

**CORPORATE GREED OR AN ALTERNATIVE
ECONOMIC MODEL- A STUDY ON PURBA (EAST)
MEDINIPUR DISTRICT**

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Abstract

Today one concept is very important which is Corporate Social Responsibility or CSR. With the CSR activities, corporate sector can be benefited to the society. Firms can be benefited from their CSR activities. But unfortunately corporate sector, some time, don't fulfill their social responsibility because of their greed and attraction towards profit and corruption. Corporate capitalism and inverted totalitarianism are terms used by the aforementioned activists and critics of capitalism to describe a capitalist marketplace – and society – characterized by the dominance of hierarchical, bureaucratic, large corporations, which are legally required to pursue profit without concern for the social welfare. Corporate capitalism has been criticized for the amount of power and influence corporations and large business interest groups have over government policy, including the policies of regulatory agencies and influencing political campaigns. Many social scientists have criticized corporations for failing to act in the interests of the people; they claim the existence of large corporations seems to circumvent the principles of democracy, which assumes equal power relations between all individuals in a society. To get rid from these problems which have been created by the corporate sector, we have to find an alternative way and which is Cooperative society → PACS → SHG. To establish and incorporate credit societies outside the procedures of the Companies Act, the colonial government, in 1904, enacted

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the first Cooperative Societies Act which applied to only those societies dedicated to cooperative credit. Societies were divided into rural and urban categories with the former vested with unlimited liability. This Act of 1904 was replaced by the Cooperative Societies Act, 1912, which governed all cooperative societies irrespective of their purpose, distinguished between them on the basis of their liability, required all agricultural societies to have unlimited liability and restricted the profits of their members.

Key Words Corporate Social Responsibility, Corruption, Cooperative Societies, PACS, SHG.

Introduction:-

Here the discussion can be started with a question – Is there any alternative economic model to get rid from corporate greed and to combat corruption? Through this writing the answer will be tried to be given. Today one concept is very important which is Corporate Social Responsibility or CSR. With the CSR activities, corporate sector can be benefited to the society. Firms can be benefited from their CSR activities. Based on a two-year study, the World Business Council for Sustainable Development has drawn several conclusions about the benefits of CSR to companies”

- A coherent CSR strategy, based on integrity, sound values and a long term approach, offers clear business benefits to companies and helps a firm make a positive contribution to society;
- A CSR strategy provides businesses with the opportunity to show their human face;
- Such a strategy requires engagement in open dialogue and constructive partnerships with governments at various levels, intergovernmental organizations, non-governmental organizations, other elements of civil society and, in particular, local communities;

(Paul Hohnen, Editor- Jason Potts,)

But unfortunately corporate sector, some time, don't fulfill their social responsibility because of their greed and attraction towards profit and corruption. Corporate capitalism and inverted totalitarianism are terms used by the aforementioned activists and critics of capitalism to

describe a capitalist marketplace – and society – characterized by the dominance of hierarchical, bureaucratic, large corporations, which are legally required to pursue profit without concern for the social welfare. Corporate capitalism has been criticized for the amount of power and influence corporations and large business interest groups have over government policy, including the policies of regulatory agencies and influencing political campaigns. Many social scientists have criticized corporations for failing to act in the interests of the people; they claim the existence of large corporations seems to circumvent the principles of democracy, which assumes equal power relations between all individuals in a society. As part of the political left, activists against corporate power and influence support a decreased income gap and improved economical equity.

To get rid from these problems which have been created by the corporate sector, we have to find an alternative way and which is Cooperative society → PACS → SHG. To establish and incorporate credit societies outside the procedures of the Companies Act, the colonial government, in 1904, enacted the first Cooperative Societies Act which applied to only those societies dedicated to cooperative credit. Societies were divided into rural and urban categories with the former vested with unlimited liability. This Act of 1904 was replaced by the Cooperative Societies Act, 1912, which governed all cooperative societies irrespective of their purpose, distinguished between them on the basis of their liability, required all agricultural societies to have unlimited liability and restricted the profits of their members.

Objectives

- i. To examine the needs of Cooperative society /PACS/SHG in the present liberal economic scenario.
- ii. To evaluate the progress made by the Self Help Group in West Bengal with special reference to Purba Medinipur district.
- iii. To evaluate the role of the Cooperative society /PACS/SHG in the socio-economic development of the society.
- iv. The research project aim was to evaluate the effectiveness of the Accounting disclosure, human resource and problems encountered by Cooperative society /PACS/SHG as well as the potential of socio-economic development of the marginalized and proletariat of the society.

v. To recommend appropriate measures for better functioning of the Cooperative society /PACS/SHG.

