

# **Problems of Scheduled Caste Co-operative Societies and their Members - A Qualitative Approach**

## **ABSTRACT**

The study was conducted to identify the problems faced by Scheduled Caste co-operative societies and their members in Thrissur district. Participatory Rural Appraisal method was employed to collect information from the respondents. Five SC co-operative societies were identified from the district and 10 individuals from each society, consisting of 5 members and 5 directors, were selected for the study thus making a total of 50 respondents. Major problems faced by the societies and their members were identified. The study highlights the issues faced by the SC community and shows that there is need to ensure that the benefits reach the actual beneficiaries.

Keywords: Scheduled Caste Community, SC co-operative, Problems, members

## **1. INTRODUCTION**

A well-defined set of ethics and principles, including "respect for community," form the foundation of cooperatives, which are organizations focused on people and values. Cooperatives are the only organisations that have this dual (social + economic) nature, making them the best and only means of ensuring fair distribution. They can adapt to any political structure while supporting a country's commitment to justice, democracy, and sound governance. From the primary cooperatives at the village level to their secondary and tertiary federations at the district, state, and national levels, the cooperative sector has an established, institutionalised network. As a result, they can access the inaccessible. The only way to legitimately include the weakest parts of society into an organisation and give them access to work and other possibilities is through cooperatives.

The Indian cooperative movement, have served as a model for other cooperative movements in the Asia and Pacific region. The Government of India established a new Ministry for Co-operation in July 2021 with the goal of strengthening cooperatives at the grassroots level, streamlining procedures for "ease of doing business," and fostering the growth of multi-state cooperatives after realising the importance of cooperatives as a vehicle for equitable economic development [1].

Kerala's rural economy has benefited greatly from the cooperative movement. Agricultural credit, the public distribution system, the distribution of agricultural products, health, education, including professional education, housing, agro-processing and development of Schedule Caste and Scheduled Tribe, women's development, and fisheries are just a few of the activities that the State's extensive network of cooperatives engage in.

As of the 31st of March 2022, there were 16,255 co-operative societies registered with the Registrar of Co-operative Societies, spread throughout 70 industries. Among these 16,255 societies, 12,284 are

active, 3312 are dormant, and 659 are in the process of being liquidated [2]. Moreover, 7656 cooperative societies were operating under the supervision of functional registrars. These societies are active in the dairy, handloom, fishing, industrial, and coir sectors. In order to promote the socioeconomic advancement of the Scheduled Caste in the State, Scheduled Caste Cooperatives were organized. To improve the living conditions of SC categories' disadvantaged families, the State must promote SC cooperatives. Kerala State Federation of Scheduled Caste and Scheduled Tribe Cooperative Ltd., an apex organisation of primary SC/ST cooperatives, is also working in the State for the promotion of SC/ST communities. State Department of Co-operation implements various projects for supporting the income and livelihood of the families through the cooperatives in the state like share capital assistance, assistance to start training institutes, grants, support for revitalisation etc. [3]. As of March 31, 2021, 371 of the 734 scheduled caste cooperative societies were active. The key indicators of SC co-operative societies from 2009-10 to 2018-19 are given in the table below.

Table.1

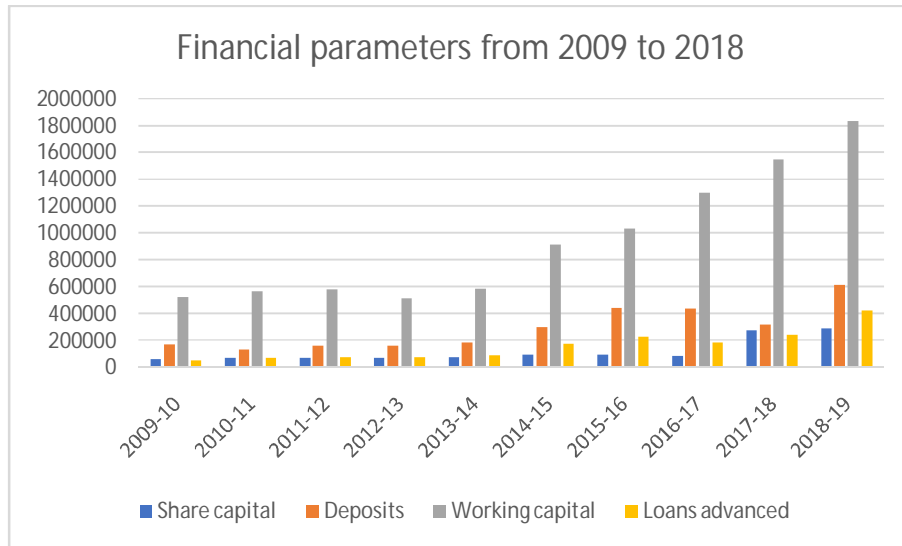
The Key Indicators of SC Co-operative Societies in Kerala from 2009-10 To 2018-19  
(Amount in 000's)

