A Study of the Service Co-operative Society as a Social System By Using Loomis' PAS Model

A Thesis submitted to the MAHATMA PHULE KRISHI VIDYAPEETH in partial fulfilment of the requirements for the degree of MASTER OF SCIENCE (AGRICULTURE) IN AGRICULTURAL EXTENSION

By Shankar D. Sarnobat B. Sc. (Agri.) Hons.

College of Agriculture, Poona 5
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Extension Wing, Poona-5
College of Agriculture, Poona

Dated 15th May 1970

( C.D. Garnobat )
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CHAPTER I

INTRODUCTION

"Two are better than one, because they get a reward for their labour. For if they fall the one will lift up his fellow but woe to him is alone when he falleth and hath not another to lift him up" (Ecclesiastes, iv 9-10).

The quotation reveals that the cooperation was looked upon as a source of strength to meet adversity even in biblical time.

Thus the cooperation is the key stone of economic development of any country. Not only in the field of agriculture and industrial development, the cooperation has paramount importance but also in other spheres of life of an individual and ultimately in the progress of country. The basic principles of cooperation viz. voluntary association, democratic management, equal distribution etc., educate the individual socially, educationally and economically. So it can be said that the countries like India, which has to confront the problems like illiteracy, retarded economy and other natural calamities, has no other avenue to get through than the cooperation.

While explaining the importance of cooperation in educational field, Brassord stated, I should prefer to call

2 Horace Selaw, Agricultural Credit in Economically Under Developed Countries, 1953, p. 199.
credit, a rural welfare service, for credit is only a part, indeed a very essential part, but not the most important one in the system. The basis of any supervised credit programme is education, not only to teach the farmer better farming practiced but also to educate his entire family which must be regarded as a basic unit in the rural progress."

The cooperation properly developed, can be the surest foundation of economic democracy without which political democracy cannot survive for long.

Thus the cooperation can be said a movement of bringing all sided development of the country.

This role of cooperation in national progress was recognised also in past by our leaders. But due to national dependency upto 1947, it was completely neglected and hence the progress was slow. After attainment of National Independence, we become free to plan and act on our own accord to bring national self-sufficiency. Our ultimate aim is to bring all sided development of our country. But so far, we are not in a position to be self-sufficient in food and agricultural production. For this purpose we have to depend on foreign countries like U.S.A, Australia, Canada for last twenty-three years. In that way we are losing our national honour and also valuable foreign exchange.

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3 Anonymous, Cooperation in India, Ministry of Community Development and Cooperation, Government of India, 1960, p.3.
Unless our per capita income is raised, other approaches to bring about the national self-sufficiency would be meaningless. With this reference, late Mehta stated, "It is our aim to raise the standard of living of the country. Since seven-tenth of our population derives its livelihood from agriculture and income from agriculture constitutes roughly half the national aggregate, it seems fairly obvious that no raise in living standard can be brought unless there is a continuous increase in agricultural production".

Our Planning Commission also gives more emphasis on agricultural production. But to increase the agricultural production, main required thing is credit. Due to lack of required credit, the technological advances and improved methods of cultivation in the field of agricultural science during the last two centuries have hardly been adopted by our farmers and hence we could not attain our objective of raising the standard of living of the country. Thus the credit and improvement are directly related to each other under Indian conditions. The credit may be private or otherwise, it is the fundamental requirement of an Indian farmer. But among all the credit agencies, the agricultural cooperative credit institutions play an important role in the cultivators' life. The agricultural cooperative society is the primary level institution in cooperative ladder. It provides

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the cultivator the credit, agricultural supplies and technical guidance and thus helps in bringing about the village self-sufficiency by increasing agricultural production.

The success of working of these institutions mainly depends upon the thinking, planning and acting of their members and other villagers toward these institutions. Because they are the basic units of such institutions. Hence the study of such institutions with villagers' views point of view is of paramount importance. This was the basic purpose underlying the present study.

**Broad Objective of the Study**

To study the Village Service Cooperative Society as a Social System with reference to Loomis' processually articulated structural model.

The specific objectives of the study are -

(i) To study the villagers' knowledge about the working of the service cooperative society.

(ii) To study the sentiments of the villagers towards the functioning of the service cooperative society.

**Hypotheses**:

The following hypotheses are tested:

a) The villagers belonging to the higher socio-economic status class tend to be the members of village cooperative society.

b) The educated villagers tend to be the members of the village cooperative society.

c) The socio-economic status of the villagers helps them to have knowledge about cooperation.

d) The socio-economic status influences the villagers' sentiments towards village cooperative society.

Various commissions and committees were appointed by the Government of India to evaluate the working of the Cooperative Institutions in the country and to suggest the possible ways and means to increase the viability of these institutions. Many other research workers have also worked on such type of topics. But all have seen these institutions with economic and descriptive point of view. Here an attempt is made to study the village service cooperative society with economic as well as sociological point of view, through the villagers' opinion i.e. how they look and think about it. This study is made with the help of Loomis' Processually Articulated Structural Model. Here, this institution is treated as a social system and its constituting elements viz., knowledge, sentiments, goal, norm, status-role, rank, power, sanction and facility, along with the Master Processes regarding the village service cooperative society are studied. This approach helps in studying a social system in a comprehensive manner.
Limitations of the study

This study is limited to the service cooperative society of Diwale village, Taluka Shor, District Poona. So the findings of this study are applicable only to such villages having socio-cultural conditions as that of the village Diwale.
CHAPTER II

THEORETICAL BACKGROUND OF THE STUDY AND HISTORY OF COOPERATION

THEORETICAL BACKGROUND OF THE STUDY

The present study is based on the basis of "social system" described by Charles P. Loomis6, in his book, "Modern Social Theories". He defined the social system as "a patterned interaction of members". While the interaction, he7 stated, the core datum of sociology is "any event by which one party tangibly influences the overt action or state of mind of other". According to him, a social system constitutes its members and they behave according to pattern laid out by it.

Many times a social system consists of other subsystems which compose and form entire social system and each social system has certain elements. An element defined by Loomis8 is a simply one of the constituent parts of some larger whole.

According to him, every social system has the following constituents:

(a) Processes (elemental).
(b) Structural-functional category.
(c) Elements.

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6 Charles P. Loomis, op.cit., p. 3.
7 Ibi., p. 2.
8 Ibi., p. 3.
(d) Comprehensive or master processes.
(e) Conditions of social system.

He said, "the elements that stand in a given relation to each other at a given moment do not remain in that relation for any length of time. The processes mesh, stabilize and alter the relation between the elements through time. They are the tools through which the social system may be understood a dynamic functioning continuity - going concern.

According to him\textsuperscript{10}, the elemental processes includes

- s-1) Cognitive mapping and validation.
- s-2) Tension management.
- s-3) Communication of sentiment.
- s-4) Coal attaining activity.
- s-5) Concomitant "latent" activity.
- s-6) Evaluation.
- s-7) Status - Role performance.
- s-8) Evaluation of actors.
- s-9) Allocation of status-role.
- s-10) Decision-making.
- s-11) Allocation of status-role.
- s-12) Decision making.
- s-13) Initiation of Action.
- s-14) Application of sanction.
- s-15) Utilization of facilities.

\textsuperscript{9} Charles P. Loomis, \textit{op.cit.}, p.3.
\textsuperscript{10} Ibid, p. 5.
He is of the opinion that the structural functional categories are handy names by which any structural elements and its particular functional process may be designated as a closely connected bundle of phenomena. The corresponding structural functional categories to elemental processes, as given by him are -

b-1) Knowing
b-2) Feeling
b-3) Achieving
b-4) Norming, "standardizing and patterning.

b-5) Dividing the functions.

b-6) Ranking.

b-7) Controlling.

b-8) "Sanctioning.

b-9) Facilitating.

While the elements articulated to these structural functional categories are-

c-1) Belief (Knowledge)
c-2) Sentiments.
c-3) "End, goal or objective.
c-4) Norm
c-5) Status-Role (position).

11 Charles P. Loomis, op. cit., p. 4.
12 Ibid, p. 5.
13 Ibid, p. 5.
The comprehensive or master processes given by him are:

- 1) Communication
- 2) Boundary maintenance
- 3) Systemic Linkage
- 4) Institutionalization
- 5) Socialization
- 6) Social control

and the conditions of social system are:

- 1) Territoriality
- 2) Size
- 3) Time

**Elements, processes and conditions of action of social system.**

The Processually Articulated Structural Model (PAS Model)

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14 Charles P. Loomis, _op. cit._, p. 5.
15 Ibid, p. 5.
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**Comprehensive or Master processes.**

1) Communication, 2) Boundary maintenance, 3) Systemic linkage, 4) Institutionalization, 5) Socialization, 6) Social control.

**Conditions of Social Action.**

1) Territoriality, 2) Size, 3) Time.
DEFINITION

Elements, Elemental processes and Master Processes of Social System

Elements and elemental processes.

Knowing:

Belief (knowledge as an element): A belief is any proposition about the universe which is thought to be true.

Cognitive mapping and validation as process may be defined as the activity by which knowledge, or what is considered true and what false, is developed.

Feeling:

Sentiment as an element: Whereas beliefs embody thoughts, sentiments embody feelings about the world.

Tension management as process: Tension management may be defined as the process by which the elements of social system are articulated in such manner as to (1) prevent sentiments from obstructing goal directed activity and (2) avail the system of their motivating force in achieving goals.

Communication of sentiments as process:

Communication of sentiment is the process by which

17 Charles P. Loomis, op. cit., pp. 10-17.
members of a social system may be motivated to achieve goals, to conform to norms and to carry out systemic action through transfer of feeling by symbols.

**Achieving:**

*End, goal or objective as an element:*

The end, goal or objective is the change (or in some cases the retention of the status quo) that members of a social system expect to accomplish through appropriate interaction.

**Norming, standardizing, patterning:**

*Norm as an element:* The rules which prescribe what is acceptable or unacceptable are the norms of the social system.

*Evaluation as a process:* Evaluation is the process through which positive and negative priorities or values are assigned to concepts, objects, actors or collectivities, or to events and activities, either past, present or future.

**Dividing the functions:**

*Status-role as a unit incorporating both element and process:*

The two-term entity, status-role contains the concept of status, a structural element implying position
and the concept of role, a functional process. Both are important determinants of what is to be expected from an incumbent and how it is performed by him as he occupies any social position.

**Ranking:**

*Rank as an element*: Rank or standing represents the value an actor has for the system in which the rank is accorded.

**Controlling:**

*Power as an element*: Power is the capacity to control others. It has many components which may be classified as authoritative and non-authoritative control. Authority is the right as determined by the members of the social system and built into the status role to control others, whereas unlegitimized coercion and voluntary influence are non-authoritative. Influence may rest on personal characteristics, social capital and many other bases.

**Decision making and its initiation into action as a process.**

Decision making is the process by which the alternatives available to the members are reduced.

**Sanctioning:**

*Sanction as an element*: Sanction may be defined as the rewards and penalties used to attain conformity to ends and norms.
Application of sanction as a process: After evaluation and decision making have assigned the sanction, amendments are usually required in order that the sanction be lifted.

Facilitating:

Facility as an element: A facility is a means used within the system to attain the members' ends.

COMPREHENSIVE OR MASTER PROCESSES

Communication:

Communication is the process by which information, decision and directives pass through the system and by which knowledge is transmitted and sentiment is formed or modified.

Boundary maintenance:

Boundary maintenance preserves the solidarity, identity and interaction pattern within the system.

Systemic linkage:

This is the process whereby the elements of at least two social systems come to be articulated so that in some ways and on some occasions they may be viewed as a single system.

Institutionalization:

Through institutionalization human behaviour is made predictable and patterned, social systems are given the
elements of structure and the process of function.

**Socialization:**

Socialization is the process whereby the social and cultural heritage is transmitted.

**Social control:**

Social control is the process by which deviancy is counteracted.

According to him, all above viz., elemental processes, structural - functional categories, elements etc., are the articulated parts of every social system.

Thus any village is a social system which represents other sub-social systems i.e. village institutions like caste, family, religion, school, political and economic institutions etc., in which above mentioned elements are present. The village service co-operative society is also one of these institutions - a social system and consists of all above mentioned elements, master processes and conditions of social action.

With the help of Loomis' "Processually Articulated Structural" Model this particular institution was studied and elements and the Master Processes observed in it are described.
17

HISTORY OF CO-OPERATION

EVALUATION OF CO-OPERATIVE IDEA

The evaluation of co-operative idea can be cited from England when the wage earners formed a voluntary union to fill up the vacuum created due to unemployment.

HISTORY AND PROGRESS OF CO-OPERATION IN INDIA

Though many attempts were made to organize the co-operative organizations in India to make the cultivators free from the grip of money lenders and to improve their financial position and thereby raise the living standard, it may be said that the co-operative movement in this country began with the passing of "The Co-operative Credit Societies' Act of 1904", as before this Act enacted, the co-operative organizations which were in existence, were in lack of legal support. This Act provided only for the formation of credit societies and more emphasis was on rural societies were classified as rural and urban. According to this act the nature of the society dependent upon the volume of the business carried out by it. The society which conducted its business mainly for the rural people (Agriculturists) was categorised as Rural Credit Society as against this the society which carried its business for the sake of urban people was called as Urban Credit Society. The main rule for rural societies was unlimited liabilities and supervision was left with the Government.
Societies were exempted for payment of any Governmental income taxes etc. But main short-coming of this Act was, there was no legal protection provided other than credit.

As there was rapid growth in number and activities of the co-operative societies during 1906 to 1911, the Act of 1904 was found insufficient, to meet the growing needs of co-operation and so it was amended in the year 1912 and cooperation was given legal support even other than the credit. The distinction between rural and urban societies was abolished and only limited and unlimited basis was recognised for the formation of any sort of agriculture society.

The amended act of 1912 gave a new impetus to movement and there was vast increase in number, membership and working capital of the societies and activities taken by them.

In the year 1914, the Government of India appointed the Macclagan Committee to evaluate the progress made and to suggest the ways and means for extending the scope of the movement and to improve its efficiency and purity.

During 1915 to 1925, many political and economic changes took place in India and a new Act of 1919 (amended Act of 1912) was enacted and the co-operative movement was handed over to the provincial Government, under the charge of Minister. Due to this, several provinces modified the
co-operative societies Acts to suit their own requirement.

This Act of 1919 gave a golden opportunity to each state, the first advantage of it, was taken by the Bombay state. It passed the Act of 1925 in which more emphasis was on thrift, self-help and mutual-help among the agriculturists which could help them in bringing about better living, better business and better methods of production. Societies were classified on the object and made open to all with common needs with limited means.

During the period 1925-1929, many states appointed the Committees for enquiring the movement among which the Report of Royal Commission (1925) on Agriculture and Banking at Central level was noteworthy.

From 1929-1937, the growth received set back due to depression in economic field and attention was given on consolidation the position rather than expanding the movement. In the year 1937, a new act was passed and multi-purpose societies came into existence and thus a shift from credit to production and distribution taken place.

Due to this there was rapid increase in number of consumer's societies, Agricultural Credit and Marketing Societies and other type of Co-operative Institutions.

In the year 1944, Gadgil Committee and in 1945 the Saraslya Committee were appointed to reorganise the Apex Bank and regulate the State Marketing Co-operatives, respectively.
In the year 1951, the Committee on Direction was appointed by the Government of India under the Chairmanship of Shri A.D. Gorwala to evaluate the overall progress and find out the drawbacks and suggest directions. The Committee submitted its comprehensive report in three volumes, known as "All India Rural Credit Survey Report" in 1954, on which lines, the present co-operative works.

In the year 1957, at Nagpur, in All India Congress Committee Session a Resolution was passed and instead of Multi-purpose Co-operatives a word, "Service Co-operatives" was introduced by our late Prime Minister Shri Jawaharlal Nehru and objectives of the same were laid out as credit, supplies and services and more emphasis was given to develop the weaker section of the community.

The following table shows the overall progress of Co-operative Movement in India from 1906-07 to 1967-68.

Table II.1: The Progress of Co-operative Movement in India from 1906-07 to 1967-68.

<table>
<thead>
<tr>
<th>Period covered</th>
<th>No. of Societies</th>
<th>No. of members</th>
<th>Work in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All types</td>
<td>Agricultural</td>
<td>Agricultural</td>
</tr>
<tr>
<td>Average of 4 years from 1906-07 to 1909-10.</td>
<td>1926</td>
<td>1713</td>
<td>108000</td>
</tr>
<tr>
<td>Average of 5 years from 1910-11 to 1914-15.</td>
<td>11736</td>
<td>10891</td>
<td>452000</td>
</tr>
<tr>
<td>Period covered</td>
<td>No. of Societies</td>
<td>No. of members</td>
<td>Working capital (in lakhs)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------</td>
<td>----------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td></td>
<td>All types</td>
<td>Agriculture</td>
<td>Non-Agriculture</td>
</tr>
<tr>
<td>Average of 5 years from 1915-16 to 1920-21</td>
<td>28477</td>
<td>95873</td>
<td>903000</td>
</tr>
<tr>
<td>Average of 5 years from 1920-21 to 1924-25</td>
<td>57707</td>
<td>51716</td>
<td>1561000</td>
</tr>
<tr>
<td>Average of 5 years from 1925-26 to 1930-31</td>
<td>93938</td>
<td>23093</td>
<td>972000</td>
</tr>
<tr>
<td>Average of 5 years from 1931-32 to 1935-36</td>
<td>105714</td>
<td>93149</td>
<td>3044000</td>
</tr>
<tr>
<td>Average of 5 years from 1935-36 to 1940-41</td>
<td>116360</td>
<td>101507</td>
<td>343000</td>
</tr>
<tr>
<td>Average of 5 years from 1940-41 to 1944-45</td>
<td>142388</td>
<td>193378</td>
<td>4268000</td>
</tr>
<tr>
<td>Average of 5 years from 1945-46 to 1949-50</td>
<td>159185</td>
<td>133816</td>
<td>6560000</td>
</tr>
<tr>
<td>Average of 5 years from 1950-51 to 1954-55</td>
<td>124122</td>
<td>130933</td>
<td>9023000</td>
</tr>
<tr>
<td>Average of 5 years from 1955-56 to 1959-60</td>
<td>128091</td>
<td>214944</td>
<td>14978000</td>
</tr>
<tr>
<td>1960-61</td>
<td>332428</td>
<td>255621</td>
<td>24136000</td>
</tr>
<tr>
<td>Period covered</td>
<td>No. of Societies</td>
<td>No. of members</td>
<td>Working capital in lakhs.</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------</td>
<td>----------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td>All types</td>
<td>Agriculture</td>
<td>Agriculture</td>
</tr>
<tr>
<td>1931-32</td>
<td>341041</td>
<td>258598</td>
<td>27157000</td>
</tr>
<tr>
<td>1932-33</td>
<td>348174</td>
<td>233045</td>
<td>21734960</td>
</tr>
<tr>
<td>1933-34</td>
<td>23924</td>
<td>219912</td>
<td>26354000</td>
</tr>
<tr>
<td>1934-35</td>
<td>224454</td>
<td>201029</td>
<td>28869000</td>
</tr>
<tr>
<td>1935-36</td>
<td>214012</td>
<td>200148</td>
<td>28314000</td>
</tr>
<tr>
<td>1936-37</td>
<td>200094</td>
<td>196228</td>
<td>29775000</td>
</tr>
<tr>
<td>1937-38</td>
<td>193428</td>
<td>179045</td>
<td>31344000</td>
</tr>
</tbody>
</table>

Source: "Statistical Statement Relating to the Cooperative Movement in India, Reserve Bank of India, Bombay (From 1931-34, includes only credit societies and their members and working capital).

