiaries (89 per cent) have said that the cooperative societies are serving the needs of the people. Majority of the beneficiaries (70 per cent) interviewed have said that they are members of more than one society.

SCALE :

1% = 3.6°

KEY :

-  Unadultrated foods
-  Fair Price
-  Credit Facility
-  Reasonable interests

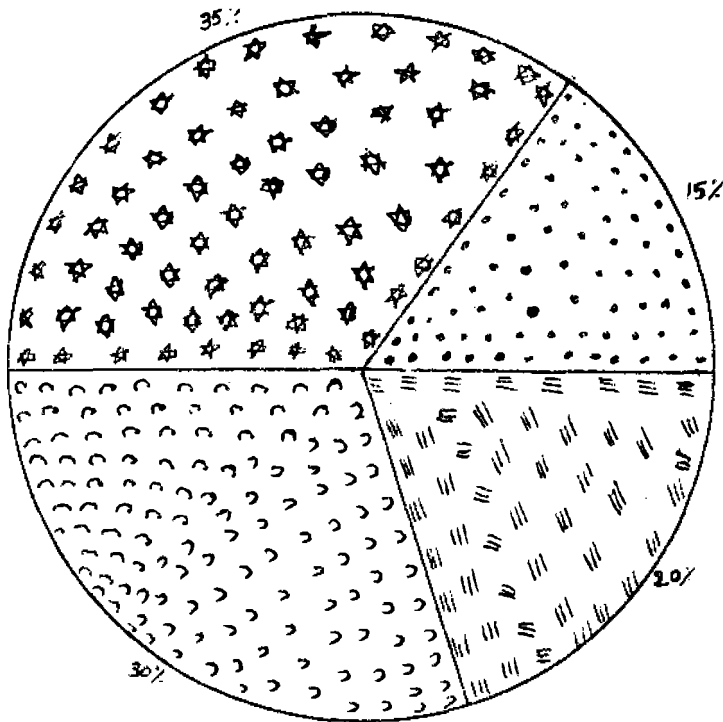


Figure 4: REASONS FOR SELECTION OF COOPERATIVE SOCIETIES

Most of the beneficiaries (70 per cent) have said that the cooperative societies are functioning satisfactorily due to the following reasons:

1. By providing short-term, Medium-term and long-term loans for agricultural purposes.
2. By providing credit facilities.
3. By charging less interest rates compared to money lenders.
4. Through timely supply of distribution of chemical fertilizer, High Yielding varieties of seeds for better agricultural production.
5. By giving facilities to store the produce and Market the farmers produce.
6. By providing housesites and loans for construction of houses to people who belongs to middle income, lower income and weaker sections.
7. By providing loans to usual purposes that it other than Agricultural purpose.
8. By providing self employment opportunities to destitute and deserted women.
9. By supplying good quality of materials at fair price
10. By encouraging thrift, self help and mutual help among the people.

D. Problems of the beneficiaries

Majority of the beneficiaries (79 per cent) interviewed had expressed that they are not facing any problems while dealing with co-operative societies.

E. Suggestions for improvement:

All the members had said that the services of the societies should be expanded and they had given the following suggestions for the same:

1. Government should provide more assistance for the improvement of the societies.
2. Controlled articles such as kerosene sugar and controlled cloth should be given.
3. Rate of interest on loans should be reduced
4. Loans should be provided to the members as well as non-members
5. All should get agricultural inputs on credit basis
6. A variety of designs should be produced, to increase the sales
7. A good Communication should be established by giving timely advertisements.

V. SUMMARY AND CONCLUSION

The study on "Functioning of the Different Types of Cooperative Societies in Prakasa District in Andhra Pradesh involved 50 cooperative societies and 250 beneficiaries. Information was elicited through a Questionnaire (to the Secretaries) and an interview schedule (to the beneficiaries).

The key findings of the study are as follows:

The earliest type of cooperative societies namely Cooperative Urban Bank and Large Sized Cooperative Credit Societies were started during the year 1910-20. Twenty three out of fifty different types of cooperative societies studied were started during the year 1970-80.