| Year        | No.of societies | Membership | Share capital | Deposits | Working capital | Loans advanced | No. of societies on profit |
|-------------|-----------------|------------|---------------|----------|-----------------|----------------|----------------------------|
| 2009-10     | 713             | 476108     | 61849         | 168965   | 525711          | 47759          | 77                         |
| 2010-11     | 714             | 537533     | 73710         | 128371   | 563278          | 70388          | 125                        |
| 2011-12     | 718             | 564329     | 73710         | 161886   | 577516          | 76616          | 212                        |
| 2012-13     | 724             | 566433     | 73780         | 161899   | 517724          | 74904          | 64                         |
| 2013-14     | 732             | 567471     | 74732         | 181954   | 580877          | 87756          | 29                         |
| 2014-15     | 734             | 559680     | 92090         | 302431   | 913733          | 174330         | 58                         |
| 2015-16     | 736             | 526902     | 93306         | 443509   | 1032410         | 229321         | 17                         |
| 2016-17     | 730             | 439170     | 85617         | 439924   | 1299811         | 185490         | 39                         |
| 2017-18     | 731             | 430846     | 271678        | 320317   | 1548802         | 244082         | 24                         |
| 2018-19     | 727             | 478821     | 291904        | 615873   | 1832933         | 421488         | 19                         |
| <b>Mean</b> | 725.9           | 514729.3   | 119237.6      | 292512.9 | 939279.5        | 161213.4       | 66.4                       |
| <b>CAGR</b> | 0.19            | 0.06       | 16.79         | 13.81    | 13.30           | 24.33          | -13.06                     |

Source: Compiled from Handbook of Co-operation, Government of Kerala

The financial indicators like share capital, deposits, working capital, loans advanced etc. of the societies have marked a growth from 2009-10 to 2018-19. The number of societies, membership, share capital, deposits, working capital and loans advanced has increased with a CAGR of 0.19, 0.06, 16.79, 13.81, 13.30 and 24.33 respectively. The loans advanced shows highest CAGR along with the increase in deposits and working capital and membership shows lowest CAGR. From the table, it can be inferred that the number of societies on profit (mean=66.4) has declined considerably with CAGR of 13.06 which may be pointing towards the lack of awareness about the professional management of the societies.

Figure 1. The Key Indicators of SC Co-operative Societies in Kerala from 2009-10 to 2018-19



### Review of Literature

The literature has mainly concentrated on the socio-economic factors, occupational gap, entrepreneurship and health condition of Scheduled Caste people. There are only few studies related to the SC co-operatives of Kerala to the knowledge of the researcher.

The present system of financing to Scheduled caste entrepreneurship should be strengthened and properly executed to promote SC entrepreneurship [4].

The ability of these community members to become members of PACS is constrained by financial restrictions. In relation to the SC community, the number of loanees likewise exhibited a significant decrease. The inquiry revealed that the scheduled castes and tribes' level of empowerment was not adequate. [5].

While analysing It was discovered that scheduled castes in India are exploited economically and socially in every sector after researching their literacy and health status. The numerous measures taken have had significant effects in a number of areas and have improved the circumstances of this underprivileged population. Yet, individuals have trouble using these services because of their ignorance and occasionally because of social barriers like caste or race. Nonetheless, development groups must continue to investigate various levels of incentives and achieve national social equality in India in order to improve the Scheduled Castes' level of human development. [6].

When comparing the occupational gap between SC and Non SC communities it was revealed that Compared to non-scheduled castes in the district, scheduled castes have a worse standard of living. Scheduled castes make up a small fraction of the general labour force. They are not benefited by the government's many programmes, despite that. The authors believe that greater attention needs to be

placed on improving education, implementing various skill development programmes effectively, governmental regulations, and addressing discrimination in the labour market and wage structure. [7].

The authors confirmed that caste distinctions continue to affect significant development outcomes. In both rural and urban areas, this underrepresentation in the entrepreneurial sector was pervasive throughout all of India's major states. The percentage of SC and ST in ownership and job creation has likewise been negligible. [8].

When the relationship between caste and access to agricultural finance was investigated, the main conclusion was that banks do make distinctions based on caste when offering agricultural credit to different borrowers. Compared to commercial banks, cooperative banks employ more discrimination. [9].

The review clearly indicates the lack of studies on SC Co-operative societies and hence a humble attempt is made to study the problems of SC co-operatives and SC communities.