Methodology

The research project includes the study with the help of both secondary data and primary data. The secondary data have been collected from “Statistical Statements Relating to The Cooperative Movement in India – Part I” from NABARD and State wise Basic Data of Primary Agricultural Credit Societies” from National Federation of State Cooperative Bank (NAFSCOB). There are three Central Cooperative Banks operating in the district of Purba Medinipur namely Balageria, Mugberia and Tamluk-Ghatal Central Cooperative Banks. The PACS are operating under these Central Cooperative Banks. The primary data on the performance and role of SHGs plays in the socio-economic and political upliftment of the society has been done through field work throughout the block –Bahgawanpur II of district of Purba Medinipur. Ratio Analysis and Trend Analysis of the financial data will be conducted to study the financial position of the SHGs.

After independence, Credit institutions serving agricultural-sector needs developed in three phases. In the first phase, which lasted from 1947 to 1969, cooperative agencies were the primary vehicle providing credit. In the second phase, after nationalization of banks in 1969, commercial banks were assigned a role in providing agricultural credit but were supplementary to cooperatives. In the last phase starting in 1975, regional rural banks were established to provide credit. In the 1990s, agricultural credit is provided through a multiagency approach in the form of cooperatives, commercial banks, and regional rural banks. As on 31st March, 1999 there were approximately 92,000 village level Primary Agricultural Credit Societies (PACS) 367 District Central Co-operative Banks (DCCBs) and 28 State Co-operative Banks (SCBs) providing primarily short-term and medium-term agricultural credit in the country.

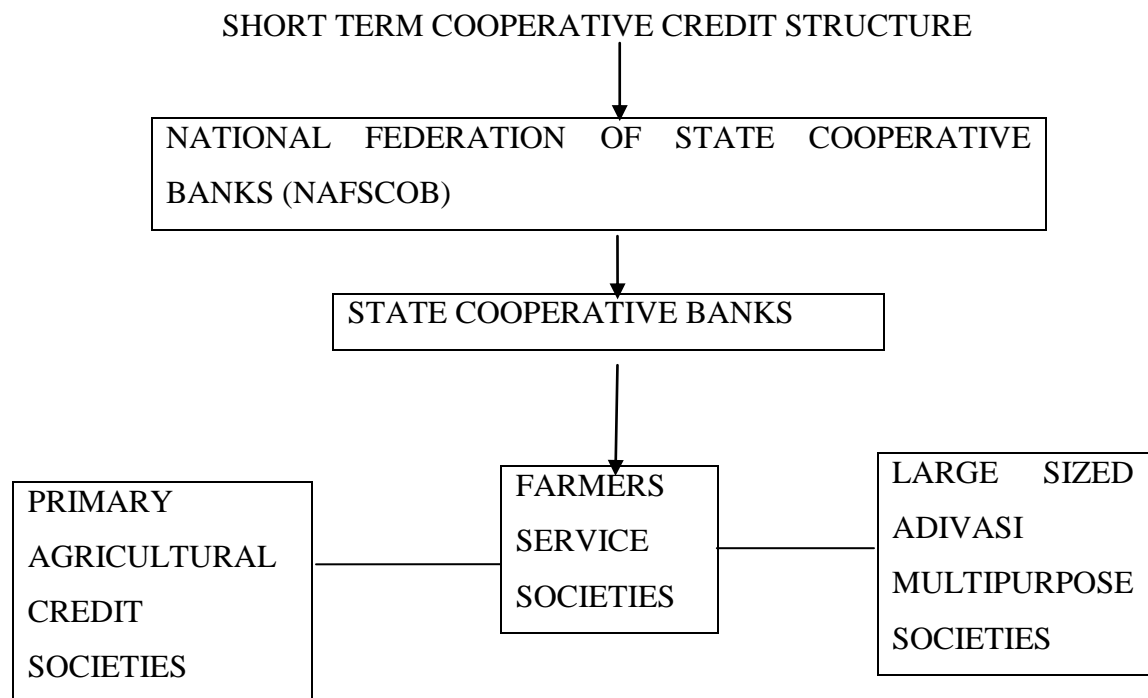
Cooperatives played a significant role in the production and distribution of agricultural inputs. For example, during FY 1988 nearly 3.5 million tons, representing more than 33 percent of total fertilizer (less cow dung), were distributed through a network of 76,000 cooperative retail outlets. Cooperatives also distributed other inputs, such as seeds, pesticides, and agricultural implements.