HISTORY OF CO-OPERATION IN MAHARASHTRA STATE

The Bombay presidency may fairly claim to be the pioneer of the Co-operative movement in India for improving rural credit by the establishment of Agricultural Banks. In 1883, under the inspiration of Sir William Wedderburn, I.C.S., a Committee of the capitalists in Poona District was formed with the object of founding a bank to finance the Agriculturists of the Purandhar Taluka.

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18 Source: "Statistical Statement Relating to the Cooperative Movement in India, Reserve Bank of India, Bombay (From 1931-34, includes only credit societies and their members and working capital).

Before this many local banks known as Nidhis were in existence. Many other attempts were being made among which the Ryot Commission, Deccan Agriculturists Relief Act of 1879, the Land Improvement Act of 1883, the Agricultural Loan Act of 1884, etc., are noteworthy. But as that of our country, the co-operation in the State of Maharashtra (Then Bombay) began with the passing of Act of 1904.

As there was rapid growth in respect of number, membership and working capital and activities taken by the Co-operative Institutions, the Act of 1904 was amended in 1919 and again in 1919 (Details are on Page 18).

The table II.2 shows the progress of the Movement in Bombay State from the year 1912-13 to 1918-19.

Table II.2 : The progress of the Movement in the Bombay State from 1912-13 to 1918-19.

| Year    | No. of societies | Total members | Working capital in % in lakhs.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1912-13</td>
<td>515</td>
<td>45889</td>
<td>48.48</td>
</tr>
<tr>
<td>1915-16</td>
<td>963</td>
<td>104924</td>
<td>96.81</td>
</tr>
<tr>
<td>1918-19</td>
<td>2083</td>
<td>188389</td>
<td>199.44</td>
</tr>
</tbody>
</table>

Source: Statistical statements relating to the Co-operative Movement in India, Reserve Bank of India, Bombay (Part I).

Due to this rapid growth, the Act of 1919 was found insufficient to meet the needs of the movement and as every
State was free to enact an Act according to their conditions, the State of Bombay took this advantage and passed an Act of 1925 - "The Bombay State Co-operative Act of 1925". The main features of this act were as follows:

1) The non-official institutions, propaganda and education in the field of Co-operation were encouraged.

2) More emphasis was on thrift, self-help and mutual help for bringing about the better living, better business and better methods of production.

3) Societies were classified on the object and made open to all having common needs with limited means.

Due to this Act, progress of the movement up to 1929, was satisfactory and rapid but further i.e. upto 1937, when the multipurpose co-operatives came into existence, the progress received set back due to depression in economic field.

The progress of movement from the year 1925-26 to 1948-49 is shown in following table.
**Table II.3**: The progress of Co-operative Movement in Bombay State from 1928-29 to 1948-49

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Societies</th>
<th>No. of members</th>
<th>Working capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928-29</td>
<td>4656</td>
<td>444806</td>
<td>378.67 Lakhs.</td>
</tr>
<tr>
<td>1930-31</td>
<td>5826</td>
<td>585869</td>
<td>1391.00 &quot;</td>
</tr>
<tr>
<td>1934-35</td>
<td>5770</td>
<td>639430</td>
<td>1633.01 &quot;</td>
</tr>
<tr>
<td>1939-40</td>
<td>5281</td>
<td>631346</td>
<td>15.30 Crores.</td>
</tr>
<tr>
<td>1944-45</td>
<td>6653</td>
<td>1191791</td>
<td>28.89 &quot;</td>
</tr>
<tr>
<td>1948-49</td>
<td>10138</td>
<td>1569499</td>
<td>90.39 &quot;</td>
</tr>
</tbody>
</table>

**21 Source**: The Statistical statements relating to the Co-operative Movement in India (Part I), Reserve Bank of India, Bombay.

This shows that after 1939, it was on rapid growth and after attainment of national independence, the Ministry of Co-operation directed more attention and co-operation also was introduced in the non-agricultural activities like Housing Societies, Industrial Societies etc.

In the year 1947, the Government of Bombay, appointed a Committee under the Chairmanship of Sir Manilal Nanavati to examine the progress and the Gadgil Committee’s recommendations regarding the establishment of Agricultural Credit Corporation. The Committee made many important recommendations among which the "scheme of "Integrated Agricultural Credit" is noteworthy.
After this up to 1950, there was no any change in the policy except the introduction of service co-operatives with national policy and in the year 1950, it passed a separate Act called (Maharashtra Act No. XXIV of 1951) "The Maharashtra Co-operative Societies Act, 1950", on which line present Co-operation in the State works. The progress from 1956-57 to 1967-68 is shown in the following table:

Table II.4 : The Progress of Co-operative Movement in Maharashtra State from 1956-57 to 1967-68

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Societies</th>
<th>No. of members</th>
<th>Working capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57</td>
<td>3207</td>
<td>358160</td>
<td>1261247 (Thousands)</td>
</tr>
<tr>
<td>1957-58</td>
<td>31916</td>
<td>3211099</td>
<td>2117865 (including)</td>
</tr>
<tr>
<td>1958-59</td>
<td>38943</td>
<td>4393513</td>
<td>2739750 (Gujarat)</td>
</tr>
<tr>
<td>1959-60</td>
<td>23979</td>
<td>3513710</td>
<td>2377487 (&quot;</td>
</tr>
<tr>
<td>1960-61</td>
<td>31564</td>
<td>4081383</td>
<td>2907572 (&quot;</td>
</tr>
<tr>
<td>1961-62</td>
<td>23938</td>
<td>4097000</td>
<td>45873 (Lakhs</td>
</tr>
<tr>
<td>1962-63</td>
<td>23144</td>
<td>4987000</td>
<td>59774 (&quot;</td>
</tr>
<tr>
<td>1963-64</td>
<td>23191</td>
<td>5745000</td>
<td>61699 (&quot;</td>
</tr>
<tr>
<td>1964-65</td>
<td>23280</td>
<td>5943000</td>
<td>63285 (</td>
</tr>
</tbody>
</table>

22 Source : Statistical statements relating to the Co-operative Movement in India - Reserve Bank of India (Part - I).

HISTORY OF CO-OPERATION IN PONNA DISTRICT

The attempts were made to establish an Agricultural Bank in 1933, in the Purandhar Taluka of this district under the inspiration of Sir William Wedderburn (see page ).
and this can be cited as the beginning of co-operative movement in the Poona District. But as described previous co-operation in true sense started its journey after passing of Agricultural Co-operative Societies Act of 1904. Upto 1916, there was no satisfactory progress. In the year 1917, The Poona District Central Cooperative Bank was established which gave an impetus to movement in this district.

The following table shows the progress of movement from 1953-54 to 1968-69:

Table 7145: The progress of Co-operative Movement in Poona District from 1953-54 to 1968-69

<table>
<thead>
<tr>
<th>Year</th>
<th>All Societies</th>
<th>Agricultural</th>
<th>Total number of members</th>
<th>Total working capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953-54</td>
<td>654</td>
<td>417</td>
<td>29783</td>
<td>5928344</td>
</tr>
<tr>
<td>1957-58</td>
<td>916</td>
<td>771</td>
<td>139230</td>
<td>5830319</td>
</tr>
<tr>
<td>1959-60</td>
<td>1178</td>
<td>354</td>
<td>171580</td>
<td>10373399</td>
</tr>
<tr>
<td>1963-64</td>
<td>1999</td>
<td>913</td>
<td>307459</td>
<td>29435560</td>
</tr>
<tr>
<td>1967-68</td>
<td>2376</td>
<td>942</td>
<td>383555</td>
<td>3781.13 Lakhs</td>
</tr>
<tr>
<td>1968-69</td>
<td>2375</td>
<td>932</td>
<td>383128</td>
<td>3447.88</td>
</tr>
</tbody>
</table>

Source: Office of the Deputy Registrar for Co-operation, Poona District, Poona.

At present in the district, two district co-operative banks are functioning (i) The Poona District Central Co-operative Bank and (ii) The Poona District Land Mortgage Bank.
All service co-operative societies are affiliated to District Central Co-operative Bank. This bank has spread its 35 branches all over the district. The district has got a District Co-operative ‘ale Purchase Union and its 13 branches are functioning in different Talukas of District.

Other types of co-operative societies include Co-operative Lift Irrigation Societies, Co-operative Farming Societies, Co-operative Dairy Societies, Industrial Societies and Co-operative Housing Societies and other. The District has got 4 Co-operative Sugar Factories and 3 Khandsari (Gul Utpadak) Cooperative Societies.

At present each and every village in the district is occupied by this movement.

HISTORY OF THE DIWALE SERVICE CO-OPERATIVE SOCIETY.

The Co-operative Movement in Poona District is rapidly growing and at present, it occupied all 1,546 villages. Every village has one or other type of co-operative institutions. The progress of this movement is shown in the table II.5. The village Diwale is one of these 1546 villages in Poona district from Taluka Bhor, one mile away from Poona-Bangalore National Highway, to east. Upto 1980, this village was having affiliation to Vapurval Service Co-operative Society which is one mile away from Diwale to West. In the year 1980, this Vapurval Co-operative Society was bifurcated as per the policy of the District Central Co-
-operative Bank and the shares in Kapurval Service Co-operative Society of the members from Divale village were transferred to Divale village service co-operative society and thus it has established a separate service co-operative society in 1960 (Date: 1st September 1960, Registration No. 25357).

The details regarding this service cooperative society are shown in the table II.6.
CHAPTER III

REVIEW OF LITERATURE

There were many forms of cooperative organisations in existence in India to help the farmers to get rid of the clutches of private money lending agencies. But it may be said that cooperative movement in this country began with the enactment of "the Co-operative Credit Societies Act of 1904" through which the legal protection was given to this movement. The purpose of this Act was to combat the rural indebtedness and supply the agricultural credit to needy cultivators with cheaper rate of interest. In their childhood stage, the functions of these institutions were on limited scale, but after the passing of the Acts of 1912 and 1914, the same were extended. Upto the attainment of the national freedom, the growth of the movement was not so satisfactory. But onwards, the same was given an impetus and cooperative institutions are being treated as the basic institutions in the villages.

The Government of India appointed many committees to evaluate progress of this movement and to suggest the possible means to build this movement on substantial footing. The research of such type is being done through the Agricultural Credit Department, Reserve Bank of India. In addition to this many other well known research workers also have tried to study such co-operative institutions.

But there was no research work been done concerning
these institutions in which the same would be treated as social systems under Indian conditions. And hence the literature concerning the same topic is scanty in this country. However, here an attempt is made to review the literature concerning these institutions and it is narrated in the following order:

(A) THE SOCIO-ECONOMIC CHARACTERISTICS OF THE VILLAGERS AND THEIR MEMBERSHIP IN VILLAGE CO-OPERATIVE SOCIETY.


(2) The Educational Levels of the Villagers and Their Membership in Village Co-operative Society.


(B) THE ELEMENTS OF THE INDIVIDUAL CO-OPERATIVE SOCIETY AS A SOCIAL SYSTEM.

(1) Knowledge of the Villagers about the Working of the Co-operative Society.

(2) Sentiments of the Villagers Towards the Functioning of the Co-operative Society.

(3) Goals of the Co-operative Society as Understood by its Members.

(4) Norms of the Co-operative Society as Understood by its Members.

(5) Status-Role of the Members of the Executive Committee of the Co-operative Society.
(6) Power as related to the Control of Service
Co-operative Society.

(7) Facility as a Means for smooth Functioning of the Co-operative Society.

(C) THE COMPREHENSIVE OR MASTER PROTOCOL OPERATING IN CO-OPERATIVE SOCIETY.

(1) The Communication as a process in Co-operative Society.

(2) The Boundary Maintenance as a process in Co-operative Society.


(A) THE SOCIO-ECONOMIC CHARACTERISTIC OF VILLAGERS AND THEIR MEMBERSHIP IN VILLAGE CO-OPERATIVE SOCIETY.

(1) The Socio-economic Status of the Villagers and Their Membership in Co-operative Society:

The All India Rural Credit Survey Committee with reference to dominance of certain communities on the managing committees of co-operative institution, observed "the Directors of (certain co-operatives) societies are Kammas, Reddis, Brahmins (Top communities in village) and they do not take even on their staff members of any other communities. If a Reddi is the president of

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25 The All India Rural Credit Survey Committee on Direction, "The All India Credit Survey Report", Vol. II (General Report), Reserve Bank of India, Bombay 1954, p. 55.
society, all the members of the staff are Reddies. If the president is a Brahmin, all the members of the staff are Brahmin.

In connection with the membership of weaker sections of the communities in the co-operative institutions, Thonner, a well-known cooperator observed that because of their weak economic position the labourers, artisans, crop-sharers, and village servants have generally been kept out of the societies and have failed to benefit from the co-operative movement.

Thonner also observed that co-operation in theory at least is supposed to be a combination of the weak section, so as to give them the power of union against the strong. In practice, however, the co-operatives are in the hands of the eminent village families, who turn the movement to their own advantage.

Mathur stated "It can safely be said that it is not the interest rate which is keeping the small men out of co-operative fold. It is, in fact, the dominance of societies by village money-lenders and other vested interest, which is acting as a damper.

27 Daniel Thonner, Ibid., p. 34.
With reference to denial of membership in the co-operative institutions, the All India Rural Credit Review Committee\(^{29}\) observed that in many cases the domination of co-operative institutions by a particular group results in the denial of membership or credit to the members of other groups, particularly at the primary level.

(2) Educational levels of the Villagers and Their Membership in Co-operative Society:

The All India Rural Credit Review Committee\(^{30}\) stated that the bulk of the co-operative membership in India being illiterate or ignorant, it is important to train them to participate in the affairs of the societies.

(3) The Size of the Land Holdings of the Villagers and Their Membership in Co-operative Society:

In relation to size of land holdings and membership in co-operative institutions, the Planning Commission\(^{31}\) in "Benchmark survey, Tullapur-Bombay," found that the proportion of families reporting membership in co-operative displayed a direct relationship with the size of cultivation up to the size group 5–10 acres.

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29 The All India Rural Credit Review Committee, "The report of the All India Rural Credit Review Committee", (Reserve Bank of India, Bombay, 1963), p. 188.

30 The All India Rural Credit Review Committee, "The All India Rural Credit Review Committee Report", Ibid, p. 364.

In this respect, Thorne observed that the control of the co-operatives tends to rest in the hand of a few landholding families (landlords), often they do some informal money lending and some times they carry on trading as well.

(B) ELEMENTS OF VILLAGE COOPERATIVE SOCIETY AT A SOCIAL LEVEL

(1) Knowledge of the Villagers about the Village Co-operative Society:

While explaining the importance of co-operative education, Tough stated that the problem of educating the members in co-operative principles will remain very urgent until it is established that for the registration of a co-operative society, it shall be required that at least two-thirds or three-fourths, if not all the members of the society shall have sufficient knowledge of co-operative principles.

In this respect, the All India Rural Credit Survey Committee advocated that, there remains that extremely important aspect of it, which is related to the need to organise training for the members, directors and office bearers of co-operative societies, co-operative banks and as well as the whole body of honorary co-operative workers and the public generally.

Daniel Thorne, op.cit., p. 17.


The All India Rural Credit Survey Committee on Direction, "The All India Rural Credit Survey Report", op.cit., p. 485.
In connection with co-operative knowledge and sentiment towards the co-operation, the experiment carried out by the Lucknow Action Research Institute\textsuperscript{35} has shown that if the members and office bearers of the co-operatives are properly educated as regards their roles, rights, duties and responsibilities, a more building interest is created and the working of the co-operatives improves.

In a study carried out by the Economic and Statistical Adviser to Government of Punjab\textsuperscript{36}, it was found that the majority of the members were not aware of the objectives other than credit of the service co-operative societies. Again it was noticed that many of the members interrogated were found not taking any active interest in the affairs of the societies. Members, however, joined the societies on their own account and mainly for meeting their credit requirements.