Thirty seven out of fifty different types of cooperative societies studied were having 2,000 and below shareholders, where as two, namely, marketing cooperative societies, were having 10,000 and above share holders.

Twenty seven out of fifty different types of cooperative societies studied were having a working capital Rupees five lakhs and below. Eleven societies namely Housing Cooperatives, Land Development Banks, Cooperative Urban Bank and Service Cooperative Societies were having a working capital of Rs. 25 lakhs and above.

Two out of eleven different type of cooperative societies studied were not having the government contribution in the working capital of the societies. Seven societies were having the government's contribution in the range of Rs. 30 lakhs and above, as government contribution where as thirty one had only Rupees Five Lakhs and below.

The cooperative societies function on the contribution of its members in the societies. Fifteen societies out of 150 taken for the study had Rs. 12 lakhs and above as members contribution; 33 societies Rupees two lakhs and below, and two societies between the range of Rupees two and four lakhs as members contribution to the working capital.

All the cooperative societies have almost the same objectives of helping the people, may be in the form of providing materials or loans to the people.

An individual who has attained 18 years age and of having sound mind, residing in the operational area and carrying out particular vocation are eligible for membership in the societies. Sharevalue of the all most all the societies (90 per cent) is in the range of rupees five to ten except in housing societies who's single share value is Rs. 100.

In all most all the cooperative societies (82 per cent) there are manager, clerks, attenders and watchman are working.

Most of the societies (69 per cent) are conducting society members meeting thrice in a year. The normally discussed items in the meeting were approval of budget, by-law amendments, admission of new members, recovery of loans, new schemes, and working conditions of the society. All most all the societies (83 per cent) are providing share profit not less than four per cent.

The Functions of weavers' co-operative societies are:

1. Improvement of the handloom industry and the economic condition of weavers.
2. Convert raw materials into finished products and selling them to the best advantage of the members.

Cooperative consumer societies are functioning in the following ways:

1. Undertake wholesale and retail distribution of consumer goods, essential commodities and to establish departmental stores.
2. Develop an effective link between producers and consumers.

Central Cooperative Bank is functioning by financing to Primary Agricultural Cooperative Credit Societies, Regional Rural Banks Large Sized Credit Societies. These primary Agricultural credit societies, service cooperatives, large sized societies are functioning by providing short-term and medium-term loans to the farmers at village level. Marketing societies through marketing the farmers produce.

Land Development Banks have the functions, to provide long-term credit for agricultural such as, digging, wells, development of land, electric motors, tractors, poultry sheep and dairy on the mortgage of agricultural lands.

The services of the cooperative urban banks are borrowing from members of others to be utilised for loans to members for useful purposes.

Housing cooperatives have the services.

1. To provide loans to households ^{less} middle income low income group people.
2. To lay out land as house sites for the benefit of members of the society.
3. To provide loans for the construction of houses to the members.

Women welfare cooperative societies are functioning by providing thrift, to destitute and deserted women and to promote self employment among the needy women.

Printing Cooperative societies are functioning by undertaking printing, publishing and allied works.

The selected societies taken for the study are getting raw materials from the Andhra Pradesh Cooperative Federations and from the local markets. Materials are being sold at five per cent profit rate to maintain the establishment.

The loans are given to the members of the society on the personal group securities, land and community mortgage ^{bonds} banks.

All short-term loans taken by the farmers should be repaid at the end of the year through twelve instalments, medium-term loans at the end of third year in six half yearly instalments, and long-term loans should be repaid on annual instalment, basis over a period of five to fifteen years depending upon the purpose for which loan was taken. While collecting the loans the societies are charging ten to fifteen per cent rate of interest.

Most of the 60 per cent) societies are interested to expand the societies by giving more loans, by providing

loans for self employment schemes and by stepping up of sales.

The problems encountered by the secretaries of the societies are:

1. The loans are not repaid in time by the members who had taken.
2. The people are not much aware of the societies and hence not utilising well.