The co-operative movements was started in India largely with a view to providing agriculturists funds for agricultural operations at low rates of interest and protect them from the clutches of moneylenders. The organization of the co-operative credit for short period may be briefly outlined as follows:

A co-operative credit society, commonly known as the primary agricultural credit society (PACS) may be started with ten or more persons, normally belonging to a village. The value of each share is generally nominal so as to enable even the poorest farmer to become a member.

The members have unlimited liability, that is each member is fully responsible for the entire loss of the society in the event of failure. This will mean that all the members should know each other intimately. The management of the society is under an elected body consisting of President, Secretary & Treasurer.

The management is honorary, the only paid member being normally. Loans are given for short periods, normally for one year, for carrying out agricultural operations, and the rate of interest is low. Profits are not distributed as dividend to shareholders but are used for the welfare of the village. Now a structure of short term cooperative credit system has been presented.



“Microfinance is our business – Cooperating out of poverty” is the message given by International Cooperative Alliance during the United Nation’s Year of Micro credit in 2005. UN has declared the year 2012 as the International Year of Cooperative. Primary Agricultural Credit Societies (PACS) are the lowest tier in providing short term credit under the credit cooperative institutions. Primary Agricultural Credit Societies (PACS) being the lowest tier of the three tier structure of the cooperative credit. PACS operate under the District Central Cooperative Banks. From the “Performance of Primary Agricultural Credit Societies” ending 31.03.2009 published by National Federation of State Cooperative Banks Ltd reveals that as on 31.03.2009 there were 95,633 PACS operating in India with total membership of 13,235 crores covering 6,05,922 villages. No other credit institution can be compared with the huge existing infrastructure, network and potential in catering rural credit in India. The numbers of borrowers from the PACS were 4.29 crores in the year 1999-00 which was increased to 7.94 crores in the year 2007-08. The paid up capital of the total number of PACS operating in India was Rs 7,005 crores as on 31.03.2009. In the Budget of the year 2008 Mr. P. Chidambaram waived the agricultural loan to a tune of Rs 60,000 crores of which Rs 48,000 crores were from cooperative banks. Had Mr. P. Chidambaram provided the same amount of money in the budget to the cooperative sector then it would not be exaggerated to say that the infrastructure of the PACS would have improved to a class of multinational banks and yet they be operating in the rural area and be able to cater the credit requirement of the rural and marginalized farmers in its entirety. The cooperative sector have always been used by the politicians to gain cheap popularity and to gain political mileage rather than to improve the ailing and frail condition of the PACS and make the cooperative sector more vibrant. Table 1 reveals that the nominal growth rate of deposits of the PACS was 8.20% during 1999-00 to 2008-09. In terms of volume of the total deposits increased from Rs 12,459 crores to Rs 26,243 crores during the same period. The nominal growth rate of borrowing of the PACS was 8.70% during 1999-00 to 2008-09. In terms of volume the borrowings was increased from Rs 22,350 crores to Rs 48,919 crores during the same period. The working capital of the PACS increased from Rs 42,710 crores in the year 1999-00 to Rs 94,579 crores in the year 2008-09. The nominal rate of growth of the loan issued was 10.30% during 1999-00 to 2008-09. In terms of volume the loan amount increased from Rs 23,662 crores in the year 1999-00 to Rs 58,686 crores in 2008-09. The nominal rate of growth of loans outstanding was 8.70% during 1999-00 to 2008-09.

The rate of collection of total loans to total demand increased from 64.60% in 1999-00 to 70.88% in 2006-07. But after the loan waiver scheme the percentage of collection of loan to total demand decreased to 64.33% in 2007-08 which further decreased to 55.15% in 2008-09. The simple theory of loan waiver leads to the decrease in the collection rate of loan. Total number of godowns managed by PACS are 65,289 with total capacity of 2, 41, 13,026 tones. Out of 95,633 PACS 64,872 PACS are viable and 23,046 are potentially viable. If the government becomes serious with at least these PACS which are viable or potentially viable then also the number would be far more than the total number of banks comprising Commercial, Private and Foreign banks. From the experience we are having a feeling that the policies of the government intends to remove Garib (i.e. poor and marginalized section of the society) rather to remove Gariby (i.e. poverty).