### **Statement of the Problem**

The Scheduled Caste Development Department of the state carries out different programmes for the socio-economic, cultural and educational development of SC community. Similarly, SC/ST Federation also supports the SC co-operatives in the state through its various schemes [10]. Though there are 734 Scheduled Caste cooperative societies in the state, only around 15% are functioning well. Majority of the societies lack trained people and a permanent secretary. Capacity development through skill development programmes at the individual level and organizational level are essential. Many societies are unaware about aspects like how to run a society efficiently, how to frame employment generation projects, which are the rules applicable to co-operatives etc. All those problems identified by the pilot study drove the researcher to conduct a detailed analysis at the ground level.

### **Objectives**

The major objectives of the study are:

1. To identify the problems of SC co-operative societies in Thrissur district.
2. To identify the problems faced by the members of SC co-operative societies in Thrissur district.

## **2. METHODOLOGY**

Participatory Rural Appraisal method was employed to collect information from the respondents. The approach aims to incorporate the knowledge and opinions of people in identifying their problems and suggest suitable solutions. Five SC co-operative societies were identified from Thrissur district and 10

individuals from each society, consisting of 5 members and 5 directors, were selected for the study thus making a total of 50 respondents.

### 3. RESULTS AND DISCUSSION

#### Description of Respondents

The table below indicates the demographic details of the sample respondents.

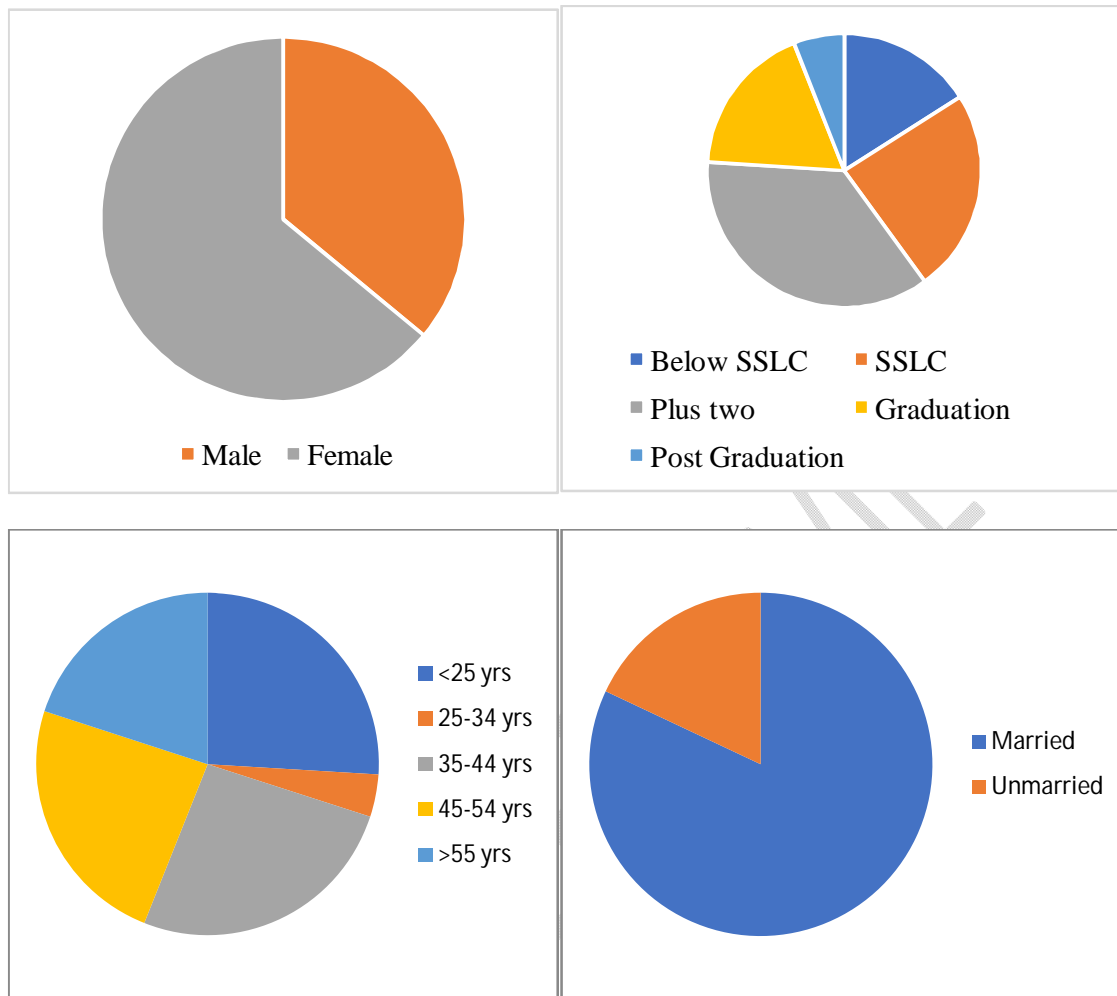
Table.2 Demographic details of sample Respondents