Suggestion given by the secretaries for solving the problems are:

1. Much publicity about the societies must be made and the people must be made aware of the benefits of the societies. For this campaigns and of cooperative fortnights every year may be organised.
2. Well trained personnel may be appointed in the society.
3. Loans should be given to all members as well as non-members who could repay the amount in time.
4. More financial assistance by the government may help to expand the functioning of the society.

The answers given by the beneficiaries about the functioning of the cooperative societies are consolidated and are given below

Majority of the beneficiaries (73 per cent) interviewed are the members of the particular cooperative society.

Forty five per cent of the beneficiaries have said in the interview that they are purchasing household commodities and the 55 per cent are purchasing agricultural inputs.

Thirty five per cent of the beneficiaries have said that because of the credit facility they purchased from Cooperative Societies; 30 per cent because they can get materials at fair price, 20 per cent because they get unadulterated foods, and 15 per cent have said that they are getting loans at reasonable interest rates.

All most all the beneficiaries (89 per cent) have said that the cooperative societies are serving the needs of the people. Majority of the beneficiaries (70 per cent) interviewed have said that they are members of more than one society.



Most of the beneficiaries (70 per cent) have said that the cooperative societies are functioning satisfactorily.

Majority of the beneficiaries (74 per cent) interviewed had expressed that they are not facing any problems while dealing with cooperative societies.

All the members have said that the services of the societies should be expanded and they had given the following suggestions for the same.

1. Government should provide more assistance for the improvement of the societies.
2. Controlled articles such as kerosene, sugar and controlled cloth should be given.
3. Rate of interest on loans should be reduced.
4. Loans should be provided to the members as well as non-members.
5. All should get agricultural inputs on credit basis.
6. A variety of designs should be produced to increase the sales.
7. A good communication should be established by giving timely advertisements.

Recommendations

1. Government should provide more assistance for the improvement of the societies.
2. Rate of interest on loans should be reduced
3. A variety of designs should be produced to increase the sales.

Scope of Further Research

1. A wider sample taking all types of cooperative societies in the whole of Andhra Pradesh may be under taken.
2. A detailed study of each type of the cooperative society may be taken up for the study.
3. Case studies of some of the cooperative societies functioning effectively may be taken up for the study.

A cooperative will succeed only in so far as it spontaneously organised by leaders in the Community and all its member activity cooperate to do the work of the society, discussing money together, saving lending together, buying and selling together. Cooperatives offer a great potential to rural development. To help rural people in many ways cooperative societies came into

existence to take up the responsibility in supply of agricultural credit, supply of consumer goods at reasonable price, for marketing of agricultural produce and forest produce. Cooperatives also help people in supplying necessary articles of life such as rice, dal, controlled cloth, ragi, salt etc. For this purpose cooperatives are the only agencies which are serving multifarious activities in rural areas. Village cooperatives societies are working as a very powerful instrument for the social upliftment.

Cooperative Societies are the main bodies to achieve the objective of Integrated Rural Development by developing agriculture, rural industries, subsidiary occupations, rural housing, rural distribution system and cooperative education and training.

BIBLIOGRAPHY

- Aggarwal, J.C.
1975 Educational Research Methods.
London: J.J. University of London
Press Ltd., pp. 41 - 42.
- Balan, T.S.
1977 Cooperation Principles and Practice.
Trichur, pp. 7 - 24.
- Bedi, R.D.
1977 Theory History and practice of
of Cooperation. Meerut: International
Publishing House, p. 63.
- Batra, J.D.
1977 The Cooperator. June 19, VolXIV,
No.24, p. 546.
- Battacharya,
1970 Community Development. Calcutta:
Academic Publishers, p. 233.
- Banabharoo Das
1975 Role of Cooperatives in Rural
Development. Cooperator, July 1,
No.1, Vol. XVI, p. 172.
- Choudary, T.P.S. and
1970 Sharma, J.N. Cooperative Loan System. A study
in Andhra Pradesh and Punjab.
New Delhi: National Institute of
Community Development.
- Crub, M.D.
1971 The role of women in the Japanese
Consumer's cooperative movement
Published by ICA, New Delhi, pp. 31-
33.
- Choudary, T.P.S.
A Handbook of the Methodology of
Research. Coimbatore: Sri
Ranekrishna Mission Vidyalaya Press,
pp. 104-110.