In West Bengal, Self-Help Groups are reckoned as Co-operatives within a Co-operative. They are informal groups of 5-20 persons of the same low level of economic condition, belonging to the same locality or hamlet. Open and voluntary membership, democratic control of members, participation of members in economic activities of the Group, autonomy and independence, education, training and information, cooperation amongst different groups and concern for the community — all the seven Co-operative Principles do exist in these Groups. Since these are un-registered informal groups, and the PACS' cannot finance non-member units, the State Government, in exercise of the power conferred upon it u/S. 69(1)(d) of the West Bengal Co-operative Societies Act, 1983, permitted the PACS' to enroll Self-Help Groups as members of the PACS under two Notifications dated 02/05/1995 . This was done as a part of the programme for implementation of Business Development Plan, introduced pursuant to the recommendations of the Agricultural Credit Review Committee (Khusro Committee), which envisaged that the plan for every deposit, credit and trading activity of the PACS should have two prongs — individual members and Self-Help Groups. Later on NABARD-sponsored SHG programme acted as a booster and the Self-Help Groups in the Co-operative Sector in West Bengal assumed the shape of a movement in the State. Through periodical meetings, equal doses of savings at the end of every week, fortnight or month, rotation of leadership, united fight against the evils in the family and the community, group dynamism develops amongst the SHG members over months of existence and they become eligible for credit-linkage through the PACS' which organize and

nurture them. The central Co-operative Banks act as the facilitators and the State Co-operative Bank as the coordinator. (<http://coopwb.org/self-help-group.php>)

Functions:



{Source: - Annual administrative report of the West Bengal State Cooperative Bank Ltd. (2009-2010)}

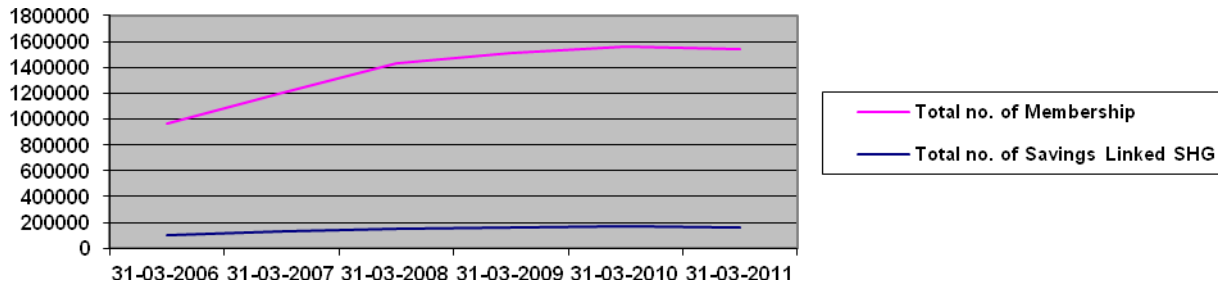
Growth of Self-Help Groups in West Bengal: - The growth of Self-Help groups in West Bengal has been discussed here with help of a table and chart.

Table 1:- Growth of Self-Help Groups in West Bengal

As on	No. of SHG Saving Linked	No. of Members (Total)	No. of Female Members	No. of SC/ST Members	Deposits Mobilised	Loans Issued
31/03/06	105493	857097	760116	339521	45.61	103.40
% growth	(+)47.24	(+)46.10	(+)49.08	(+)44.86	(61.19)	(+)87.75
31/03/07	132292	1075251	956178	413130	76.50	152.15
% growth	(+)25.40	(+)25.45	(+)25.49	(+)21.68	(+)67.73	(+)47
31/03/08	156033	1275112	1099486	463531	94.50	210.58
% growth	(+)17.95	(+)18.59	(+)14.99	(+)12.20	23.53	38.40
31/03/09	162235	1353025	1206171	531818	120.14	306.62
% growth	(+)3.97	(+)6.11	(+)9.70	(+)14.73	(+)27.13	(+)45.61
31/03/10	170497	1394057	1224833	556916	143.85	371.85
% growth	(+)8.76	(+)6.29	(+)1.55	(+)4.72	(+)19.76	(+)21.27
31/03/11	165700	1379050	1244458	522682	162.19	521.70

{Source: - Annual administrative report of the West Bengal State Cooperative Bank Ltd. (2009-2010)}

Chart 1:- Growth of Self-Help Groups in West Bengal



From the above table and chart it is clear that savings, members, deposits, loans etc are growing very quick and smoothly.

Growth of SHG under Mugberia Central Co-operative Bank Ltd.:- In this section the growth rate of SHG under Mugberia Central Co-operative Bank Ltd, district: - Purba (East) Medinipur, in different sections has been discussed through some tables and charts.