Phadke\textsuperscript{37}, in his study titled as "The co-operative movement in Navsari Taluka", found that the generality of

\textsuperscript{35} Anonymous, "The Summary Record of Sixth Development Conference on Community Projects" (held at Nussora, 28 to 30th April) Ministry of Community Development, Government of India, 1957, p. 174.


the directors were not very much acquainted with what goes on the society. Few had studied even the important points in the by-laws of their societies and still fewer knew that there is something like by-laws for society. Their knowledge was not in any way better than the other people of the village. He also found that some of them did not even know that they were on the Board of Directors.

In relation to socio-economic conditions and the knowledge about the co-operation, Viara, in his article titled as "Problems of co-operation in India", stated that the poor economic condition of the people and lack of education have been largely responsible for an incorrect appraisal and realization of the fullest value of co-operation and social purposes. Knowledge of co-operation is limited to a few people in the upper strata of society. Training facilities in co-operation are also limited and hence a correct understanding of the role of movement is lacking.

Viara and Baldev Ram, in their study titled as "The Role of Service Cooperatives in Agricultural Production" carried out in the Beni-Vi-Terai Block of District Azamgarh (Uttar Pradesh), found that the farmers had not

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( Division of Agricultural Extension, J.A.R.O. New Delhi)
been properly educated about the various functions entrusted to service co-operatives. The members were not even aware of all the functions except the credit the societies are expected to perform. They also suggested that the great efforts are needed to educate the villagers about the new functions of the societies for increasing their interest.

36. Sentiments of the Respondents towards the Functioning of Village Service Co-operative Society:

Agricultural Finance Sub-committee[40] with reference to timely loans, found that one of the chief effects of the co-operative system was the delay in obtaining loans from societies.

The committee also found that loans are not advanced and when they are required by each member but are disbursed to all on one day once or twice during the year. This makes co-operative financing highly inelastic and artificial.

Van Tengen[41] observed that the complicated financial management of the multipurpose co-operative society is, for administrative, technical reasons, often regarded as one of the drawbacks of this institution; taking into account they in which it must work in non-western territories.


The Full Finance Scheme Committee\textsuperscript{49} with regard to the adequacy of co-operative finance, found that (1) the credit needs of all the cultivators were not met by societies regularly and every year, (2) credit extended even for a given purpose was inadequate and (3) it was given after delay.

Naidu\textsuperscript{43} also observed that, the non-availability of credit in times of need often brings the farmer to utter ruin and destruction and knowing the predicament in which they would be thrown, the farmers have preforced to secure it on terms which may be very unfavourable to them. The amount advanced by the institutions is so small that it cannot touch the fringe of the problem and consequently the farmers have no other source left but the ushajan to fall back upon in times of necessity.

(3) Goals of the Service Co-operative Society:

With regard to various causes for failure of co-operative movement in India, the Committee on Co-operation in India\textsuperscript{44} observed that the causes put forward for the failure of societies are various and include a want of due supervi-

\textsuperscript{49} Anonymous, Reserve Bank of India Bulletin (Full Finance Scheme in Madras) (Reserve Bank of India, Bombay, 1943), p. 192.

\textsuperscript{43} V. Tirunati Naidu, Farm Credit and Co-operatives in India' (Vone and Co., Publishers Pvt. Ltd., 1933), pp. 50-51.

\textsuperscript{44} Committee on co-operation in India, Report of the Committee on Co-operation, 1915 (Reserve Bank of India, Bombay, 1915), p. 54.
-sion, indiscreet loans, continuance of borrowers, unpun-
actuality in repayments, the restriction of loans to a few
individuals, dishonesty or incompetence of society officials,
bad selection of the members, the extension of a society
over too large area, concealment of old debts, faulty con-
stitution, internal dissensions, insufficient funds or
membership, the preponderating influence of one member and
general lack of interest by members in the affairs of the
society.

With regard to services to be provided by the village
co-operatives, the Government of India outlines a primary
functions of the village co-operatives as the provision of
short-term and medium term credit, meeting agricultural and
other production requirements and marketing of agricultural
produce. In addition, the co-operatives should help formu-
late and implement a plan of agricultural production for
a village. It should also undertake such educative, advi-
sory and welfare as the members might be willing to take
up.

(4) The Noms of the Village Service Co-operative
Society:

The Committee on Co-operation in India observed
that, in some areas a tendency to exclude the deserving but

45 Anonymous, Development of Co-operatives, Ministry of
Community Development and Co-operation, Government of
India, 1959), p. 5.

46 The Committee on Co-operation in India, Report of the
Committee on Co-operation in India, 1915, OP.CIT.,
p. 19.
poor persons from societies on the ground of their caste or status. Societies at present are composed chiefly of small peasant owners and occupancy tenants and it is the exception to find village artisans and agricultural labourers included.

Further this Committee on Cooperation in India recommended that, the mortgage of land should only be regarded as a form of collateral security in addition to sureties.

The Agricultural Finance Sub-Committee also opined that, it is not a wise policy to judge the credit worthiness of the members and ultimately of a society, chiefly by the value of immovable assets possessed by the members as it is in practice in some province. In a co-operative society, the credit worthiness of a member should be assessed on the basis of his repaying capacity which in its turn will depend on his earning capacity and his surplus income.

With regard to certain conditions regarding the membership, the Chief Officer of the Agricultural Credit Department, Reserve Bank of India found that in almost

47 The Committee on Co-operation In India, "Report of the Committee on Co-operation in India", op. cit., p. 47.


all the institutions studied, the membership stood at low figure. There was a practice of imposing some kind of restriction on membership, such as property qualification, a limit on the total membership, some of which thought be unnecessary and barring insistence on the residence clause. He also recommended that there need be no other qualification for co-operative membership than the character, industry and honesty of the individual applying for the same.

The All India Rural Credit Survey Committee on Direction (1954)\(^5\) observed that while in theory, co-operative credit based upon the character and the repaying capacity of the cultivator, the survey data revealed that in actual practice, a high proportion of the advances in many States was against the security of immovable property.

The All India Rural Credit Review Committee \(^5\) also recommended that no cultivator should be denied full production credit on the basis of the agreed scales of finance if he can offer the personal surety.

\(^{(5)}\) The Status-Role (position) of the Members of Executive Committee of Co-operative Society:

While explaining the importance of co-operative personnel, \(^5\) stated that, if the co-operatives are to

\(^{50}\) The All India Rural Credit Survey Committee on Direction, "The All India Rural Credit Survey Report", 1954, Vol. VII, cit., p. 233.

\(^{51}\) The All India Rural Credit Review Committee, "The Report of the All India Rural Credit Review Committee", cit., p. 434.

show their relative efficiency, it is absolutely necessary to have well trained and efficient staff for running the societies. The staff must have not only technical knowledge of managing various types of societies, but also must be in a position to devote all their time and energy in the cause of movement.

The All India Rural Credit Survey Committee found that if a rich landlord is also a member of local board, then the opportunities for misuse of power, become manifold.

The Committee also stated, "perhaps the co-operation might have succeeded a little better if it had recruited a hand of devoted workers at and from village level capable of knowing and applying the co-operative techniques amongst their co-equals."

With regard to personal characteristics required for co-operative personnel, the Indian Co-operative Union in its report states, 'we have learnt, therefore, how important it is that co-operative organizers and workers should be men who have in them the indomitable

53 The All India Rural Credit Survey Committee on Direction, "The All India Rural Credit Survey Report", Vol. II, op. cit., p. 250.
54 Ibid., p. 238.
faith of missionaries in the broadest sense, and the hard
boiled realism of business men, a pragmatic understanding
of human nature and a mastery of difficult art of human
relations.

Sarkiyo, in his article titled as "Some Problems
of Co-operative Movement", suggested that, in the nomina-
tion on Boards or Committees of various co-operative insti-
tutions, or a member of Board or Committee as a result of
state partnership made by State Government or Central Govern-
ment, it is necessary to select the best co-operators
regardless of their political affiliations. Any attempt to
capture political power through co-operatives should be
resisted.

Then the managing committee of village co-operative
society is composed of middle-men and money lenders, the
misuse of powers become manifold. In this respect, Van
Wagen observed that the executive committees of the Co-
operative Societies on West-coast of South India were
mostly composed of middle men and money-lenders. The resu-
lts of this situation was that virtually nothing was done
by the co-operatives with the consequence that the middle-
men and money lenders were left free to pursue their own
affairs. He also observed that the middle-men and money-

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56 R.G. Sarkiyo, "Some Problems of Co-operative Movement"
Nadkarni (ed) 1957, Co-operative Bombay (News and
Views), P.(Nadkarni, at Purushottam Building, Opera
House, Bomba P.197.
-lenders had been able to win places for themselves in the council and executive committees of the co-operative societies.

While Acreman stated that in well-established societies the elected leaders should have not only a thorough knowledge of co-operative methods, but also a fund of experience and capacity to run and guide the business. The essential role of a leader in well-established societies is his undertaking of responsibility.

Prakas found out that, the inflow of younger generation into the movement to take up position of responsibility and thus to meet the increasing demand for non-official leadership has been smaller over a period 1951-52/1951-60.

He also observed that the bulk of the leadership working as directors comes from the group which has received primary education for more than four years. The proportion of the persons with less educational background has shown some increase during the period. The proportion of degree holders has remained very low throughout. The proportion of persons passing the matric or G.C.E. examination has increased.

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Then the devoted leaders are in the co-operative institution, then these institutions are more capable to help their members. In this respect, the Farmers' Association and Co-operative Study Mission observed that, in the majority of the successful co-operatives, there are behind them, dedicated and strong leaders, the leaders who know the problems and believe in co-operative efforts as a means to solve the problems, endowed with missionary spirit to serve people and stimulate created awareness in their problems and solution.

The F.A. and Co-operative Study Mission was also of the opinion that the leaders and also potential leaders must be trained on principles of co-operatives, some principles of business and economics, also information on new development policies, new techniques in agriculture etc.

While Taimini stated that, a leader in co-operative movement should be a staunch believer in the ideals and principles in mutual help, voluntary association and equitable distribution of benefits. Besides, he should

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be familiar with the administrative and business aspects of that branch of movement with which he is actively associated. He should have an actively understanding of the economic and social milieu in which he works and an appreciation of the influences which are continually changing that milieu and consequently demand changing strategy and tactics on the part of the movement.

4) The Power as related to the Control of Co-operative Society:

The All India Rural Credit Survey Committee on Direction observed that when a local co-operative gets into the charge of the village money-lender and specially the land-lord-cum-money lender, he becomes the society, the depositor and borrower of all them together or each in turn, with the each with which the one God head becomes Brahma, Vishnu and Siva -creator, preserver and destroyer, in the more picturesque expression of Hindu philosophy.

With regard to debt owned by the members of managing committee and other members, in a survey conducted by the Jamia Institute it was found that, the average debt owned by the indebted members of managing committee was higher than the general average of all the indebted members.

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63 The All India Rural Credit Survey Committee, "The All India Rural Credit Survey Report", Vol. VII, op.cit., p. 278.

of the society, which shows that the managing committee exercised its power in its own favour and was taking undue benefit of its position. It was also found that the managing committee of the society had neither been re-elected for a long period e.g. 5 years nor whenever re-election had taken place the old committee had been reinstalled and only very minor changes had occurred in the composition of the new committee.

7) Facility as the Means for Smooth Functioning of the Co-operative Society.

With regard to facilities owned by the co-operative societies and their effect on the working of these institutions, Pradke65 in his study found that small sized societies were in large number of taluks. It followed that they were economically not viable. Their resources were palpably poor. These societies could not and did not have any full time man to look after the day-to-day work. The work was got done from fully honorary workers or from those who were paid some token honorarium. Good many societies in the rural areas had no separate office. Records and papers along with the registers were generally kept at the residence of the persons incharge.

With reference to inadequate distribution of Agricul-

65 J.K. Pradke, op.cit., p. 34.
tural supplies through co-operative societies, Naidu also found that the smallness of the size of the primary societies or want of suitable accommodation of stock the materials or the absence of a paid manager or secretary have to some extent, accounted for societies not taking upon themselves the responsibility of distribution of improved seeds and implements to the farmers.

In a survey conducted by Reserve Bank of India, it was also found that the main shortcomings of the co-operatives which vary from state to state are the problems of overdues, indifferent managements, dominance of co-operatives by vested interests, shortage of resources, lack of effort to mobilise deposits, untrained staff and weak arrangement for linking credit with marketing.

(c) THE COMPREHENSIVE OR MASTER PROCESSES OPERATING IN CO-OPERATIVE SOCIETY

1) Communication as a Process in Co-operative Society:

Ram Rao observed that the drawback in the working of rural co-operatives is the lack of publicity to their affairs while stating the importance of publicity in the


co-operatives he stated that "the publicity is an important co-operative principle. It acts as a deterrent to mismanage-
ment of business and misuse of funds. It instils confidence in the investigator and enables the societies to
mobilise local resources. It arouses interest in the members in regard to the affairs of societies, and has an
educative influence far beyond the particular acts of services rendered to them".

He also observed that in many cases, general body meetings are held in secrecy without giving due notice to
all members. The affairs of the societies are not allowed to be discussed in meetings.

2) Boundary maintenance as a Process in Co-operative Society:

The committee on Co-operation in India 70 recommended
"it is a good general rule that there should be one society
to one village and one village to one society".

In similar fashion, the Committee on Plan Project 71 suggested "each village or a group of villages should have
multi-purpose co-operative society instead of a number of

70 The Committee on Co-operation in India, op.cit., p.18.
71 The Committee on Plan Project, "Report of the Team (Balwantrao Vehta Committee) for the study of Commu-
co-operative societies for different lines of activities".

As against this, Singh72 Cooperator from U.P. stated that one of the reasons why the co-operative movement has not made progress in this country unto 1947 was that the primary credit societies generally confine their activities to one village only.

The P.T.O. Planning Commission73 observed that the poor working of co-operative societies in this country has been among other reasons attributed to their small size, with limited jurisdiction, small membership and poor resources, the societies lead a precarious existence, they have small business and cannot afford to employ trained full-time manager or secretary to look after their business.

Singh74 stated that, however, in many countries one reason for weak primary credit societies is their small geographical and membership coverage and limited turnover of business.


3) **Systemic Linkage as a Process in Co-operative Society:**

Van Wagen has quoted that, by regular contact with their co-operative the members will be in the long run become better acquainted with its organisational problems and with its way of doing business. They become accustomed to follow certain line of procedure in business affairs and also in time they learn how to make simple calculations. This particularly applies to those members who are appointed to certain functions in the co-operative society. But even the outside the official activities there are possibilities for other members to get more thoroughly acquainted with the business side of their co-operative organisation. This will probably have a favourable effect upon the organisation itself.

4) **Socialization as Process in Co-operative Society:**

Hough pointed out that, education, medical relief, free reading rooms etc. have all been beneficiaries of co-operative societies in several areas, a common short-coming of the cooperative movement in India, as compared with certain other countries has been its relative self-centredness.

75 C.J. Van Wagen, (Quoted from Dr. Spencer Bath, "Towards freedom from want", Chapter X), *op. cit.*, p. 93.

CHAPTER IV

METHOD OF STUDY AND TERMS USED

It is intended to discuss in this chapter, in brief, where and how the study was conducted. The meaning of the important terms used in the manuscript is also described in this chapter.

A) METHOD OF STUDY:

Location of the Research Site

The study was conducted in the Development Block attached to the College of Agriculture, Poona, at Divalale village. This Block consists of 107 villages out of which 28 villages are from Bhor Taluka and remaining are from Velha Navel of Poona district. It is situated to the South of Poona City (between 18° and 18°-39' North latitudes and 73°-4' and 74°-8' East longitudes).

The Divalale Village is situated in the Eastern zone of this block in Bhor Taluka and it is surrounded by the Katkawale and Yamoshi of Purandhar taluka in the East, Kapoorval and Varishandri in the south, Deogaoon and Naygaon in the North and Kapoorval in the West of Bhor Taluka. This village is 37 kilometres and 17 kilometres away from Poona and Bhor respectively.

GENERAL BACKGROUND INFORMATION OF THIS VILLAGE

Topography: The soil of this village is poor, stony
LOCATION OF THE VILLAGE DIWALE IN THE COLLEGE DEVELOPMENT BLOCK POONA.

From Poona

MALWALI

KEMKAWALE

AMBANAWALE

KAPURTOHOL

DIWALE

TO SASWAD

HUDGE

TO SATALA

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and infertile in the vicinity of the hills i.e. in the North and East area of this village. But to the south side it is of medium black type. A Nala passes along the North side of the village from East to West. This is the only irrigation source of the village excepting the 4 wells. These wells and Nala irrigate about 90 acres of land and that too seasonally while the rest of the village land is dry.

**CLIMATE:** There are three main seasons viz., Summer, Rainy and Winter. All these seasons are mild.

**RAINFALL:** Regular rain starts in the end of June from South-West monsoon and ends in the second week of September. Rainfall is also received from the North-East monsoon in the month of October. The annual rainfall range from 50 to 60 inches.

**AREA OF THE VILLAGE:** The total area of the village is about 1204 acres. Out of which 835 acres is under cultivation and other is under forest and fallow.

**MAIN CROP:** Paddy is the main crop taken in Sharif while Rabi Jowar, Wheat and Pae are important crops taken in Rabi season. Other crops include Jowar-millet and other cereals and pulses.

**LIVESTOCK OF THE VILLAGE:** Livestock of the village predominantly includes bullocks, she-buffaloes and goats. Every family is maintaining at least one milch buffalo. A consi-
A considerable number of poultry birds are also seen in the village.

**POPULATION AND HOUSEHOLD OF THE VILLAGE:**

According to Census 1961 the total population of the village was 659 among which 339 were males and 320 were female. The total number of houses is 75 in which 131 families are residing. Out of these 131 families, there are 97 members of the service co-operative society and 34 non-members. Majority of the families are nucleated families and approximately there are 5 members in each family. The majority of the houses are built on old style.

**LITERACY OF THE VILLAGE:**

This village was given prize for spread of the literacy by Poona Zilla Parishad in May 1966. But on probing, it was found that majority of the villagers could not read and write.