- Devadas, R.P.
1976 A Hand book of Methodology of Research.
Coimbatore: Sri Ramakrishna Mission
Vidyalyaya, p. 94.
- Dewett
1971 Indian Economics. Agre: Shivalal and
Company, Educational Publishers,
pp. 263 - 265.
- Fay, C.R.
1970 Cooperation at Home and Abroad
London: Staples Press, p. 13.
- Goel and Goel, S.S.
1979 Principles, Problems and Prospects
of Cooperative Administration.
New Delhi: Sterling Publishers Pvt.
Ltd., pp. 4-6.
- Gupta, S.P.
1977 Statistical Methods. Sachdeva Press.
New Delhi, pp. 40, 41, PE.2.4.
- Indian Review of
Public and Cooperative
Economy
1973 An Illustrated Bi Monthly Journal.
Vol.2, No.3, p. 15.
- Johnson, H.C.
1977 A Review of Research Methods in
Education. Chicago: Rand McNally
College Publishing Co., p. 1233.
- Krishnaswamy, C.R.
1978 Fundamentals of Cooperation.
S.Chand and Company, 41.
- Khan, F.H.
1977 Cooperators Bulletin, March.
Consumption Credit Cooperative in
New Prospective.
- Lakshmanan, T.K.
1980 Cooperatives and Social Justice.
Kurukshetra, Vol. XXIX, No.4, p. 17.

- Maria, O.E.
 1977
Methodology of Sociological Research.
 U.S.A.: Riedel Publishing Co., p.297.
- Musander
 1964
Social Welfare in India. Asia
 Publications House, pp. 5-12.
- Mukerji, B.

Community Development in India.
 Calcutta: Orient Longmans Ltd.,
 p. 23.
- Mouly, G.L.
 1970
The Science of Educational Research.
 Van Nostrand Reinhold Co., New York,
 pp. 265 - 267.
- Mathur, B.S.
 1977
Cooperation in India. Satya Bhavan
 Agra, pp. 326, 659.
- Mani, R.S.
 1968
Cooperation in India. Kurukshetra.
 New Delhi, Kurukshetra, Vol.14, No.1,
 p. 48.
- Nehru, J.

The Cooperative pattern. Kurukshetra,
 Symposium Publication Division,
 New Delhi, Government of India, p.268.
- Niebert, J.D.
 1974
Educational Research Methods. London:
 J.J.University of London Press Ltd.,
 pp. 41 - 42.
- Nicholson, Frederick, A.
 1960
 Report regarding the possibilities
 of introducing land development
 banks in Madras Presidency. Bombay,
 Vol.I, Pp. 33, 468, 69.
- Pandey, U.K. et al.
 1979
Extent of villiul default in the
 Repayment of Cooperative Credit.
 Indian Cooperative Review, Vol.XVI,
 No.3, pp. 286 - 296.

- Prakasam, P.
1974 Statistics, Coimbatore: Big Bazar Publications, p. 28.
- Rao, S.B.
1970 A Study of the Consumers Cooperative Societies which incurred losses in 1967-1968, Poona: Vaikunth Mehta National Institute of Cooperative Management.
- Rao, S.B.
1972 The Poona Consumer Shopping Habits, Poona: Vaikunth Mehta National Institute of Cooperative Management.
- Reserve Bank of India
1975 The Small Farmers, A Field Study, Bombay, pp. 1,77.
- Reserve Bank of India
1975 Small Farmers Development Agencies, A Field study, Bombay, pp. 198-200.
- Reserve Bank of India
1979 Report of the Committee on Urban Cooperative Banks, Bombay, pp. 71-79.
- Reserve Bank of India.
Report of the Committee of Direction, Delhi: All India Rural Credit Survey, The General Report, Vol.II, p. 372.
- Ragnar Avidson and
Taimni, K.K.
1971 A Study of the Personal Management in the Selected Super Markets in India, New Delhi, p. 76.
- Reserve Bank of India
1954 All India Rural Credit Survey Committee Report, Volume, General Report, New Delhi, p. 372.
- Rao, S.B.
1972 The Poona Consumer Shopping Habits, Poona: Vaikunth Mehta National Institute of Cooperative Management.