| Demographic categories           | Frequency<br>N=50 | Percentage |
|----------------------------------|-------------------|------------|
| <b>Gender</b>                    |                   |            |
| Male                             | 18                | 36         |
| Female                           | 32                | 64         |
| <b>Age</b>                       |                   |            |
| <25 yrs                          | 13                | 26         |
| 25-34 yrs                        | 2                 | 4          |
| 35-44 yrs                        | 13                | 26         |
| 45-54 yrs                        | 12                | 24         |
| >55 yrs                          | 10                | 20         |
| <b>Marital Status</b>            |                   |            |
| Married                          | 41                | 82         |
| Unmarried                        | 9                 | 18         |
| <b>Educational Qualification</b> |                   |            |
| Below SSLC                       | 8                 | 16         |
| SSLC                             | 12                | 24         |
| Plus two                         | 18                | 36         |
| Graduation                       | 9                 | 18         |
| Post Graduation                  | 3                 | 6          |

**(Compiled from the study)**

Table.2 reveals that out of the total respondents, majority (64%) were females, 56% were from the age group 25-44yrs, most of them (82%) were married and 36% had an education of plus two. This clearly indicates the relatively higher socio-economic status of Kerala SC community. More significantly no one is an illiterate in the respondents selected for the study.

Fig.2 Demographic details of respondents



The results of PRA carried out are presented here under the following two sub-headings:

### 1. Problems faced by SC Co-operative Societies in Thrissur

- Lack of working capital was identified as a prominent problem for the societies. Majority of the SC co-operative societies expressed the need for working capital assistance and various grants in order to meet at least the salary requirements of staff.
- Functional weaknesses were also observed in the co-operatives due to the inefficiency of personnel working in the institution. Some societies were not in a position to appoint their own paid secretary.
- Professionalization of management was also raised as an issue to be considered which affects the working of the societies. Selecting the trained person with sense of dedication will improve the efficiency.

- Lack of awareness regarding co-operative Act, rules and principles were also pointed out by the societies which causes difficulty in governance and administration.
- Dormant membership was also a problem for the societies as most of the times directors find it difficult to run organization without the active participation of members in terms of equity contribution, business transaction and democratic process.
- Poor infrastructural facilities like buildings and computers were also another problem faced by the societies.
- Support from Departmental administration was also poor and the managers had to face caste discrimination.
- Inordinate delay in auditing the accounts of co-operative societies was another problem pointed out by one of the societies due to destruction of records by fire.
- Negligence of non-credit aspects, like conducting awareness and training classes for undertaking income generating activities, was felt by the societies compared to the support received for credit aspects.
- Absence of a common platform to discuss their problems.

## **2. Problems faced by the members of SC Co-operative Societies in Thrissur District.**

- Lack of orientation programmes for the members on co-operative societies Act, rules and principles was projected as a major problem as it is a pre-requisite for their active participation.
- Lack of employment opportunities for the members of SC co-operative societies to ensure reasonable income for them.
- Absence of career guidance programmes for the members and their children was another area which required some intervention from the authorities.
- Lack of financial support for productive activities for the members.
- Absence of a platform for members to discuss their problems with departmental officials and find solutions.
- Conflict of Directors with employees affects collective decision making and effective functioning of the organization.
- No Capacity building programmes are organised and therefore members lack skills to identify a business opportunity.
- Low member participation hinders the attainment of objective of the organization.
- A feeling of discrimination for the members when they approached certain offices.

## **4. CONCLUSION**

The study was conducted to identify the problems faced by the SC members in general and SC co-operative societies in specific. Participatory Rural Appraisal was employed to collect information from the respondents. The members explained various discrimination faced by them and their problems. The directors from SC co-operative societies described about the society and its working. Most of

them have highlighted the need for establishing a fund for providing salary to the secretary. They also demanded for disbursement of grants, organising awareness programme on co-operative Act and rules, to form a committee to hear their problems and identifying solutions, job creation etc. Majority mentioned about the inefficient functioning of the departmental administration. Thus the study highlights the issues faced by the SC community and shows that there is need to ensure that the benefits reach the actual beneficiaries. Majority of the problems pointed out can be rectified by imparting proper knowledge regarding the Act, rules and principles of co-operation to the members and the employees. It will enhance member participation in the societies. The authorities may consider the knowledge, skill and attitude of candidates for recruitment to various positions in the societies. The societies may identify income generating opportunities for the members and necessary training can be provided to interested members. They can also organise personality development and career guidance classes for the children of members. The departmental staff may show tolerance in dealing with the members of SC societies.

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