**SOCIAL ORGANIZATION IN THE VILLAGE:**

**VILLAGE PRIMARY SCHOOL:**

This Primary School is upto 7th standard and its strength was 151. It is conducted by Poona Zilla Parishad. It has its own school building having only one room and it is inadequately equipped with regards to teaching facilities.

This school has three teachers out of them two teachers are male and one is female.
SERVICE CO-OPERATIVE SOCIETY:

This Institution was established in 1960. This was in liquidation from 1963 to 1968. After 1968, it is placed in C audit class by the auditors. At present, it has 97 members and 935 Rupees as share capital.

VILLAGE GRAM PANCHAYAT:

It was established in 1969. The Executive Committee of it consists of 7 members. This institution looks after the village welfare. Shajani Mandal and Yuwak Mandal. These two are only in existence and are not functioning unto mark.

HEALTH FACILITIES IN THE VILLAGE:

There are no health facilities in the village and villagers have to go to Vapoornal or to Poona if they want to have medical aids.

OCCUPATION AND ECONOMY OF THE VILLAGE:

The economy of these village is based mainly on agriculture. Only two families have no land and others holding range from 1 acre to 20 acres. But majority of the families have uneconomic holding, due to which many of the young male family heads have migrated to the cities like Bombay and Poona.

Allied agricultural enterprises like dairying, poultry etc., are also taken.
RELIGION IN THE VILLAGE:

Predominant religions are Hindu and Boudha. There are 4 Muslim families. The Hindus worship - Hanuman, Vithal-Bakhumai, Devoljal and Bairoba. Majority of villagers belonged to cult of Vithoba.

BALUTDARS IN THE VILLAGE:

All balut-dars except Nav Budhas, performing their duties as per old traditions.

OTHER FACILITIES IN THE VILLAGE:

This village has got electricity for majority of the houses. The water from common well is utilised for drinking purpose by all villagers except Harijan and Nav Budhas. Gram Panchayat is having a radio set for common use. Other entertainment activities include Bhajan, Local song and Jalsa at the time of village fair.

SELECTION OF THE RESPONDENTS:

33 heads of the families from this village were selected purposely as respondents in this study. Out of these 33 respondents, 64 were the members of the service co-operative society while 29 were the non-members.

PREPARATION OF INTERVIEW SCHEDULE:

The interview schedule was constructed after developing the frame work of the study. This schedule was divided
into two parts, viz., A and B. Part A was designed to obtain the information concerning the face data i.e., age, socio-economic status, membership of the respondents, and elements of social system. The elements of social system included are - Knowledge, Sentiments, Goal, Norm, Status-role, Rank, Power, sanction and facility. Part-B dealt with master processes of the social system. The master processes included are - Communication, Boundary-maintenance, Systemic linkage, Institutionalization, Socialization and Social Control.

PRETESTING OF THE INTERVIEW SCHEDULE:

Before finalising the interview schedule, it was pretested by interviewing 40 villagers from the same village in order to know whether (i) the responses furnish the required information; (ii) the questions are clear so that those can be understood by the interviewees and there should be no ambiguity and (iii) there are any practical difficulties involved in filling in the schedule. In the light of the practical experience of the pretesting, certain changes were made in the schedule by adding some essential points and deleting those with were found to be unnecessary and thus it was finalised. It is attached as Appendix A.

COLLECTION OF DATA:

93 respondents were interviewed for the collection of data with the help of interview schedule prepared as
mentioned above. On an average each interview lasted for 2 to 3 hours. For a smooth interview, a good rapport was established with the villagers by the help of village Patil and College Extension Block Staff. The background information about the village and the service Co-operative Society was collected from the office of the Block Development Officer and Taluka Vamlatdar, Bor Block and the Secretary of the Service Co-operative Society respectively. This way, data were obtained for 93 respondents. This gave a coverage of 71 per cent of the total number of families in the village i.e. 69 and 31 per cent to the members and non-members respectively from the sample.

DURATION OF THE FIELD STUDY:

Pretesting of the interview schedule was done in the month of November 1969. The work of interviewing the respondents for data collection lasted for nearly one month.

STATISTICAL ANALYSIS OF THE DATA:

All the 93 interview schedules were numbered serially and the material from these schedules was transferred to primary tables. The secondary tables were prepared by using the frequencies obtained for each category in the Primary Tables.


**USE OF THE SOCIO-ECONOMIC STATUS SCALE:**

A socio-economic status score of the respondents was computed by the utilisation of the socio-economic status scale prepared by Trivedi - Pareek (Rural) 1963. (Please see Appendix A, pages iii). This was used in order to understand the socio-economic background of the respondents. The respondents whose socio-economic status score was below 22, were categorised as the respondents belonging to the lower socio-economic status class. The respondents whose score fell between 23 to 39 were called as the respondents belonging to the middle socio-economic status class, while the respondents having socio-economic status score above 32 were claimed to be the respondents belonging to the higher socio-economic status class. The socio-economic status score was utilised to determine its association with other dependent variables viz., membership, knowledge and sentiments used in this study.

**PREPARATION OF THE KNOWLEDGE SCORE:**

For this purpose, thirteen questions concerning the working of the service Co-operative Society were asked of the respondents (Please see Appendix A pages iii). A correct response was scored 'ON' while incorrect response was scored 'ERROR'. And thus total knowledge score for each respondents was worked out. The total knowledge score of all respondents

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was divided into two categories by using the cutting points viz., median. The knowledge score above the median i.e. above score 5, was taken as "good" working knowledge score and below the median i.e. upto score 5 as "poor" knowledge score. The knowledge score was worked out to understand the knowledge of the respondents about the working of service co-operative society.

Preparation of the Sentiment Score of the Respondent:

The sentiment score was worked out to understand the sentiments of the respondents towards the functioning of service co-operative society. For this purpose, eleven questions regarding the functioning of the service co-operative society were asked of the respondents and a favourable response was scored 'One' and unfavourable response was scored "Zero" (Please see Appendix A, page iii). Thus the total "sentiment" score for each respondent was obtained. The total sentiment score of all respondents was divided into two categories on the basis of cutting point (Median). The score above the median i.e. score above 7 was taken as "favourable" sentiment score while below the median i.e. score upto 7 was taken as "unfavourable" sentiment score.

Ranking the Respondents:

For this purpose, ranks 1st, 2nd and 3rd were given points respectively 3, 2 and 1 and this total weight-
-ages for each personnel viz., chairman, other members of executive Committee, ordinary members and secretary were worked out and ranks were given accordingly (please see Appendix A, page v).

**Statistical Test Used:**

**USE OF PRODUCT-MOMENT CORRELATION COEFFICIENT.**

A correlation coefficient formula, worked out by Pearson was used to work out the relationship between the members' knowledge about the working of service co-operative society and their socio-economic status.

The formula for \( r \) used was:

\[
rx = \frac{\sum xy}{N(x,y)}
\]

where

- \( rxy \) = the correlation coefficient of \( X \) and \( Y \).
- \( \sum xy \) = the sum of the cross-products of \( X \) \( Y \).
- \( 6x \) = the standard deviation of the \( X \) variable.
- \( 6y \) = the standard deviation of the \( Y \) variable.
- \( N \) = the number of pairs of measurements.

**THE USE OF CHI-SQUARE TEST:**

The chi-square test was employed to find out if any association existed between the various independent and dependent variables in the study. It was also utilised to test the following hypotheses -

---

a) The villagers belonging to the higher socio-economic status tend to be the members of Village Co-operative Society.

b) The educated villagers tend to be the members of Village Co-operative Society.

c) The socio-economic status of the villagers helps them to have knowledge about co-operation.

d) The socio-economic status influences the villagers' sentiments toward village Co-operative Society.

The formula for the Chi-square test used was:

\[ \chi^2 = \frac{\sum (O - E)^2}{E} \]

where

\[ \chi^2 = \text{Chi-square} \]

\[ O = \text{Observed frequencies} \]

\[ E = \text{Expected frequencies} \]

\[ \sum = \text{The summation of the} \]

B) MEANING OF THE TERMS USED:

1) Service Co-operative Society - It is an association of the villagers who join on their own accord for mutual help and co-operation in satisfying their common economic needs and in increasing their farm output.

79 Allen L. Edwards, op. cit., p. 240
2) Member

A person in the jurisdiction of the service Co-operative Society, and who possesses a share of the same institution.

3) Managing Committee

A group of members elected by all members and whose responsibility is to look after the affairs of the service co-operative society.

4) Chairman

A person elected by the members of managing committee for presiding over the meetings of Service Co-operative Society.

5) General body meeting

A meeting of the all members normally held once in a year.

6) Repaying capacity

An ability of a member to repay the loan by any accepted means.

7) Security

A liability taken for advancing a loan.

8) Conservative

A person who is against the modernization.

9) Crop loan

Loans sanctioned on the security of crop.
10) "Dawandi"  
A means of communication in the village for communicating the activities of different village institutions to the villagers and it is generally given by a Village Panchat Peon.

19) "socio-economic status scale"  
It is a standardised scale which helps to categorise different respondents into certain socio-economic status classes.
CHAPTER V

PRESENTATION OF DATA

The results of the research study are presented in this chapter in the following order:

A) SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS:
   It included:
   1) Socio-economic status of the respondents.
   2) Age of the respondents.
   3) Education of the respondents.
   4) Size of land holding of the respondents.

B) DATA REGARDING THE ELEMENTS OF THE SOCIAL SYSTEM:
   It included:
   1) Knowledge of the respondents about the working of the service co-operative society.
   2) Sentiments of the respondents towards the functioning of Service Cooperative Society.
   3) Goals of the Service Cooperative Society as understood by its members.
   4) Norm of the Service Cooperative Society as understood by the respondents.
   5) Status/Role of the Members of Executive Committee of the Service Cooperative Society.
   6) Rank of the Personnel engaged by Service Cooperative Service Cooperative Society.
   7) Power as related to the Control of the Service Cooperative Society.
8) Function as measures used against the defaulters in the Service Co-operative Society.

9) Facility as the means of smooth functioning of the Service Co-operative Society.

C) DATA REGARDING THE COMPREHENSIVE OR MASTER PROCESSES WHICH ARE OPERATING IN THE SERVICE CO-OPERATIVE

SOCIETY:

It included-

1) Communication as the Process in the Service Co-operative Society.

2) Boundary Maintenance as the Process in the Service Co-operative Society.

3) Systemic Linkage as the Process in the Service Co-operative Society.

4) Institutionalization as the Process in the Service Co-operative Society.

5) Socialization as the Process in the Service Co-operative Society.

6) Social control as the Process in the Service Co-operative Society.

A) SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS.

1) Classification of the Members and Non-members of the Service Co-operative Society of Diwale Village according to their socio-economic status.

In order to understand the socio-economic background of the respondents, the socio-economic status scale (rural)
Trivedi-Pareek (1963) was used in this study. Three socio-economic status classes of the respondents were made and utilised in this study. The study sample included the members and non-members of the Service Co-operative Society. The respondents' membership and their socio-economic status classes are shown in the following Table No. V.1.

**Table V.1**: Distribution of Respondents according to Their Socio-economic Status and the Membership in the Service Co-operative Society.

<table>
<thead>
<tr>
<th>Socio-economic status classes</th>
<th>Members</th>
<th>Non-members</th>
<th>Percentage to total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N = 64*</td>
<td>N = 29*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Per cent</td>
<td>Number</td>
</tr>
<tr>
<td>Lower S.E.C. class</td>
<td>9</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Middle S.E.C. class</td>
<td>35</td>
<td>56</td>
<td>15</td>
</tr>
<tr>
<td>Higher S.E.C. class</td>
<td>19</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100</td>
<td>29</td>
</tr>
</tbody>
</table>

( * Rounded to the nearest large figure)

Chi-square = 6.5, D.F. = 2,
Significant at 0.05 level.

Table V.1 indicates that in the members' group there were 14 per cent of the members who belonged to the lower socio-economic status class and 56 per cent and 30 per cent belonged respectively to middle socio-economic status class and higher socio-economic status class (see figure I).
FIG. 1: **Pie chart showing the classification of respondents according to their socio-economic status and membership in service co-operative society.**

- **Members.**
- **Non-Members.**
In the case of non-members' group, it was seen that 34 per cent of the non-members belonged to lower socio-economic status class while 52 per cent and 14 per cent belonged respectively to middle socio-economic status class and higher socio-economic status class.

While considering the total sample of the respondents, it was seen that in case of members' group, 10 per cent of the members belonged to lower socio-economic status class while 39 per cent and 20 per cent of the respondents belonged respectively to middle socio-economic status class and higher socio-economic status class. And in case of non-members' group, it was seen that 11 per cent belonged to lower socio-economic status class and 16 per cent and 4 per cent of the non-members belonged respectively to middle socio-economic status class and higher socio-economic status class.

Further in order to understand the nature of relationship between the respondents' socio-economic status and their membership in the service co-operative society, a chi-square test was applied to above data in Table No. V.1. It proved that, there was significant relationship between respondents' socio-economic status and their membership in the service co-operative society. The evidence proves the hypothesis - the respondents belonging to the higher socio-economic status class tend to be the members of the Service Co-operative Society.

The age of the respondents and their membership in service co-operative society is presented in foregoing paragraphs.
Comparison between the Age of the Respondents and Their Membership in the Service Co-operative Society.

Age is an important personal characteristic which determines on large extent the acceptance or non-acceptance of any innovation. With this view, the age of the respondents and their membership in the service co-operative society were studied. The table No. V.2 gives the respondents' age and their membership in the service co-operative society.

Table V.2: Distribution of Respondents according to Their Age and Membership in Service Co-operative Society.

<table>
<thead>
<tr>
<th>Age Groups (Age in years)</th>
<th>Members</th>
<th>Non-members</th>
<th>Percentage to total</th>
<th>Members</th>
<th>Non-members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N = 64*</td>
<td>N = 29*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Num.</td>
<td>Per cent</td>
<td>Num.</td>
<td>Per cent</td>
<td></td>
</tr>
<tr>
<td>Uptil 30</td>
<td>9</td>
<td>14.00</td>
<td>13</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>31 to 40</td>
<td>19</td>
<td>30.00</td>
<td>8</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>41 to 50</td>
<td>16</td>
<td>25.00</td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>51 and above</td>
<td>20</td>
<td>31.00</td>
<td>5</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>64</td>
<td>100.00</td>
<td>29</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

( * Rounded to the nearest large figure )

Chi-square = 10.3, D.F. = 3, significant at 0.02 level.

The Table V.2 shows that in the members' group 14 per cent and 30 per cent of the respondents belonged to the age groups up to 30 years and 31 to 40 years respectively. Similarly, 25 per cent and 31 per cent of the respondents...
belonged respectively to the age groups 41 to 50 years and 51 and above years.

In case of non-members' group, 45 per cent and 28 per cent of the respondents belonged to the age groups upto 30 years and 31 to 40 years respectively, while in the same group 10 per cent and 17 per cent of the respondents belonged respectively to the age groups 41 to 50 years and 51 and above years.

In considering the total sample constituting the members' and non-members, it was found that with regard to members' group that 10 per cent and 20 per cent of the respondents belonged to the age groups to upto 30 years and 31 to 40 years respectively. Further, in the same group it was observed that 17 per cent and 22 per cent of the respondents belonged to the age groups 41 to 50 years and 51 and above respectively, while in the case of non-members group, it was seen that 14 per cent and 9 per cent of the respondents belonged to the age groups upto 30 years and 31 to 40 years respectively. Similarly in the same group, it was further seen that 3 per cent and 5 per cent of the respondents belonged to the age groups 41 to 50 years and 51 and above years respectively (See figure 2).

Further, in order to understand the nature of relationship between the respondents' age and their membership in the service co-operative society, a Chi-square test was applied to the above data in table No. V.2. It proved that there was
FIGURE II

DISTRIBUTION OF RESPONDENTS ACCORDING TO THEIR AGE AND MEMBERSHIP IN THE SERVICE COOPERATIVE SOCIETY.
significant relationship between the respondents' age and their membership in the service co-operative society.

This particular state of affairs arises due to the migration of young villagers to the cities in search of livelihood. In relation to this, it was seen that 55 persons (males having age above 20 years) had migrated from 48 families out of the total families of 93 in the study. The Table No. V.3 shows the age and migration of the migrant from the respondents' families.

**Table V.3: Distribution of Migrants according to their age.**

<table>
<thead>
<tr>
<th>Age Group (Age in years)</th>
<th>Number</th>
<th>Percentage to total Migrants (N = 55)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 40</td>
<td>48</td>
<td>87.00</td>
</tr>
<tr>
<td>Above 40</td>
<td>7</td>
<td>13.00</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.00</td>
</tr>
</tbody>
</table>

( * Rounded to the nearest large figure. )

Above Table V.3 shows that 87 per cent of the migrants having age upto 40 years, migrated to cities for livelihood. Similarly, it was also seen that 13 per cent of the migrants having age above 40 years migrated to cities for their livelihood. This indicates that the majority of the migrants are relatively young in their age while the stationary members are relatively aged and they form the source of the membership of the village Service Co-operative Society.
(3) Respondents' Education and Their Membership in the Service Co-operative Society.

Education is supposed to be an important variable which makes the individual in a society more functioning and dynamic. From this point of view, it was decided to study the relationship between the respondents' education and their membership in service co-operative society. The Table V.4 shows above mentioned relationship.

Table V.4: Distribution of Respondents According to Their Education and Membership in the Service Co-operative Society.

<table>
<thead>
<tr>
<th>Educational Levels</th>
<th>Members (N = 64)</th>
<th>Non-members (N = 29)</th>
<th>Percentage to total (N = 93)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Num Per cent</td>
<td>Num Per cent</td>
<td>Memb. Non-memb.</td>
</tr>
<tr>
<td>Illiterate</td>
<td>32 50.00</td>
<td>16 55.00</td>
<td>34.50 17.00</td>
</tr>
<tr>
<td>Literate</td>
<td>32 50.00</td>
<td>13 45.00</td>
<td>34.50 17.00</td>
</tr>
<tr>
<td>Total</td>
<td>64 100.00</td>
<td>29 100.00</td>
<td>69.00 31.00</td>
</tr>
</tbody>
</table>

(* Rounded to the nearest large figure)

Chi-square = 0.20, D.F. = 1,
Non-significant at 0.05 level.