Table 2:-Growth of SHG under Mugberia Central Co-operative Bank Ltd, Bhagawanpur-II block, Purba (East) Medinipur, West Bengal, India

YEAR	NO.OF SHG
1999-2000	201
2000-2001	444
2001-2002	1076
2002-2003	3279
2003-2004	4631
2004-2005	5929
2005-2006	6985
2006-2007	6319
2007-2008	6970
2008-2009	7164
2009-2010	6747
2010-2011	6754

(Source: - Annual administrative report of the Mugberia Central Co-operative Bank Ltd)

Chart2:- Growth of SHG under Mugberia Central Co-operative Bank Ltd, Purba (East) Medinipur

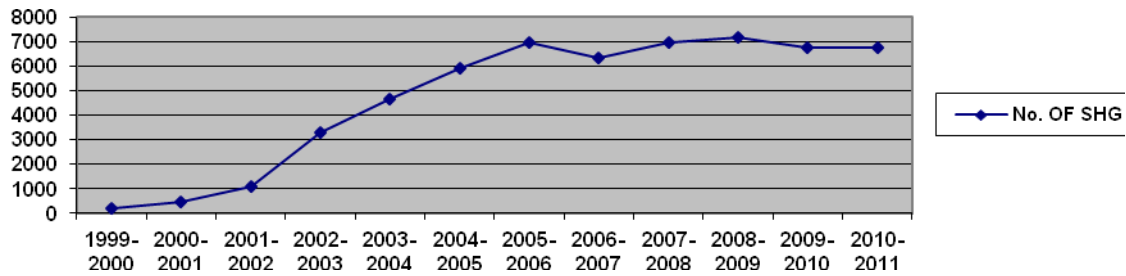
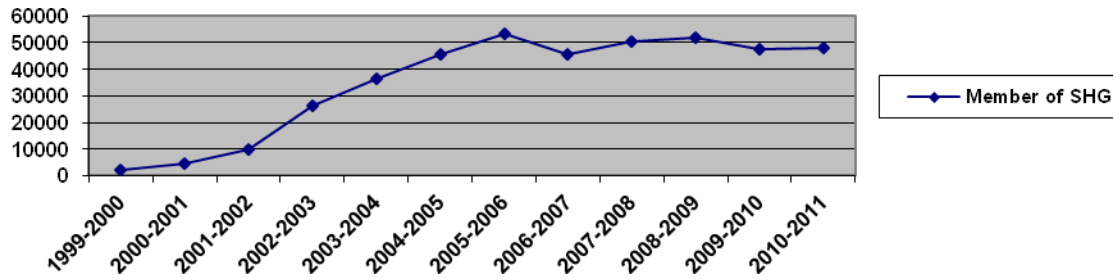


Table 3:-Growth of Member of SHG

YEAR	Group Member
1999-2000	2307
2000-2001	4523
2001-2002	10070
2002-2003	26519
2003-2004	36546
2004-2005	45711
2005-2006	53152
2006-2007	45508
2007-2008	50648
2008-2009	51732
2009-2010	47380
2010-2011	47814

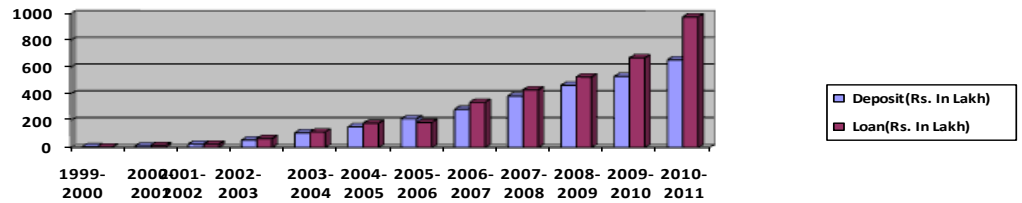
(Source: - Annual administrative report of the Mugberia Central Co-operative Bank Ltd)

Chart 3:- Growth of Member of SHG**Table 4:-SHG Deposit and Loan**

Year	Deposit (Rs. In Lakh)	Loan (Rs. In Lakh)
1999-2000	4.76	3.84
2000-2001	11.93	13.72
2001-2002	25.13	23.59
2002-2003	55.63	67.44
2003-2004	109.51	116.35
2004-2005	155.07	181.05
2005-2006	215.13	186.21
2006-2007	285.16	338.02
2007-2008	385.91	431.23
2008-2009	465.54	527.63
2009-2010	531.38	670.36
2010-2011	655.28	976.08