APPENDIX I

**QUESTIONNAIRE TO ELICIT THE INFORMATION REGARDING THE
FUNCTIONING OF DIFFERENT TYPES OF COOPERATIVES**

1. What is the name of the village?
2. What is the name of the registered Cooperative society?
3. When was the cooperative society started?
4. By whom it was started?
5. Is it a government sponsored society?
Yes () No ()
6. If no how was the cooperative society started?
7. What are the objectives of the cooperative society?
8. How many members are there in the cooperative society?
9. What are the eligibility requirements for the membership in the society?
10. How many share holders are there in this society?

21. In that how much is members contribution and what is the grant amount from the government?
22. What are the functions of this cooperative society?
23. What are the items that are transacted in this cooperative society?
24. Do you sell the items to all (or) only to the members?
25. Do you sell the goods on credit basis?
Yes () No ()
26. Do you give any concession or rebate to the members while selling the items?
27. If the society is transacting items and goods, from where do you get these goods?
28. At what profit rate do you sell the goods?

29. Does this society provide loans?

Yes () No ()

30. If Yes, to whom this society provide loans?

31. What are the the conditions for giving loans?

32. When should they repay the loans?

33. Can they repay in instalments?

Yes () No ()

34. If so in how many instalments do you collect?

35. What is the rate of interest do you collect while giving loans?

36. Do you provide agricultural implements to the farmers on hire basis?

Yes () No ()

37. If 'Yes', what are the implements that you give?

38. What are the agricultural items that you give?

Manaly: Fertilizers

HYV seeds

Insecticides

Please mention

39. Do you help the Agriculturists in marketing their produce?

Yes () No ()

40. Do you provide any loan facilities for starting village and small scale industries?

41. If so, please give details.

42. Would you like to expand or improve the functions of the society?

43. If so how?

44. Do you conduct periodical studies on functioning of the cooperative society?

Yes () no ()

45. If 'yes', please give the findings of the studies?

46. Do you receive complaints from the members?

Yes () No ()

47. If so mention the nature of complaints?

48. Have you tried to look into these complaints?

49. If 'Yes' how?

50. Do you center any problems?

Yes () No()

51. If 'Yes' what are the problems?

52. What are the suggestions for solving these problems?

Any other item relating the society not mentioned earlier, if there any, may please be given.

APPENDIX II

INTERVIEW SCHEDULE TO ELICIT INFORMATION REGARDING THE FUNCTIONING OF THE DIFFERENT TYPES OF COOPERATIVE SOCIETIES

1. Name of the interviewee
2. From which cooperative you are getting provisions?
3. Are you a member of this society?
4. What items do you purchase from the cooperative society?
 - a) Household commodities
 - b) Agricultural implements and inputs
5. What concessions, rebates and facilities given by the cooperative society to the members at the time of purchase?
6. Why do you purchase the items from this cooperative society and not from other shops?
7. Does the cooperative society serve to the needs of people?

8. Are you a member of any other cooperative society other than this society?
9. If this cooperative society functioning satisfactorily, give reasons for your answer.
10. Have you made any complaints to the cooperative society about its functions?
11. If so what are they, and what action they have taken?
12. Have you encountered any problems while dealing with cooperative societies, if so what are they and how have you tried to solve them?
13. Have you got any loan, if yes in cash or in kind.
14. When will you repay the loans?
15. Are you repaying the loan in instalments or in one amount?

16. **IF in instalment how many inntalments you are repaying?**

17. **IF you have not repaid the loans, do you get further loan?**

18. **Should the services of the societies be expanded? If so give suggestions?**

19. **Any other items?**