Table V.4 indicates that in the members' groups, 50 per cent and 50 per cent of the respondents belonged respectively to illiterate and literate categories while in non-members' group the observation seen was 55 per cent and 45 per cent respectively.
In considering the total sample, in case of members' group it was seen that nearly 34.5 per cent and 34.5 per cent of the respondents belonged respectively to illiterate and literate categories. While in case of non-members' group it was observed that 17 per cent and 14 per cent of the respondents fell under illiterate and literate categories respectively.

On application of Chi-square test to the above data at 5 per cent level, it was observed that, there was no relationship between the respondents' education and their membership in the service co-operative society. So this evidence went against the hypothesis - The educated villagers tend to be the members of service co-operative society. Hence this hypothesis was rejected. This means that the education was not the determining factor about the becoming a member of service co-operative society in the village Diwale.

This situation might be due to the migration of educated villagers to urban areas for earning their livelihood. The following table No.V.5 shows the migrants' education and their number.
Table V.5: Distribution of Migrants According to Their Education.

<table>
<thead>
<tr>
<th>Educational levels</th>
<th>Number</th>
<th>Percentage to total Migrants (N = 55)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>8</td>
<td>15.00</td>
</tr>
<tr>
<td>Literate</td>
<td>47</td>
<td>85.00</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.00</td>
</tr>
</tbody>
</table>

(* Rounded to the nearest large figure)

Above Table No. V.5 shows that 85 per cent literate migrants had migrated to urban areas for earning livelihood while only 15 per cent migrants had no education. This indicated that the illiterate respondents were more in number in the village Diwale and that is why the more number of members of the service co-operative society were illiterate.

The land holdings and membership of the respondents is presented in the foregoing paragraphs.


The distribution of size of land-holding and membership of the respondents is shown in Table V.6.
Table V. 6: Distribution of Respondents according to Their Size of Land-holding and Membership in Service Co-operative Society.

| Size of Land holding (in acres) | Members | Non-members | Percentage to total N = 93*
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N = 64*</td>
<td>N = 29*</td>
<td>Memb- Non-*</td>
</tr>
<tr>
<td></td>
<td>Num</td>
<td>Per</td>
<td>Num</td>
</tr>
<tr>
<td>Upto 1</td>
<td>4</td>
<td>6.00</td>
<td>4</td>
</tr>
<tr>
<td>2 to 5</td>
<td>32</td>
<td>50.00</td>
<td>19</td>
</tr>
<tr>
<td>6 to 10</td>
<td>14</td>
<td>22.00</td>
<td>4</td>
</tr>
<tr>
<td>11 and above</td>
<td>14</td>
<td>22.00</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.00</td>
<td>29</td>
</tr>
</tbody>
</table>

(* Rounded to the nearest large figure)

Chi-square = 4.8, D.F. = 3,
Insignificant at 0.05 level.

The Table V.6 shows that amongst members' group, there were 50 per cent of the respondents whose land holdings were between 2 to 5 acres while in case of non-members group, 65 per cent of the respondents were in this category. In case of members' group, 22 per cent of the respondents had land between 6 and 10 acres and in case of non-members' group there were 14 per cent of the respondents in this category. 22 per cent of the respondents belonging to members' group and 7 per cent of the respondents belonging to non-members' group had land holdings above 11 acres (See figure 23).

Further it was seen that 59 per cent of the respondents from members group and 79 per cent of the respondents from
FIG. 3: DISTRIBUTION OF RESPONDENTS ACCORDING TO THEIR LAND-HOLDINGS.

- **Size of Land Holdings (in acres)**

  - Up to 1: 4 members, 8 nonmembers
  - 2-5: 15 members, 19 nonmembers
  - 6-10: 15 members, 18 nonmembers
  - 11 and above: 15 members, 18 nonmembers
non-members' group had land-holdings below 5 acres. These land-holdings are relatively small and uneconomic.

On application of Chi-square test, the above data in Table No. V.6 further more it was found that there was no significant difference between the respondents' membership in service co-operative society and their size of land holdings.

The data regarding the elements of service co-operative society as a social system are presented in foregoing paragraphs.

B) DATA REGARDING THE ELEMENTS OF SERVICE CO-OPERATIVE SOCIETY AS A SOCIAL SYSTEM

(1) Knowledge of the Respondents about the working of the Service Co-operative Society:

Knowledge about the working of social system is very essential for the members of the given social system. The efficiency of the members' institutional behaviour depends upon their understanding about the working of social system. Respondents' knowledge about the working of social system is also dependent upon their socio-economic background. So in order to understand their knowledge about the working of service co-operative society, the questions were asked. These questions were used in constructing the knowledge score of the respondents (Please see Appendix A, pages ii, iii).
The knowledge score was divided into two halves by using median (5) as a cutting point. The respondents whose knowledge score fell below the median (i.e., 5) were called as the respondents having poor knowledge while the respondents' knowledge score above median were called as the respondents having good knowledge about the working of service co-operative society. The respondents' knowledge score and their socio-economic status classes are presented in the following Table V.7.

Table V.7: Distribution of the Respondents according to their Knowledge Scores and Socio-economic Status Classes.

<table>
<thead>
<tr>
<th>Knowledge Score</th>
<th>Socio-economic Status Classes</th>
<th>Percentage to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Class</td>
<td>Middle Class</td>
</tr>
<tr>
<td>Poor</td>
<td>90.00</td>
<td>65.00</td>
</tr>
<tr>
<td>Good</td>
<td>10.00</td>
<td>35.00</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

( * Rounded to the nearest large figure )

Chi-square = 12.12, D.F. = 2,

Significant at 0.05 level.

The Table V.7 indicates that 90 per cent of the respondents from lower socio-economic status class, 65 per cent of the respondents from middle socio-economic status class and 43 per cent of the respondents from higher socio-economic status class had poor knowledge about the working
of the service co-operative society while, 10 per cent of the lower socio-economic status class, 35 per cent of the middle socio-economic status class and 57 per cent of the respondents having higher socio-economic status class had good knowledge about the working of the service co-operative society. In general, it may be concluded that 65 per cent of the respondents had poor knowledge and 35 per cent of the respondents had good knowledge about the working of the village service co-operative society (See Figure H).

This indicates that the villagers need badly the education about the working of village service co-operative society. The basis of our democracy rests upon proper functioning of co-operative sector. Hence, it is essential to educate the rural people about the proper working of their village co-operative societies.

On application of Chi-square test, the above data in Table V.7, it was further found that, there was significant relationship between the respondents' knowledge and their socio-economic background. This means that the respondents having higher socio-economic background tended to have good working knowledge about the running of their service co-operative society. The evidence obtained from this data proved the hypothesis - The socio-economic status of the villagers helps them to have knowledge about co-operation.

The relationship between the members' knowledge about
FIG. 4: DISTRIBUTION OF RESPONDENTS ACCORDING TO THEIR SOCIO-ECONOMIC STATUS, MEMBERSHIP IN SERVICE CO-OPERATIVE SOCIETY AND THEIR KNOWLEDGE SCORE.

--- NUMBER OF RESPONDENTS (PER CENT)

- GOOD WORKING KNOWLEDGE SCORE
- POOR WORKING KNOWLEDGE SCORE
the working of the service co-operative society and their socio-economic status is presented in foregoing paragraphs.

**Members' knowledge about the Working of Service Co-operative Society and Their Socio-economic status Score**

In case of members' group, further it was decided to see whether there was any relationship between the members' knowledge and their socio-economic status score. For this purpose the same above mentioned knowledge score was utilised.

**Table V.8** : The Members' knowledge about the Working of Service Co-operative Society and Their Socio-economic Status Classes.

<table>
<thead>
<tr>
<th>Knowledge scores</th>
<th>Socio-economic Status Classes</th>
<th>Percentage to Total Members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Class (N = 94)</td>
<td>Middle Class (N = 94)</td>
</tr>
<tr>
<td>Poor</td>
<td>67.00</td>
<td>56.00</td>
</tr>
<tr>
<td>Good</td>
<td>33.00</td>
<td>44.00</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

( * Rounded to the nearest large figure )

\[ r = 0.26, \quad \text{D.F.} = 62, \]

Significant at 0.05 level.

Table V.8 indicates that 67 per cent of the members belonging to lower socio-economic status class, 56 per cent of the members belonging to middle socio-economic status class and 37 per cent of the members belonging to
higher socio-economic status class had poor knowledge about the working of the service co-operative society. While 33 per cent of the members from lower socio-economic status class, 44 per cent of members from middle socio-economic status class and 63 per cent of the members belonging to higher socio-economic status class had good knowledge about the working of service co-operative society.

In general, it may be said that 50 per cent of the members had poor knowledge and 48 per cent of the members had good knowledge about the working of their service co-operative society.

Furthermore, the knowledge scores and socio-economic status scores for each member were utilised in computing the coefficient of correlation and thus 'r' value was calculated ('r' value = 0.26). It was significant at 5 per cent level. This showed that there was positive significant relationship between members' knowledge and their socio-economic status. (For detailed calculations of 'r' value, please see Appendix 'B', page i).

(c) The element sentiment is presented in the foregoing paragraphs.

(d) Sentiments of the Respondents towards the functioning of the Service Co-operative Society:

Sentiment is also one of the important elements of the social system. It refers to thinking and feeling of the
individual about the existing condition. These sentiments determine the acceptance or non-acceptance of new innovation. Sentiments of the villagers about the service co-operative society as social system included the feeling about the general functioning of service co-operative with regard to the procedure of sanctioning a loan, adequacy of loan, terms for repayment of a loan, security demanded against which the loan is to be sanctioned, rate of interest charged, active interest of members in its affairs and the ways, the different personnel handle the affairs of service co-operative society and so on.

In order to study the sentiments of the respondents toward the functioning of service co-operative society, they were asked of the questions regarding the above aspects of the same institution (Please see Appendix A, page ). A favourable response was scored one while the unfavourable response was scored zero and thus total sentiment scores for each respondent and also for total sample were obtained. By using the median (7) as a cutting point, the total sentiment score of the sample was divided into two categories. The respondents scoring below the median score (7) were called as the respondents having unfavourable sentiment score towards the service co-operative society while the respondents having the sentiment score above the median score (7) were called as the respondents having favourable sentiments towards service co-operative society. This was used
in following table and the relationship between the senti-
ments of the respondents towards the functioning of service
co-operative society and their socio-economic status was
studied.

Table V.2: The respondents' sentiments towards the
Service Co-operative Society and their
Socio-economic status.

<table>
<thead>
<tr>
<th>Sentiment Score</th>
<th>Socio-economic status classes</th>
<th>Percentage of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Class (N = 19)</td>
<td>Middle Class (N = 51)</td>
</tr>
<tr>
<td>Unfavourable</td>
<td>74.00</td>
<td>50.00</td>
</tr>
<tr>
<td>Favourable</td>
<td>26.00</td>
<td>50.00</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

(* Rounded to the nearest large figure)

Chi-square = 7.30, D.F. = 2,
Significant at 0.05 level.

The table V.2 reveals that, 74 per cent of
the respondents belonging to lower socio-economic status
class, 50 per cent of the respondents belonging to middle
socio-economic status class and 30 per cent of the respond-
ents having higher socio-economic status class had unfav-
ourable sentiments towards the functioning of service co-
- operative society, while 26 per cent of the respondents
having lower socio-economic status class, 50 per cent of the
respondents belonging to middle socio-economic status class and 70 per cent of the respondents having higher socio-economic status class had favourable sentiments towards the functioning of service co-operative society. In general, it was found that, 52 per cent of the respondents had unfavourable sentiments, while 48 per cent had favourable sentiments towards the functioning of service co-operative society (See figure 5).

On application of Chi-square test to the data at 0.05 level, it was found that there was significant relationship between respondents' socio-economic status and their sentiments related to service co-operative society. The evidence proved the hypothesis - The socio-economic status influences the villagers' sentiments towards the village service co-operative society. It means that the respondents having higher socio-economic status tended to have favourable sentiments towards village service co-operative society. The element goal is presented in foregoing paragraphs.

3) Goals of the service co-operative society as understood by its members:

The objective of service co-operative society in general is to provide agricultural finance, supplies and technical services to the cultivators so as to increase the efficiency in farm production. This role of the village
FIG. 5. DISTRIBUTION OF RESPONDENTS ACCORDING TO THEIR SOCIO-ECONOMIC STATUS, MEMBERSHIP IN SERVICE CO-OPERATIVE SOCIETY AND THEIR SENTIMENT SCORE.

--- NUMBER OF RESPONDENTS (PERCENT) ---
service co-operative society is now universally accepted. In
this regard, the National Co-operative Union of India stated,
"the service co-operative societies are supposed to provide
cash credit, supplies and services." 80

In order to see whether this particular objective of
village service co-operative society was understood by the
members of service co-operative society in Dimal village,
question was asked about it. The question was "tell the
services that are being provided by your service co-operative
society".

To this question, majority of the members replied that
their service co-operative society provided them the agricul-
tural credit and supplies only. Further, they said that
their society did not provide technical guidance to them.

On observation, it was found that this village service
cooporative society did not have proper leadership to expand
its activities on large scale. It was also found that the
secretary of this society was also over burdened as he had to
look after the management of eight village service co-opera-
tive societies nearby. The society had not sufficient share
capital and also had no separate office and godown. Due to
that the other villagers nearly one fourth of the total farmers
were out of the fold of co-operation.

The element norm is presented in the following para-

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80 Anonymous, A Manual for Service Co-operatives, (National
Co-operative Union of India, 72 Jor Bagh, New Delhi, 1965), p. 10.
Norms of the Service Co-operative Society as understood by its members:

"The rules which prescribe which is acceptable or unacceptable are the norms of social system".21

The norms are most essential for institutional behaviour. The understanding of norms by the members of social system is essential so as to realize the institutional goals which are checked out by its members. Co-operative society is an important social system and in order to see the co-operative behaviour of the members, questions regarding the essential norms were asked. The first question was "what are the conditions for being a functional member of your service co-operative society?" To this question, majority of the members opined that for being a member of village service co-operative society, one should be the resident of that village and also owned some landed property in that village. Another question about the norm was "please tell what should be the security against which your service co-operative society should sanction to its members". The purpose in asking this question was to see that present practice of sanctioning loans against the different types of securities. To this question, majority of the respondents told that in Divale village, the service co-operative society sanctioned loans to its members against their land or standing crops. This practice showed that the personal security was not taken into account as a criterion.

21 Charles P. Loomis, op.cit., p. 12.
of credit worthiness. Only the traditional securities in terms of land or crops were demanded.

The element status-role (position) is presented in the foregoing paragraphs.

(5) "Status-Role of the Members of Executive Committee of the Service Co-operative Society:

"Both are important determinants of what is to be expected from an incumbent and it is performed by him as he occupies any social position".

Status-Role are a bundle of rights and responsibilities. They are the prescriptions for institutional behaviour. There are number of posts in a social system. The incumbents of these posts have varied roles to play in order to accomplish the institutional goals. For this purpose, the different incumbents holding the posts in the social system must perceive their own roles and the roles of the other incumbents who interact with him in alike manner, that is to say in other words, the incumbents must have agreements or general consensus about the different roles discharged by the incumbents in a social system. The lack of agreement or consensus over different roles of incumbents in the social system leads to conflict in the institutional behaviour and thereby, the set institutional goals are not realised.

A village service co-operative society is an important

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82 Charles P. Loomis, op.cit., p. 12
social system and there are number of incumbents such as a chairman, the members of executive committee, a secretary and other members of co-operative society which are involved in the institutional behaviour of it. These above mentioned incumbents are given different roles in order to accomplish the task of village service co-operative society which are mentioned earlier.

The certain characteristics work as pre-requisites for doing a job of given post. In this sense the question about the pre-requisite characteristics for doing a job of the members of executive committee of village service co-operative society was asked of the respondents in order to see whether they had understood certain roles of the executive committee man. The following table V. 10 shows the consensus of the members of service co-operative society over the prerequisite characteristics for doing the job of members of executive committee.

(Table on next page)
Table V. 10: The Consensus of the Members of Service Cooperative Society over the Pre-requisites required for doing a Job of Members of Executive Committee.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Pre-requisites</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Num</td>
<td>Per cent</td>
</tr>
<tr>
<td>1</td>
<td>Educated</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>2</td>
<td>Trained in co-operation</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>3</td>
<td>Experienced</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>4</td>
<td>Rich</td>
<td>12</td>
<td>19.00</td>
</tr>
<tr>
<td>5</td>
<td>Local money lender</td>
<td>10</td>
<td>16.00</td>
</tr>
<tr>
<td>6</td>
<td>A congress-man</td>
<td>41</td>
<td>65.00</td>
</tr>
<tr>
<td>7</td>
<td>A community Member</td>
<td>3</td>
<td>5.00</td>
</tr>
<tr>
<td>8</td>
<td>Impartial</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>9</td>
<td>Sympathetic to rural people</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>10</td>
<td>Innovator</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>11</td>
<td>Democratic</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>12</td>
<td>Enthusiastic</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>13</td>
<td>Social</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>14</td>
<td>Self-reliant</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>15</td>
<td>Selfless</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>16</td>
<td>Physically strong</td>
<td>21</td>
<td>32.00</td>
</tr>
<tr>
<td>17</td>
<td>Above village factions</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>18</td>
<td>A good public speaker</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>19</td>
<td>Conservative</td>
<td>3</td>
<td>5.00</td>
</tr>
<tr>
<td>20</td>
<td>Broad visioned</td>
<td>64</td>
<td>100.00</td>
</tr>
<tr>
<td>21</td>
<td>Having a faith in co-operation</td>
<td>64</td>
<td>100.00</td>
</tr>
</tbody>
</table>
The Table V.10 shows that out of 21 pre-requisite sites considered, there was general consensus over 15 pre-requisites while there was disagreement on 6 prerequisite characteristics. The pre-requisites over there was general consensus, are - educated, trained in co-operation, experienced, impartial, sympathetic to rural people, an innovator, democratic, enthusiastic, social, self-reliant, selfless, above village factions, a good public speaker, broad visioned and having faith in co-operation. There was disagreement among the respondents over size pre-requisite characteristics. These pre-requisites for doing a job of a executive committee are - rich, local money lender, a congress man, a Samiti member, physically strong and conservative.