(Source: - Annual administrative report of the Mugberia Central Co-operative Bank Ltd)

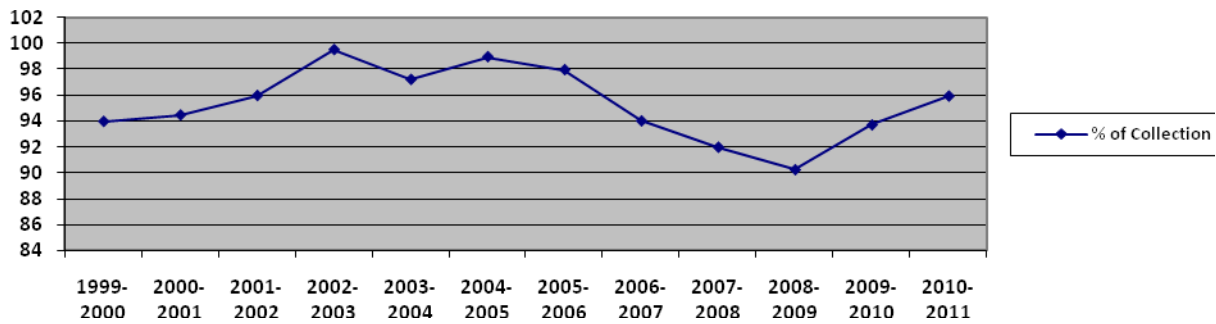
Chart 4:- SHG Deposit and Loan

**Table 5:- % of Collection of SHG Loan**

Year	% of Collection
1999-2000	94.00
2000-2001	94.50
2001-2002	96.00
2002-2003	99.55
2003-2004	97.25
2004-2005	99.00
2005-2006	98.00
2006-2007	94.04
2007-2008	92.01
2008-2009	90.27
2009-2010	93.73
2010-2011	95.96

(Source: - Annual administrative report of the Mugberia Central Co-operative Bank Ltd)

Chart 5:- % of Collection of SHG Loan



Case Study:-

Purba (East) Midnapore district has four subdivisions:- Tamluk, Contai, Egra, and Haldia. Bhagwanpur II is one of the block of Contai Subdivision of Purba Midnapore district of West Bengal. Bhagwanpur II block has its own historic, religious, social, educational, political, cultural, and economic significance though economically the block is considered as a backward block.

There are some NGOs which are working for the upliftment of rural poor in the Bhagwanpur II block. There are many small scale industries in this locality like Brick field, Handloom, Prawn Culture, Betel Leaf Cultivation, Farming and many others. But unfortunately the “processing” in many of these sectors are not of market standard resulting in selling the produce relatively at lower rate. In this block SHGs help the rural poor to taking up income generation activities. More than 500 women are engaged in production activities producing more than 50 items like Food Products, Handloom, pickle, Squashes, Vermi Compost etc. In the field study data pertaining to 100 sample units were collected. Of the total sample units selected, 95% of them are women beneficiaries. Study revealed that the PACS working in the block are very successfully in nurturing the SHGs to make up firming and non-firming activities for rural development.

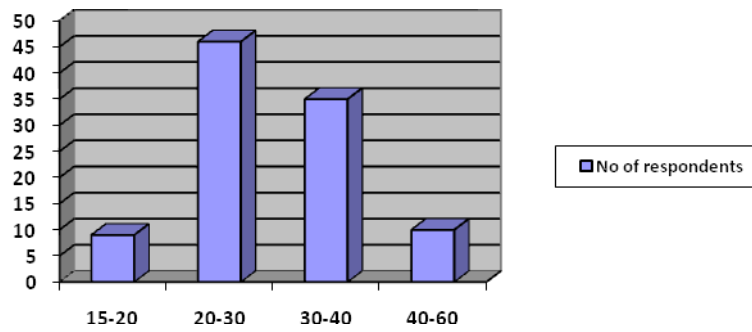
Age Composition: - Sample respondents were selected from different age groups. Of the total beneficiaries selected 9% belongs to the age group 15 years to 20 years. About 46% of the beneficiaries belong to the category of 20-30 years. 35% of the beneficiaries belong to the age group 30 to 40 years. Remaining 10% of the respondents full under the category of 40 to 60 years age.

Table 1:- Age Composition of the respondents

Age	Number of respondents	Percentage
15-20	9	9
20-30	46	46
30-40	35	35
40-60	10	10
Total	100	100

(Source: - Primary Data)

Graph 1:- Age Composition of the



respondents

The above graphs depicts that the majority of the SHG members taking SHG activities belongs to the age group of 20-30 years and 30-40 years. Middle aged and married members are highly involved in SHG activities and they are more responsible in contributing the income to their family income.

Educational Background: - Educational backgrounds of the respondents are very low as indicated by the table.

Table 2:- Educational Background

Education	Number of respondents	Percentage
Primary (Class 1 to class 4)	60	60
Below Secondary Level (Class 5 to Class 9)	35	35
Secondary to Higher Secondary (Class 10 to Class12)	5	5
Degree	00	00
Total	100	100

(Source: - Primary Data)

A large number of beneficiaries are having educational background of primary level. About 60% beneficiaries have education only up to 4th standard or primary level, 35% of the beneficiaries obtained with education up to 9th standard and remaining 5% of beneficiary groups have the education up to 12th standard. No beneficiaries have the education above the pre-university level. Educational background of the respondent has proved to be one of the reasons for the poor economic organization. Poor quality of life is mainly due to the lack of better education facilities to the rural poor.

The sample respondents of the study indicated that, by forming SHGs under the guidance of PACS as well as constant motivation, training and supported by the PACS has induced a large number of rural women with a very meager educational background could take up farming and non-farming group activities.

Occupational background of respondents before joining SHGs: - The study of the occupational background of the respondents revealed a progressive change in the occupation. Before joining SHGs they were engaged in small scale industries as well as wage employment like maid servant etc.

Table 3:- Occupational background

Source of income	Number of respondents	Percentage
Wage labour	20	20
Small scale industries	15	15
Self employment	12	12
Unemployment / House-wife	53	53
Total	100	100

(Source: - Primary Data)

The respondents who were engaged in wage employment constitute a 20%. Since their employment was seasonal and paid low wages and a major portion of the respondents which was 53%, were un-employed or house-wife, they moved into the SHGs for the income generating

activities. It has provided them more working opportunities. About 12% beneficiaries were engaged in self employment activity and remaining 15% were engaged in small scale industries.

Thus SHGs have helped them either to move into the self employment activities or to move from health hazardous occupation into the healthy occupation. The earning from the small scale industries was highly irregular, work for wage labour was seasonal and the income of the self employed was scanty as revealed by the respondents at the time of interaction by the group of SHGs.

Income from the earlier occupations of the respondents was irregular and it was not enough to lead minimum satisfactory of life. Standard of living was much below. Hence they prefer to join SHGs and start working in group, which made them economically self sufficient and to lead better economic life.

Motivational factor for joining SHGs for income generating activities: - Majority of respondents are motivated by the PACS. Primary Agricultural Credit Societies are playing a very significant role in organizing SHGs and motivating them to take up farming and non-farming income generating activities. Majority of the respondents are motivated by the PACS to join the SHGs.

Almost all respondents revealed that their participation in the SHG has facilitated to take part in farming and non-farming income generating activities.

Table 4:- Motivational factor for joining SHGs for income generating activities

Motivation	Number of respondents	Percentage
Self-interest	14	14
Friends	15	15
Relatives	07	07
PACS	35	35
NGOs	08	08
Government	10	10
Others	11	11
Total	100	100

(Source: - Primary Data)

The available data reveals that the PACS working in this block play a crucial role in organizing SHGs of people with low economic and educational background in the rural areas. SHGs help the rural poor in capacity building, training and financial support necessary in taking income generating activities.

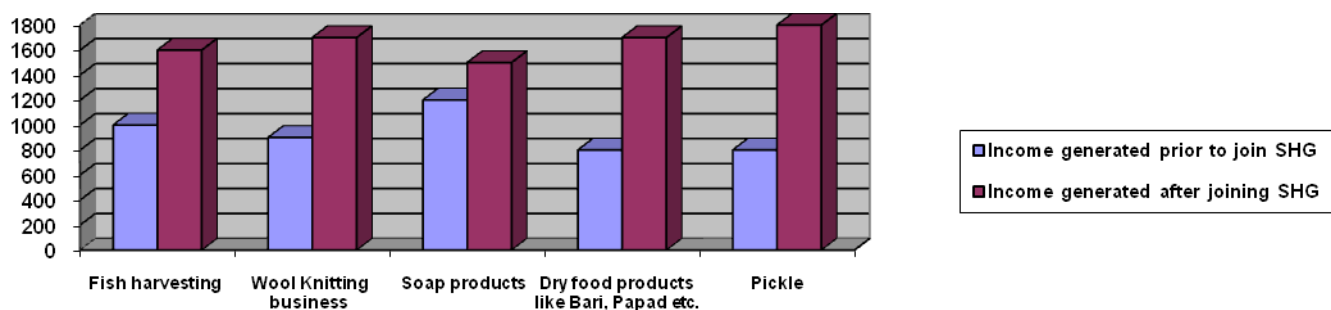
It is clear from the above table that majority of respondents are inspired by the PACS to join SHGs and take up farming and non-farming income generating activities. PACS are source of inspiration for about 35% of the respondents. 15% of the respondents joined the SHGs due to the influence from their friends. 14% of the respondents are self-interested to join self-help groups. Influence of the government and NGOs through different programmes are about 10% and 8% respectively. Relatives and others were able to influence the respondents 7% and 11% respectively.