The element rank is presented in the foregoing paragraphs.

(a) Ranks of the Personnel engaged in Service Co-operative Society.

In order to study the villagers' opinion about the ranking of personnel engaged in service co-operative society, question was asked of the members (Please see Appendix A, page 4). They were asked to rank the services of the personnel viz., the chairman, the members of executive committee, the ordinary members and a secretary. The weightages given were 1st rank scored 3 points, 2nd rank scored 2 points and 3rd rank scored 1 point and the total weightage of each personnel was worked out and they were ranked according to their scores.
The Table V. 11 shows the importance gained by these above mentioned personnel in the affairs of service co-operative society.

Table V. 11: The Opinion of the Members about the Importance of job of different Personnel in Service co-operative Society.  

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Personnel</th>
<th>Rank (Importance)</th>
<th>Total Weightage and Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 Num Per</td>
<td>2 Num Per</td>
</tr>
<tr>
<td></td>
<td></td>
<td>bar cent</td>
<td>bar cent</td>
</tr>
<tr>
<td>1</td>
<td>Chairman</td>
<td>47 73.00</td>
<td>16 25.00</td>
</tr>
<tr>
<td>2</td>
<td>Members of Executive Committee</td>
<td>2 4.00</td>
<td>22 34.00</td>
</tr>
<tr>
<td>3</td>
<td>Ordinary Members</td>
<td>5 8.00</td>
<td>19 30.00</td>
</tr>
<tr>
<td>4</td>
<td>Secretary</td>
<td>14 22.00</td>
<td>26 41.00</td>
</tr>
</tbody>
</table>

The Table V. 11 indicates that according to the opinion of the members, the chairman ranked first. The Secretary, ordinary members and the members of Executive Committee ranked respectively 2nd, 3rd and 4th. This further points out that the chairman and the secretary are the key personnel in a service co-operative society.

The element power is presented in the next paragraphs.

(7) The Power as related to the Control of Service Co-operative Society:

Davis defines power as "...... the determination of
the behaviour of others in accordance with one's own ends. While George C. Homans says that the power is not a basic element but as "subsidiary because it simply refers to the fact that a relatively few members can and do reward and punish others to a high degree.  

In case of service co-operative society, the executive committee which is an elected body is the non-official controlling authority. It is a decision making body. It decides the policies about the sanctioning loans and also executes these policies in action. Power is vested in it so as to control the co-operative activities in its domain. Furthermore, after the nationalization of major banks in this country, the National Government is emphasizing on the distribution of rural credit to the farmers through mainly the village co-operative societies. So these co-operative societies have assumed an important role in the supply of rural credit. For this purpose, the management of co-operative society is empowered to the executive committee. For example to make scrutiny about the application of loans, to sanction the loan to needy ones, to supervise the proper use of loans, to make recoveries and to decide about the new schemes to be operated co-operatively on behalf of the villagers.

At present, there is an important issue debated among the workers in co-operative sector. The issue is related to

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83 Charles P. Loomis, op.cit., p. 139.
the leadership in co-operative institutions. It raises the question, "How long the members of the Board should remain in the office of the co-operative institutions?" This issue is raised because, in many important co-operative concerns in Maharashtra State, some directors are holding office for considerably longer period and it is believed by some workers that this state of affairs leads to the deprivation of emerging leadership in co-operation.

For this purpose the question was asked of the members of the service co-operative society whether to have yearly elections for the members of executive committee. To that 97 per cent of the members said that there should be yearly elections for the members of executive committee of service co-operative society and only 3 per cent of the members objected to this idea.

This indicates that the members of service co-operative society do not wish to have monopoly of certain members over the management for a longer period.

Opinions of the Members towards the Present System of Election followed in Service Co-operative Society.

At present, the elections for the members of executive committee of service co-operative society are held by counting the heads. In order to see whether the members of this co-operative society agreed to this system, their opinions were studied. The following Table V.12 shows the members' agreement and disagreement to this system.
Table V. 12: Distribution of Members according to Their Consent to the Present System of Election in the Service Co-operative Society.

<table>
<thead>
<tr>
<th>Consent</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>31.00</td>
<td>47.00</td>
</tr>
<tr>
<td>Disagree</td>
<td>33.00</td>
<td>53.00</td>
</tr>
<tr>
<td>Total</td>
<td>64.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

(* Rounded to the nearest large figure *)

The Table V.12 shows that out of 64 total members about 47 per cent agreed that the present system of election by raising hands as a valid method of election while 53 per cent had shown disagreement with this. Those who agreed, opined that this system is easy to understand and also cheaper one. While those who did not agree, were of the opinion that this system created hartrated among the voters and candidates as it loses the secrecy of the voting.

The element sanction is presented in the foregoing paragraphs.

(8) Sanction as measures used against the defaulter's in the service co-operative society.

William believes that ... "It may be taken as an identifying criterion that no organised group exists without a valid system of positive and negative sanctions that both index and help to maintain regularised patterns of behaviour."

Thus in any institution there are traditions of rewarding for good achievement as well as imposing the penalties or giving punishment for default. The co-operative institutions are not out of this system. The service co-operative society is also an organized group. To regulate the co-operative behaviour of its members, there are certain rules, certain conditions and the members are supposed to behave according to these obligations which help in proper functioning of the institution. Hence the knowledge about the system of sanctioning is more important. In order to see whether the members of this particular institution were aware of the system of sanction, the question was asked and the information collected is presented in the following Table V. 13.

Table V. 13: Members knowledge about sanction operating in service co-operative society.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Exercise of sanction</th>
<th>Number</th>
<th>Per cent N = 64</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Defaulters are fined</td>
<td>8</td>
<td>9.00</td>
</tr>
<tr>
<td>2</td>
<td>Defaulters are dismissed</td>
<td>8</td>
<td>13.00</td>
</tr>
<tr>
<td>3</td>
<td>Recovery from sureties standing for defaulter</td>
<td>1</td>
<td>1.00</td>
</tr>
<tr>
<td>4</td>
<td>Extension in Installments</td>
<td>49</td>
<td>77.00</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>64</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

(* Rounded to the nearest large figure).

The Table V. 13 reveals that out of 64 members, 9 per cent said that the defaulters were being fined, 13
per cent of the members said that they (defaulter) were being dismembered while 77 per cent of the members said that the defaulters were given extension in payment of their dues. But from the official record, it was seen that defaulters were not fined nor they were dismembered. Further the defaulters' sureties were not asked to pay on the behalf of defaulters.

This shows that only 77 per cent of the members had correct knowledge about the system of sanction operating in their service co-operative society and 23 per cent of the members were unaware about it.

The element facility is presented in the next paragraph.

(9) Facility as the means for Smooth functioning of the Service Co-operative Society:

"A facility is a means used within the system to attain the members’ ends." It is a means used within the system to attain the system’s end.

In the case of members of service co-operative society, the means of facilities are used as credit, supplies and services. Supplies include the provision of improved agricultural implements, fertilizers, insecticides, pesticides etc., while services include the extension of technical guidance in improved agricultural practices, provision for marketing of farm produce, processing, warehousing etc.

86 Charles P. Loomis, op.cit., p. 15.
87 Ibid., p. 478.
On personal enquiry, it was found out that the service co-operative society of Diwala village provided only short-term credit to its members in the form of cash and kind. It was further found out that this society did not emphasise on giving medium term loans. In fact, this type of loan was demanded extensively by the members. Due to that the members had to depend upon the local money lenders for meeting their financial needs of long-term projects. Further this practice compelled them to pay exorbitant rates of interest and ultimately they had to mortgage their lands.

The members of service co-operative society were asked whether they should be provided credit in cash or in kind form. To that majority of them said that service co-operative society should provide them the credit both in cash and kind.

The buildings form an important part of facility. But this co-operative society of Diwala village had not its own building. Hence its office was situated in one of the village temples. Similarly, it did not have adequate furniture and adequate chasuras.

The comprehensive or Master Processes are presented on foregoing pages.
C) THE COMMUNICATIVE OR MATURE PROCESSES (OF SOCIAL SYSTEM) THAT ARE OPERATING IN THE SERVICE CO-OPERATIVE SOCIETY.

(1) Communication as the Process in the Service Co-operative Society:

"Porkin defines the communication as a "message carrier".88

The communication is an important process which helps the members of social system to understand the different activities, goals, methods employed for attaining these goals etc., in alike manner. This helps to realize the institutional goals in relatively short time. The message is generally given through the language which consists the words as symbols. Communication brings about meaningful changes within the individual in the social system. This ultimately helps in harmonizing the relationship between the individuals in the social system.

In the village Service Co-operative Society of Biwale village, communication was achieved through the means of arranging general body meetings and the meetings of executive committee. "Dawandi" was also one of the methods used in communication by this co-operative society. In this method, the local encounter's services were used. However, these means of communication are not used to the required extent.

The process Boundary Maintenance is presented in


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88 Charles P. Loomis, op.cit., p. 478.
(9) Boundary maintenance as the Process in the Service Co-operative Society:

The imaginary line which forms around the group under analysis and which identifies the group and separates it from all outside the line constitutes a boundary which is maintained by the group. Thus, the boundary maintenance means the jurisdiction within which a social system functions to keep its identity. This boundary maintenance helps to create territorial loyalties among the members of a given social system. So this works as a cohesive force.

In case of service co-operative society, its jurisdiction may be stated in following terms:

(1) Its area of operation.

(2) The services to be handled by it.

In order to understand the opinions of the members of service co-operative society of village Dimara regarding its area of operation, a question was asked, "What should be the jurisdiction of your service co-operative society?" To that, majority of the members said that the service co-operative society should limit its area of operation to that of a village only.

Further a question asked was "Do you think that all types of services should be dealt with by one co-operative society?" To this question, the members said that the diffe-
rent types of services should be handled by one co-operative society only.

This village service co-operative society operates for a population of 650 and for an area of 1204 acres.

The general feeling among the members was found that of difference towards this service co-operative society. Because this co-operative society was mal-functioning and not catering the credit needs of villagers.

The process systemic linkage is presented in foregoing paragraphs.

(3) The Systemic Linkage as a Process in Service Co-operative Society is

Loomis 90 defined systemic linkage as it is the process whereby the elements of at least two social systems come to be articulated so that in some ways and on some occasions, they may be viewed as a single system.

The systemic linkage in the social system brings about union between social system's sub-units. This helps to bring about smooth co-operation and coordination in the different units for reaching the institutional goals. This systemic linkage in co-operative society is brought about between the members of the co-operative society and between the co-operative society and the Taluka Co-operative Supervising Union and with Taluka Farmers' Sale-Purchase Union. In this process of

90 Charles P. Loomis, op.cit., p. 14
systemic linkage, ordinary villagers are the members of village co-operative society, the village co-operative society is a member of both the Taluka Co-operative Supervising Union and the Taluka Farmers' Sale-Purchase Union. The Bhajani Vandal, the Yuva Vandal, the Village Gram Panchayat served as the agents of systemic linkage.

On personal interview with the members, it was found that three members of co-operative society were the members of Bhajani Vandal and Yuva Vandal.

One member and five members of village service co-operative society were respectively the members of village Panchayat Committee and the Taluka Farmers' Sale-Purchase Union.

The Process Institutionalization is presented in the next paragraphs.

(4) The Institutionalization as a Process in Service Co-operative Society:

As pointed out by Sorokin, an institutionalization means, how and why an organised group came into existence i.e. why and how social groups become organised (Process or Organization, Adaptation and Accommodation) 31.

Institutionalization is the process in which the members came together and organize for obtaining certain group

31 Charles F. Loomis, op.cit., p. 482.
goals. The basis of organization and the methods of conducting a behaviour in a group is given by the process of institutionalization. The existence of institution is dependent upon the group goals when the group goals are achieved, the social institution vanishes, the needs of the members in a group change and accordingly the nature of goals also changes. Due to that, changes take place in the institution also.

A co-operative society is also an important social institution which conducts its affairs in economic domain. The co-operative society of village Diwale was established in the year 1960. It collected Rs. 715 as the share capital in that year. In 1962–63, it distributed credit worth Rs. 5,000/-. During the year 1963–64, 1967–68, this society went in liquidation and after 1968 it is recovering. The goal of Diwale village service co-operative society was to provide agricultural credit to needy farmers. The distribution of credit is done to the farmers who were having landed property. The managing committee scrutinizes the applications for loans. The committee also helps in the matter of recovery of loans from defaulters. The procedure of sanctioning loan was as follows:

The yearly demands including the seasonal demands for each member of service co-operative society are prepared and accordingly the society approached the District Central Co-operative Bank. The District Central Co-operative Bank
provides the demanded loan to the co-operative society on
verification of its demand, at the interest rate of Rs. 8 %
per annum. Then the co-operative society gives chances to
the members as per their sanctioned demands and takes the
interest at the rate of Rs. 9 % per annum. The defaulters
are being charged interest at the rate of Rs. 12 % per annum.

The process socialisation is narrated in the following
paragraphs.

(5) "Socialization as a Process in the Service Co-
operative Society:

"It is the process whereby the social and cultural
heritage is transmitted".92

This process of socialisation helps the individual in
a society to adjust in a harmonious manner. It makes the
individual's proper functionary social unit. Socialization
creates proper interest, attitudes, skills and knowledge among
the social units and further this helps them to have effective
participation in the different activities conducted in the
social system.

The service co-operative society in Dikale village tried
to bring about socialisation among its members on a limited
scale. Because there was very little scope for the members to
have social interactions in this service co-operative society

92 Charles P. Loomis, op.cit., p. 17.
for want of organization of social events. The members of this co-operative society meet collectively once in a year at the venue of general body meeting. However, families, caste, religion, school, Yuva Mandal etc., help the villagers in socializing themselves and becoming fit members.

The process social control is given in the foregoing paragraphs.

(6) The Social Control as a Process in the Service Co-operative Society:

"Social control is the process by which deviancy is counteracted." 93

Social control is one of the important process which operates in a given social group, so as to direct and channelise the energies of its members towards the attainment of group goal. The customs, traditions, beliefs, norms, code of conduct, laws are used as means of social control. Informal agencies such as family group and formal group such as state also work as agents of social control.

In the working of village co-operative societies, the various bye-laws and different co-operative Acts are utilised as the means of social control. The defaulters are penalised according to the sanctions under the bye-laws and co-operative Acts. The similar practices were being followed in the village service co-operative society of Diwale village.

93 Charles P. Loomis, op. cit., p. 17.
CHAPTER VI
DISCUSSION

The progress of any village depends upon the effective working of its social institutions. The village co-operative society is an important village institution and it is concerned with agricultural production and helps in attainment of village self-sufficiency through the provision of agricultural credit. The working of this institution should be evaluated on the basis of villagers' views regarding the services provided by it. In the present study, the service co-operative society of village Vilela, Taluka Bhor, District Poonia was under focus as a social system. In this study some of the personal characteristics of the villagers with their membership in the service co-operative society were studied. And also an attempt is made to study the elements and comprehensive or Master Processes of service co-operative society as a social system. The findings of the study are discussed in this Chapter.

A) THE SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS.

1) The socio-economic status of the respondents and their membership in Service Co-operative Society:

The study has shown that the majority of the members of this service co-operative society belonged respectively to higher socio-economic status class and middle socio-economic status class. Out of 54 members under study, only 14 per cent of the members were from lower socio-economic status
and remaining 58 per cent and 30 per cent belonged respectively to middle socio-economic status class and higher socio-economic status class. In case of non-members' group, 34 per cent, 52 per cent and 14 per cent of the respondents belonged respectively to lower socio-economic status class, middle socio-economic status class and higher socio-economic status class.

On application of chi-square test to the data regarding the socio-economic status and membership of the respondents in the service co-operative society, it was found that the respondents belonging to the higher socio-economic status classes tended to be the members of the service co-operative society.

In fact, each and every family in the village should have been represented in this institution. But this was not observed in the case of this co-operative society. The record of this institution had shown that out of 197 cultivating families in the village, only 37 families were the members of this institution. It was also observed that none of the members was from backward castes.

This clearly indicates that the membership of this institution was confined only to higher caste villagers and also to the villagers having higher socio-economic conditions and the weaker section of this community was kept out of the co-operative movement. The reason for non-representation of the weaker section in this co-operative society might be due
to the dominance of higher socio-economic classes and mal-functioning of this society which led to liquidation during the year 1924 to 1928. These findings are in line with the observations made by the All India Rural Credit Survey Committee, Thornor, Vithur and the All India Rural Credit Review Committee.

The age of the respondents and their membership in service co-operative society are discussed in the next paragraph.

(3) Age of the Respondents and Their Membership in the Service Co-operative Society:

The study has revealed that the majority of the members belonged to the age group above 40 years while majority of the non-members had an age below 40 years. Only 30 per cent of the members and 2 per cent of the non-members belonged respectively to age group below 40 years and above 40 years. This clearly shows that the young villagers of this village were not represented in this institution. The possi-

94 The All India Rural Credit Survey Committee on Direccion, op.cit., p. 55.
95 Daniel Thornor, Agricultural Co-operatives in India, A Field Report, op.cit., p. 31.
97 The All India Rural Credit Review Committee, op.cit., p. 182.
able reasons for such state of affairs might be the migration of young villagers to the cities in search of livelihood. Because it was observed that out of 55 total migrants from the families under study, 87 per cent of the migrants had an age below 40 years.

The educational levels of the respondents and their membership in service co-operative society are discussed in foregoing paragraphs.

(3) Educational Levels of the Respondents and Their Membership in Service Co-operative Society:

The study has shown that 50 per cent and 50 per cent of the members were illiterate and literate respectively. While 55:45 proportion of illiterate to literate was observed in the case of non-members group. In case of total respondents the proportion of illiterate to literate observed was 59:41.

This shows that the participation of the educated villagers of this village, in the service co-operative society was relatively low. The application of Chi-square test to the data showed the negative association between these two variables namely, education and membership.

This might be due to the migration of educated villagers to other places in search of livelihood. Further, it was noticed that out of 55 migrants from the village, 85 per cent
of the migrants were uneducated. The results obtained about education and membership are in line with the observation made by the All India Rural Credit Review Committee.38

Respondents' size of land holding and their membership are discussed in the following paragraphs.

(4) Respondents' size of holding and their membership in Service Co-operative Society:

The study has revealed that majority of the members (56 per cent) and non-members (79 per cent) had land holdings below 5 acres, while 44 per cent and 21 per cent of the members and non-members respectively had land holdings above 5 acres.

The application of Chi-square test to data showed the negative association between the respondents' size of land holding and their membership in service co-operative society.

The similar observations were made by the Planning Commission39 and Thorne.100

The data regarding the elements of service co-operative society as a social system are discussed in foregoing paragraphs.

38 The All India Rural Credit Review Committee, op. cit., p. 94.
100 Daniel Thorne, op. cit., p. 17.
B) **DATA REGARDING THE WORKING OF SERVICE CO-OPERATIVE SOCIETY AS A GOVERNMENT AGENCY.**

**1)** Knowledge of the respondents about the working of service co-operative society:

It was found that 65 per cent of the respondents had poor knowledge and 35 per cent of the respondents had good knowledge about the working of service co-operative society. A high proportion (70 per cent) of the respondents belonging to lower socio-economic status class had poor knowledge about the working of service co-operative society while, a high proportion (57 per cent) of the respondents belonging to higher socio-economic status class had good knowledge about the working of the same institution.

A significant association was obtained between the respondents' socio-economic status and their knowledge about the working of service co-operative society.

High socio-economic status helps the individual in developing the close contact with office holders and other individuals. And so, he can participate in the village institutions on a larger scale than those of lower socio-economic status class people. This might be the reason for the higher socio-economic status class villagers for having good knowledge about the working of their service co-operative society. But, in general, the villagers of the village Dnapale, need badly education about the working of village co-operative society.
The similar observations were made by "Nough" 101, the All India Rural Credit Survey Committee 102, Van Wagenen 103 the Economic and the Statistical Adviser to the Government of Punjab 104, Phadke 105, Miwa 106 and Miwa and Baldeo Ram 107.

The knowledge of the members about the working of service co-operative society and their socio-economic status are discussed in the next paragraphs.

The members knowledge about the working of co-operative society and their socio-economic status.

The study has shown that out of 24 members under study, 48 per cent and 52 per cent of the members had good and poor knowledge respectively about the working of co-operative society. It was also found that the members' knowledge had a direct relationship with their socio-economic status.

The element sentiment is discussed in foregoing paragraphs.

101 "Nough, Co-operative Movement in India, op.cit., p. 396.
102 The All India Rural Credit Survey Committee, op.cit., p. 445.
(2) Sentiments of the Respondents towards the Functioning of Service Co-operative Society:

The study has revealed that 74 per cent and 70 per cent of the respondents belonging respectively to lower socio-economic status class and higher socio-economic status class had unfavourable and favourable sentiments towards the functioning of service co-operative society. On application of Chi-square test to the data, it was seen that there was significant relationship between the respondents' "S.C." and their sentiments towards the functioning of service co-operative society. But in general, it was seen that 59 per cent and 48 per cent of the respondents had unfavourable and favourable sentiments respectively. So it can be said that the general feeling among the respondents about the service co-operative society was of indifference. The possible reasons might be the dominance of higher socio-economic status class and mal-functioning of the society which led this institution to liquidation during the year 1935-36 to 1947-48.

The similar observations were made by Agricultural Finance sub-committee, Van Wagen, the Full Finance Scheme Committee and Vaidu in their research studies.

108 The Agricultural Finance Sub-committee, op.cit., p.49.
111 V. Tirupati Vaidu, op.cit., pp.50-51.
The element goal is discussed in the foregoing paragraphs.

(3) Goals of the Service Co-operative Society as understood by its members:

The study has shown that the village-service Service Co-operative Society had catered to the needs of few members and that too on limited scale. It provided them credit and agricultural supplies on limited scales. From its establishment unto the time of study, only 43 members were the beneficiaries. In fact, it is expected that the village co-operative society should provide its members the credit, supplies and technical services. But in practice, it was not followed. Hence it can be said that, this institution is not working as per the outline of functions enumerated by the Government of India (1950). The reasons for this situation might be -

(a) Lack of proper leadership to expand its institutional activities.
(b) Inadequate share capital.
(c) Lack of storage and transport facilities.
(d) Lack of full time secretary.
(e) Want of office-building.
(f) Ignorance of the part of beneficiaries to repay the loans.

These findings are in line with the observations made
by the Committee on Co-operation in India\textsuperscript{112}, the Ministry of Community Development and Co-operative, Government of India\textsuperscript{113}.

The element norm is discussed in the next paragraphs.

(4) Norms of the village Co-operative Society as understood by its members:

The study has shown that the Divale village service co-operative society confined its area of operation to those who possess immovable property in that village. It was also observed that, this particular service co-operative society sanctions loans against the immovable property and standing crops.

The practice of advancing loans on the security of landed property and on standing crops keeps away the landless villagers from the fold of co-operative movement. Any village community is not constituted only by the land holding families but with the combination of different families such as "the dalitadars", village artisans, landless labourers etc., who many times possess no adequate size of holding, but other assets. On these assets, they can repay the loans of any type. If this repaying capacity is evaluated only on the basis of landed property, then these above

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\textsuperscript{112} The Committee on Co-operation in India, \textit{op.cit.}, p. 54.
\textsuperscript{113} Anonymous, \textit{Development of Co-operatives}, \textit{op.cit.}, p. 5.
mentioned villagers would be non-beneficiaries and the principle of co-operation of open membership will be vitiated.

And so it is suggested that, these conditions for becoming a member of service co-operative society and also for advancing the loans should be relaxed and modified in the context of above mentioned observations.

This observation is in the line with the views advocated by the Committee on Co-operation in India, the Agricultural Finance Sub-Committee, the Chief Officer of the Agricultural Credit Department Reserve Bank of India, the All India Rural Credit Survey Committee and the All India Rural Credit Review Committee.

The element status-role (position) is discussed in the next paragraphs.

(5) Status-role (position) of the members of Executive Committee of the Service Co-operative Society:

The study has revealed that, out of 91 pre-requisites characteristics considered for doing a job of the members of

114 The Committee on Co-operative in India, op.cit., p. 12.
115 The Agricultural Finance Sub-Committee, op.cit., p. 48.
117 The All India Rural Credit Survey Committee on Direction, Vol. II., op.cit., p. 23.
118 The All India Rural Credit Review Committee, op.cit., p. 486.
executive committee of service co-operative society, there was consensus over 15 pre-requisite characteristics. The pre-requisites over which there was consensus are: (1) Educated, (2) Trained in co-operation, (3) Experienced in administration, (4) Impartial, (5) Sympathetic to down trodden people, (6) An innovator, (7) Democratic, (8) Enthusiastic, (9) Social, (10) Self reliant, (11) Selfless, (12) Above village factions, (13) A good public speaker, (14) Broad visioned and (15) Having faith in co-operation. While there was disagreement among the members over six pre-requisite characteristics. These pre-requisites are: (1) Rich, (2) Local money lender, (3) From political parties, (4) Physically strong and (5) Conservative in nature.

This indicates that if the co-operative institutions are to be the viable units in their working and if they are to realize their goals, their managing committee should be composed of well trained, educated and devoting individuals.

Similar statements were made in their studies by Naik, the All India Rural Credit Survey Committee, the Indian Co-operative Union, and Van Wagen.

120 The All India Rural Credit Survey Committee on Direction, (Vol. II), op.cit., p. 259.
Weeraman 124, Pradke 125, the Farmers' Association and Co-operative Study Mission 126, Taimini 127 about the pre-requisite characteristics for doing the job of the member of the executive committee of the village service co-operative society.

The element rank is discussed in the foregoing paragraphs.

(6) The ranks of the Personnel engaged in Service Co-operative Society:

In this study, it was observed that according to the opinion of members, the chairman was ranked first. The secretary, ordinary members and members of executive committee were ranked respectively second, third and fourth. This indicates that the chairman and secretary were the key personnel in Dimale-village service co-operative society.

The element power is discussed in the foregoing paragraphs.

(7) Power as related to the control of Service Co-operative Society:

It was noticed that majority of the members (97 per cent) said that, there should be yearly elections for the

124 P. W. Weeraman, Cooperative Leadership in South-East Asia, op. cit., p. 60.
125 J. V. Pradke, op. cit., pp. 21-22.
members of executive committee of service co-operative society. This indicates that, the members of service co-operative society of Divale-village do not wish to have monopoly of certain members over the management of service co-operative society for a longer period.

The similar suggestions are made by the All India Rural Credit Survey Committee\(^2\) about elections in the service co-operative society. The Jamia Institute\(^3\) also found that the continuous membership on the executive committee of the co-operative institution exercised more influence in the affairs of the same institution.

It was also observed that, out of 64 members in the study, 47 per cent had agreement with present system of election which is followed by raising hands, while 53 per cent do not approve this method as a valid one. This indicates that the members preferred the ballot method to the method of raising hands. The ballot system is expensive and time consuming, but it helps in keeping the secrecy about the voting pattern followed in an election.

The element sanction is discussed in the next paragraphs.

\(^{128}\) The All India Rural Credit Survey Committee, Vol. II, on.cit., p. 978.

\(^{129}\) Anonymous, Rural Credit and Co-operative in the Jamia Development Block, on.cit., p. 58.
Sanction as measures used against the defaults in Service Co-operative Society:

It was observed that 77 per cent of the members have current knowledge about the systems of sanctions operating in their co-operative society.

In fact, every member of co-operative society is expected to know about the sanctions or norms operating in co-operative society but actually 77 per cent of the members were knowing about it and remaining 23 per cent members were unaware about it. Hence it is the duty of the executive committee of co-operative society to educate all the members about the details of functions of co-operative society.

The element facility is discussed in the foregoing paragraphs:

Facilities as the Means for smooth functioning of the Service Co-operative Society:

The study has shown that the Biwale village service co-operative society provided only short term credits to its members in the form of cash and kind. Even though there was more demand for medium term loan, it was not provided by this institution. It was further noticed that the majority of the members were of the opinion that, the service co-operative society should provide them the credit both in cash and kind.

It was also observed that this co-operative society had not its own office building and hence its office was situated
in one of village temple. Similarly it did not have ade-
quate share capital and also adequate furniture. It was
also in want of a full time secretary and had no chapara-
sy. It was also observed that this society was in want
of storage and transport facilities. All this might be
creating indifference among the members and other villagers
towards this institution. The similar observations were
made by Pradke,130 Naidu131 and the Reserve Bank of India.132

The Comprehensive or Master Processes are discuss-
ated in the following paragraphs.

C) THE COMPREHENSIVE OR MASTER PROCESSES OPERATING
   IN THE SERVICE CO-OPERATIVE SOCIETY.

1) Communication a process in the Service Co-opera-
tive Society:

It was observed that the communication in this
co-operative society of village Divalewa was achieved through
the means of arranging general body meetings and the meet-
ings of executive committee. The "Dawandi" was also one
of the methods used in communication by this co-operative
society. In this method, the local announcer's services
services are used. However, these means of communications
were not used to the required extent, in this village service
co-operative society.

130 J.V. Pradke, op.cit., p. 34.
132 Anonymous, Reserve Bank of India Bulletin, op.cit.,
p. 1783.
The communication helps to realise the institutional goals in relatively short time and thus it is an important aspect in case of service co-operative society. This also enables the members and also other villagers to understand the different activities, which take place in service co-operative society. In this connection, Ram Rao observed that "the drawback in the working of the rural co-operatives is the lack of publicity in their affairs".

He also stated that the publicity is an important co-operative principle. It acts as a deterrent to mismanagement of business and misuse of funds. It instils confidence in the investigator and enables the societies to mobilise local resources. It arouses interest in the members in regard to the affairs of the societies and has an educative influence far beyond the particular acts of services rendered to them.

The process, boundary maintenance is discussed in the next paragraphs.

(9) Boundary Maintenance as a Process in Service Co-operative Society:

In this study, it was found that the majority of the members were of the opinion that the service co-operative society should confine its area of operation to that of a village.

This finding is in line with the recommendation made by the committee on co-operation in India 134.

Of course, it is a good rule that one village should have one society. But when the village is containing small number of families, the co-operative institutions are unable to raise the sufficient share capital and hence their working gets affected.

The P.C.O. set up by the Planning Commission 135 and Singh 136 also observed this point in the study related to the jurisdiction of a village service co-operative society.

Hence it is suggested that the group village society pattern is relatively suitable under the conditions like village D calm.

Further it was noticed that majority of members of D calm village co-operative society preferred to have multi-purpose village service co-operative society to monopurpose village service co-operative society. The Committee on Plan Projects 137 also advocated the establishment of multi-purpose village co-operative societies as the most suitable agencies

134 The Committee on Co-operation in India, op. cit., p. 18.
137 The Committee on Plan Project and N.R.S., op. cit., p. 86.
for the distribution of rural credit. There is also a growing opinion that, one village co-operative society should limit its activities to only one purpose.

The process, systemic linkage is discussed in foregoing paragraphs.

(3) **The systemic Linkage as a Process in Service Co-operative Society**

In the following manner the systemic linkage is achieved in the co-operative society of village Divale.

The ordinary villagers are the members of this co-operative society. This co-operative society is a member of the Taluke Co-operative Supervising Union, the Taluke Farmers' Sale-Purchase Union and again it is a member of District Central Co-operative Bank. The members of the Village service co-operative society had a contact with the chairman and secretary for solving the procedural problems.

It was also noticed that some of members of this institution had the membership with other village institutions such as Gram Panchayat, Yuvak Mandal, Bhujani Mandal and also with Taluke Farmers' Sale-Purchase Union. This type of systemic linkage helps to bring about smooth cooperation in the different units for reaching the institutional goals. Hotch observed that systemic linkage in

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138 C. E. Van Wingen (Quoted from Dr. Spencer Hotch), *op. cit.*, p. 23.
a co-operative helps the members to be well acquainted with its working.

The process institutionalization is discussed in the foregoing paragraphs.

(a) The Institutionalization as a Process in the Service Co-operative Society:

The process of the institutionalization observed in the case of Diwale village co-operative society is as follows:

This institution was established in 1960. It collected Rs. 715/- as a share capital from 79 members in that year. In the year 1962-63, it had distributed credit of worth Rs. 5,000/-. During the year 1963-64 to 1967-68, this society was in liquidation and after 1968 it is recovering. The goal of this institution is to provide agricultural credit to needy farmers against their landed property and standing crops. The managing committee scrutinizes the applications for loan. The committee also helps in the matter of recovery of loans.

The yearly demands including seasonal demands for each member are prepared and then the society approaches the District Central Co-operative Bank which provides demanded loan on verification at the interest rate of Rs. 8 per cent. Afterwards the society issues the cheques to the members accordingly and charges the rate of interest at Rs. 3/- per cent. For maintaining certain standards in co-operative behaviour, the society follows "The Maharashtra Co-operative Societies Act,"
The process socialization is discussed in foregoing paragraphs.

(5) The Socialization as a Process in Service Co-operative Society:

In this study, it was observed that service co-operative society in Divali village tried to bring about socialization among its members on limited scale, as there was a very little scope for members to have social interactions in this service co-operative society, for want of organization of social events. The members meet collectively once in a year at the venue of general body meeting. Due to that the members are poorly adjusted in their relationship with the society. Similar observations are made by Hough139 about the role of the society in socializing its members.

The process social control is discussed in the next paragraphs.

(6) Social control as a process in service co-operative society:

It was observed that the working of this village co-operative society was according to the various bye-laws and different co-operative acts. These are utilized as the means of social control. "The Maharashtra Co-operative Act of 1960" utilized mainly as the means of bringing about social control in the village service co-operative society.

139 T.M. Hough, op.cit., p. 118.
CHAPTER VII

SUMMARY AND CONCLUSIONS

The need of assessing the progress of village institutions has been intensifies by the nationwide programme of community development and co-operation in rural India, in which more emphasis has been given on working of co-operative institutions as these institutions play a vital role in agricultural production on which whole rural economy of the country is dependent. The effective working of these institutions mainly depends upon the villagers’ views who constitute these institutions. Hence the study of co-operative institutions with sociological point of view is of paramount importance.

In this investigation, an attempt is made to study some of the socio-economic characteristics of the villagers of Diwale village, with reference to their membership in village service co-operative society, which is treated as a social system. Also an attempt is made to study the elements and comprehensive or Master Process of Social system with the help of Loomis’ "Processually Articulated Structural" Model (PA Model)\(^1\). The summary of this research study is presented in following order:

(A) THE SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS.

It included socio-economic status of the members and non-members, their age, education and land holdings with

\(^1\) Charles P. Loomis, *op. cit.*, p. 5.
reference to their membership in co-operative society.

(B) **THE ELEMENTS OF VILLAGE CO-OPERATIVE SOCIETY OF DIWALE VILLAGE AS A SOCIAL SYSTEM.**

It included knowledge, sentiments, objective, norms, status-role (position), rank, power, sanction and facility.

(C) **THE COMPREHENSIVE OR MASTER PROCESSES THAT ARE OPERATING IN CO-OPERATIVE SOCIETY OF DIWALE VILLAGE.**

It included communication, boundary maintenance, systemic linkage, institutionalization, socialization and social control.

**Methodology**

**Selection of the sample.**

This study was carried out in a village Diwale from the Development Block attached to the College of Agriculture, Poona, in Maharashtra State. 93 respondents from this village were selected purposively for interview. Out of these, 64 were the members of village service co-operative society while 29 were the non-members.

An interview schedule was constructed to obtain the required information. Socio-economic status scale prepared by Trivedi-Pareek141 (rural) 1963, was incorporated in the questionnaire to collect the information regarding socio-eco-

-nomie background of the respondents. Other essential information required about the co-operative society and village, was obtained from the record of this institution and from the office of the Block Development Officer and Taluka Wamlatdar, Taluka Bhor. Pre-testing was done in the real life situation and thus the final interview schedule was prepared.

**The Use of Various Scores:**

1) **The Socio-economic Status Score:**

A socio-economic status scale evolved by Trivedi-Parekh (rural) 1963 was used. From this a socio-economic status score for all the respondents was computed. Three socio-economic status classes were utilised in this study. They were the higher socio-economic status class, the middle socio-economic status class, and the lower socio-economic status class.

2) **The Knowledge Score:**

The knowledge score was prepared for all the 93 respondents. For this purpose, 13 items regarding the working of village service co-operative society were included (Please see Appendix A, pages iii). A respondent was scored one point for each correct response. Thus his knowledge score score was worked out. Later on the knowledge score was worked out for all the sample. A median score (5) was used as cutting point
to divide the whole sample into two categories: (a) the respondents having knowledge score above 5 were placed into the category of good knowledge score, (b) the respondents who scored less than median score i.e. up to 5 were placed into the category of poor knowledge score.

3) **The Sentiment Score:**

The sentiment score was prepared for all the 93 respondents. For this purpose 11 items regarding the functioning of co-operative society were included (Please see Appendix A, page iii). A respondent was scored one point for each favourable response and thus his sentiment score was worked out. Later on the sentiment score was worked out for all the samples. A median score (7) was used as cutting point to divide the whole sample into two categories. (a) The respondents having sentiment score above 7 were placed into the category of favourable sentiment score, (b) the respondents who scored less than median score i.e. 7 were placed into the category of unfavourable sentiment score.

4) **Ranking of Personnel in the Co-operative Society:**

For this purpose the ranking of the personnel was done on the basis of weightages given to them by the members' point of view. The first rank was given 3 points and second and third ranks were given respectively 3 points and 1 point. Thus total weightages for each category of the personnel in the co-operative society was worked out (Please see Appendix A, page V).
Findings

A) SOCIO-ECONOMIC CHARACTERISTICS OF RESPONDENTS:

(1) Socio-economic Status of the Respondents:

Out of 93 respondents included in the study, 23 respondents i.e. 19 members and 4 non-members, were from higher socio-economic status class, while 51 respondents i.e. 36 members and 15 non-members had a middle socio-economic status and 19 respondents, i.e. 9 members and 10 non-members belonged to lower socio-economic status class. It was found that the socio-economic status of the respondents had a direct relationship with their membership in service co-operative society.

(2) Age of the respondents:

Majority of the members belonged to age group above 40 years while majority of the non-members had age below 40 years.

(3) Education of the respondents:

It was observed that the nearly fifty per cent of the members and also non-members were illiterate. It was also found that there was insignificant relationship between the education and the membership of the villagers in service co-operative society.

(4) Size of Land Holdings of the Respondents:

It was observed that 56 per cent of the members and 79
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per cent of the non-members had the land holding below 5 acres. It was found that the size of land holding was not only the determining criterion for the membership of this particular service co-operative society.

B) ELEMENTS OF SERVICE CO-OPERATIVE SOCIETY OF
DIVALET VILLAGE AS A SOCIAL SYSTEM

(1) Knowledge:

It was found that the knowledge of the respondents about the working of service co-operative society had significant association with their socio-economic status. Majority of the respondents were found having poor knowledge about the working of service co-operative society.

(2) Sentiments:

It was found that more than half of the respondents had unfavourable sentiments towards the functioning of service co-operative society. The sentiments of the villagers towards the functioning of the service co-operative society were found to be significantly associated with their socio-economic status.

(3) Goals:

The study has shown that this service co-operative society was not working as per the outline of functions laid down by the Government of India. The main causes behind the improper functioning of this institution might be inadequate share capital, want of separate office building and storage facilities and proper leadership to expand its activities.
It was observed that the service co-operative society of Biwale village confined its area of operation to those who possess landed property in that village. It was also observed that the landed property and standing crops are taken as the security for advancing loans.

(5) **Status-Role (Position):**

The study has revealed that majority of the members had disagreement over the pre-requisite characteristics required for doing a job of executive committee of village co-operative society. These pre-requisites are (1) rich, (2) local money-lender, (3) a man from political party (viz., congress or Samiti), (4) physically strong and (5) conservative in nature.

(6) **Rank:**

The study has shown that the chairman and secretary were the key personnel in the affairs of Biwale village service co-operative society.

(7) **Power:**

It was observed that majority of the members had agreement to the yearly election of executive committee of village co-operative society.

The study has also revealed that about 50 per cent of
the members opined to have an election in co-operative institutions by "Ballot method".

(8) Sanction : 

It was found out that about one fourth of the members were unaware about the sanctions followed in the co-operative society.

(9) Facility :

It was noticed that this co-operative society provided only short-term loan to its members in the form of cash and kind. It was also seen that the members were of the opinion that the service co-operative society should provide them the credit both in kind and cash.

It was also observed that this particular co-operative society had not its separate office, not full-time secretary, not storage facilities, not trained members of executive committee. It had no adequate owned fund.

C) THE COMPREHENSIVE OR MASTER PROCESS :

(1) Communication :

The study has shown that the communication in Diwale village co-operative society was achieved through arranging the general body meeting and meetings of executive committee, "Dewandi" also observed as one of the important methods of communication.

(2) Boundary maintenance :

The study has revealed that the majority of the members
were of the opinion that the village co-operative society should confine its area of operation to that of a village only. It was also noticed that the majority of the members were of the opinion that there should be one society for a village and it should handle all the services.

(3) Systemic linkage:

It was observed that a very few members of the co-operative society had the membership of other institutions. This society is a member of the Taluka Co-operative Supervising Union, the Taluka Farmers' Sale-Purchase Union and the District Central Co-operative Bank.

(4) Institutionalization:

For maintaining a certain standard of co-operative behaviour, this society follows "The Maharashtra Co-operative Societies Act of 1950" and certain bye-laws. During the year 1953-64 to 1957-68 this co-operative society was in liquidation and now it is in 'B' audit class. So it seems that now this village co-operative society is institutionalizing its normal functions after recovering from the liquidation.

(5) Socialization:

The study has revealed that the service co-operative society of Diwale village tried to bring about socialization among its members on limited scale as there was a very little
scope for members to have social interactions in this service co-operative society for want of organisation of social events. Members meet collectively at the time of general body meeting only.

(6) Social control:

It was seen that the different bye-laws and co-operative societies Act were used as means of social control in the village co-operative society of Diwale village.

CONCLUSION

The broad conclusions cited below can be drawn from this study:

(1) Majority of the villagers were having poor knowledge about the working of the service co-operative society.

(2) More than half the section of the respondents was having unfavourable sentiments towards the functioning of service co-operative society.

(3) All cultivating families of this village were not represented into co-operative movement. Not a single member was from schedule castes and backward classes.

(4) Majority of the young and educated villagers were out of the fold of co-operation.

(5) Majority of the villagers were having uneconomic holdings.
Majority of the villagers were found to be belonged to middle socio-economic status class.

This institution catered the needs of its members on limited scale, concerning the cash credit and supplies.

Respondents opined that executive committee members should be (a) Democratic, (b) self-less, (c) above village factions and (d) having faith in co-operation.

Respondents prefer to have the annual elections by ballot method in the village co-operative society.

The members need more guidance in conducting a village co-operative society on efficient lines.

The "Cawandi" was found to be the main means of communication.

The area of operation of this institution was confined to village Bisale only.

Very few members had a membership of other collateral institutions.

The Bisale village service co-operative society faces the following difficulties:

(a) Lack of separate office building.

(b) Lack of full time secretary.

(c) Lack of adequate share capital.

(d) Lack of trained office bearers.

(e) Lack of storage and transfer facilities.
(f) Lack of awareness of the members and other villagers, about the different aspects of functioning of the society.
(g) A want of servant.

IMPLICATION AND SUGGESTIONS

The members of the village Service Co-operative Society of Diwale are lacking the required knowledge for the efficient conduct of Village Co-operative Society. This is telling upon the society's overall performance in the case of distribution of rural credit to the needy people.

This society is also excluding the villagers from weaker sections to be its members. In that way the society does not create opportunities for the members of the weaker sections to be equal partners in decision making affairs of the co-operative society which is supposed to be an important arm of the village Panchayat.

It was also seen that the members from lower Socio-Economic Status class were not sufficiently challenged to be the members of Village Service Co-operative Society by the present leadership of Diwale Village Co-operative Society. On the contrary, the present leadership coming from the higher socio-economic class, is dominating the affairs of Village Co-operative Society which is against the fundamental principles of co-operation.
Due to this, majority of the members belonging to lower socio-economic status class and other non-member villagers are cultivating unfavourable sentiments towards the functioning of the village co-operative society.

This society is also advancing loans to the dominating members, while other needy members are not adequately attended to because of distribution of the rural credit.

To avert this situation, the following care has to be taken:

1) The weaker section of the village Diwale community should be associated in decision making and participation of the society.

2) The members should be educated to conduct their business efficiently on co-operative lines. For that adequate training programme should be undertaken.

3) The loan should be advanced regularly and according to their needs to gain the confidence of the villagers belonging to lower socio-economic status class.

4) The membership should be expanded to include all the members of the village community.

5) Definition of credit-worthiness should be redefined on the principles of liberal policies. In this, person's ability to repay and his potential creativeness should be considered.
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UNPUBLISHED MATERIAL


*Original not seen.*
# Appendix A

बनकारी पेस दीपेका के पायावालों प्रमाणपत्र

## 1) सूची नामक:

<table>
<thead>
<tr>
<th>(०) पर</th>
<th>(१) मुख्य अपसौंह</th>
<th>लोकप्रिय</th>
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## 2) रोजगार वापरावत याची-या हस्तित

<table>
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<td>२</td>
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<td>वस्त्रंज</td>
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## 3) शिल्पः

<table>
<thead>
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<th>(८) सामग्रिक कर्मचारी प्रमाण हस्तित</th>
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<td>पाण्याचे, पीज</td>
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<tr>
<td>त्रिशत्तीय</td>
<td>त्रिशत्तीय</td>
</tr>
</tbody>
</table>
ग) तुम्हारा यह-सहवेदाच्या अर्थवानवर भंडारण किंचती टोक आहेत? ( )
   वरोयांचे / फुक

त) तुम्हारा यह-सहवेदाच्या विलेल्या कार्यवर खिड़की व्याव आकर्षने ( )
   वरोयां / फुक

४) तुम्हारा यह-सहवेदाच्या लोकाची नामांकन चाहत आहे?

५) संदर्भांगतांतः:
   तुम्हारा यह-सहवेदाच्या अर्थवानवर भंडारण विलेल्या व्यावास स्वामी
   अजमरे विद्यानंदन बुझे ते थुळाचे, श्रीयस्नेव विद्या चन्द्रैयाची भाषा.

६) यह-सहवेदाच्या बोधांतोपायातो समाधान आहे. कार्यवाचन सीख्याचा भाग
   वेषात/सीख्याचा भाग
   वेष नाही.

७) कर्ण भूपुर कार्याचा प्रयत्नाभाव - प्रयत्न आहे / प्रयत्न नाही.

८) भूपुर केलेले कर्ण पुरेश्रीमाता - पुरेश्रीमाते / पुरेश्रीमात नाही.

९) यह-मृत्युबासून पुरुषोत्तम नामाता नाश आहे - प्रत पृथ्वी अत: / प्रत
   पृथ्वी नसले.

१०) कर्ण इन्ताने वेदाच्या पद्धतीवात - समाधान अर्थक आहेत / समाधानकारक
     नाही.

११) कर्ण भेदालुधार जटी बाळवत - भेदावत आहेत / भेदावत नाही.

१२) कर्ण मुक्तोत्तम केली प्रत्यक्ष नामाता तारायात - कर्ण हेमवाली पावता /
     भेदित च गीत तारव.

१३) आकर्षणार्य व्यावास - परवर्तने आहेत / परवर्तन नाही.

१४) सह-सहवेदाच्या समाप्ती सुविदावाच - हक वर्धापर्यंत / हक वर्धिक पेसा
     नाहाल.

१५) सह-सहवेदाच्या समाप्ती कार्यावास - समाधानकारक आहे / समाधानकारक
     नाही.

१६) सह - सहवेदाच्या शेषबाबत्ता समाप्ती - समाधानकारक आहे / समाधानकारक
     नाही.

७) Goal:
   तुम्हारा सह-सहवेदाच्या गोष्टीचा पुरवठा करते?
   १)  २)  ३)  ४)
### 1) नोट्सः

### 2) तुम्हारा सह-सहयोगी समावेश रूपांतरी लेखन बटी आदेश?

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### 3) सह-सहयोगी कर्त्ताकर की तुम्हारे लाभ धारे जो आपसे मत बांधे?

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### 10) **Status-Role (Position):**

नकने-नकने कर्त्ताकरों में जमीनी समावेश वाक्य कर्त्ताकर विषय

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19) दृष्टि :<br>तुम्हारे में शाळित व्यक्ति सह-सहिष्णु वार्तालागीचे किंवा भाव आहे ते त्या पार व्या०स्तुते सर्वसा (✓) आधी कृपा करा।

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<th>मध्य</th>
<th>कॉन्ट्रा</th>
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<td>क्लेश्टरी</td>
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</table>

20) फॉर्मूल :<br>ा) सह-सहिष्णु कार्यकर्ता मंचनकारी प्रत्येक पर्यंत वर्मी निवेदन्न त्यांच्या अनुसार वाटते किंवा मात्र? हृतर / नाही।<br>उत्तर हृतर असल्याच घरे घरा -

| (१) | (२) | (३) | (४) |
61

गुलार "नाही" अरु यात्रा अपरी या या नाही ।

(१) (२) (३)
(४)
6) जब-जबका साथ भगवान जी जीत तर नवन निर्माण करणार दिसावहा एकतिवा
तुझ्या सहमत आपला नाही ।

सहमत आहे / नसल्या नाहीे

'सहमत' अशा प्रक्रिया ।

(५-१) यादृच्छिक जो साधने
(५-२) हे प्रकार वर्तवो जयसाधने ते प्रसनां प्रयोग नाहीे।

'सहमत' नसल्या , यां ।

(५-३) यादृच्छिक उद्देश्य व सत्यसंग वातावरण स्वाहित निर्माण केलेे ।
(५-४) जे सादृश्ये निम्नकुटील गोवर राजक नाहीे।

12) Sanction :

गाडी कामाद लक्ष्यक महत्त्व दर्शने देखे सर्व करणाय काया
राहीलाच आधार देणे नाही।

१) त्याता भेंगे देणे नाही ।
२) त्याता नसल्या देणे नाही।
३) त्याता जलविषाण को बुखु कादे लाई ।
४) त्याता द्रव्यम को हप्ते दिले आलाल।

14) Facility :

a) ताकारते लक्ष्यात दुःखात दुसऱ्या तर हेचे कॅश दुसारी दर्शे दिले नाही ।
(६-१) अ ह दुसाली
(६-२) मध्यम दुसाली
b) सादृश्याच दुःखात दोक्ष स्थापत को फिचरे ।
(६-१) कार्यालय स्थापत
(६-२) कार्य साहित्य कायात
Comprehensive or Master Process Operating in Service Co-operative Society as a Social System.

15) **Communication:**
   - In the system, what purpose does communication serve?

16) **Boundary Maintenance:**
   - What measures are in place to maintain boundaries?

17) **Systemic Linkage:**
   - How are the various parts of the system interconnected?
APPENDIX B

Calculation of co-efficient of correlation between the Members' knowledge about the working of 'Service Co-operative Society and Their Socio-economic Status.

\[ X = \text{Knowledge Score.} \]
\[ Y = \text{Socio-economic Status Score.} \]
\[ X_m = \text{The Mean of Knowledge Score (X)} \]
\[ Y_m = \text{The Mean of Socio-economic Status Score (Y)} \]

\[ r_{xy} = \frac{c_{xy}}{N(x'y)} \]

where \( r_{xy} = \text{Coefficient of correlation.} \)
\( x = \text{Deviation of } X_m \text{ from } X \)
\( y = \text{Deviation of } Y_m \text{ from } Y \)
\( c_{xy} = \text{The sum of Cross products of } (x)(y) \)
\( N = \text{The number of Pairs of measurements.} \)

\[ X_m = \frac{\sum X}{N} = \frac{247}{44} = 5.6 \]
\[ Y_m = \frac{\sum Y}{N} = \frac{1722}{64} = 28 \]

\[ c_x = \sqrt{\frac{\sum x^2}{N}} = \sqrt{\frac{194.36}{64}} = \sqrt{3.04} = 1.74 \]
\[ c_y = \sqrt{\frac{\sum y^2}{N}} = \sqrt{\frac{285.8}{64}} = \sqrt{4.54} = 2.13 \]

\[ c_{xy} = 190.2 \]

\[ r_{xy} = \frac{190.2}{(1.74)(2.13)} = \frac{190.2}{3.69} = 0.51 \]

\[ \text{D.F.} = N - 2 = 64 - 2 = 62. \]

Positively significant at 5 per cent level.