Table 5: Level of Income of the Respondents before and after joining SHGs:-

Activity	Income generated prior to join SHG	Income generated after joining SHG
Fish harvesting	900-1000	1500-1600
Wool Knitting business	800-900	1550-1700
Soap products	1000-1200	1350-1500
Dry food products like Bari, Papad etc.	700-800	1500-1700
Pickle	750-800	1600-1800

(Source: - Primary Data)

Graph 2:- Level of Income of the Respondents before and after joining SHGs



It is clear from the above table that the level of income of individuals after joining Self Help

Groups for income generating activities has steadily increased. It proves that Self Help Groups have strengthened the economic position of the Self Help Groups. SHGs have contributed directly for the economic empowerment of rural poor. Better quality of life, better standard of living is possible through the SHGs and their income generating farming and non-farm activities. Before joining Self Help Groups, they mainly depend upon agricultural/farm activities and some of them were unemployed. Agriculture is seasonal in nature. Hence farming and non-farm activities through Self Help Groups helped them to become more Self sufficient and to improve standard of living.

Source of Capital: - Source of capital available to the Self Help Groups for starting income generating activities include Self Help Group savings, financial assistance through Government Schemes, Capital received from the friends, relatives, cooperative banks, commercial banks and money lenders. Capital information is regarded as one of the important and principal factors in economic development. According to Ragner Nurkse, the vicious circles of poverty in underdeveloped countries can be broken through capital formation.

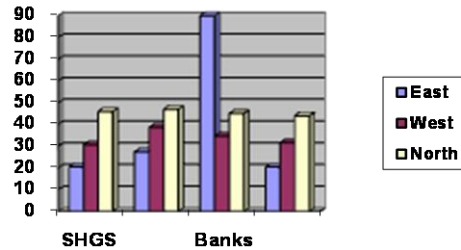
Generally in the rural economy money lenders play a very vital role. The inadequate finance at reasonable rate is the main cause of entrepreneurial backwardness. The formation of SHGs has facilitated pooling of resources, enabled the members to raise funds for productive purpose. This fact is revealed in this study.

Table 6: Source of Capital

Source	Share in percentage
1) SHGS	30
2) Government	32
3) Banks	18
4) Relatives	3
5) Money lenders	5
6) Others	12
Total	100

(Source: - Primary Data)

Pie Chart 4: Source of Capital



The study of the source of capital to the respondent has indicated that a major share of capital is mobilized by the group through the small savings. 30% of the capital was mobilized through the savings of the SHGs themselves. This indicates that that SHGs have succeeded in mobilizing their own resources for taking up firming and non-farming income generating activities and the share of the bank i.e., commercial banks and co-operative banks also has increased to the level of 32%. The various government employment generation schemes such as SGSY, NREGS etc are implemented through the commercial, co-operative banks and the Panchayats.

The importance of the money lenders, relatives etc have decreased rapidly in recent years due to the increased importance of the rural banking schemes and micro credit programmes. The role of commercial banks in rural development has been increased rapidly in the modern society. Government to help the destitute women population has come out with the SHG scheme.

Objectives of the scheme

- 1) To improve in the total quality of life of the rural poor women
- 2) To reduce the poverty level of rural poor
- 3) To increase the employment and income level of the destitute women
- 4) To develop entrepreneurial culture among women
- 5) To create employment potential by encouraging self employed concept
- 6) To tap and exhibit the technical and managerial skills of the women entrepreneurs
- 7) To increase the supply of the products at a lower cost to the consumers of the local area by

- minimizing the overhead cost and distribution cost which is very high with MNC's
- 8) To utilise the available resources more efficiently with out wasting in transportation and storage
 - 9) To increase social and political awareness among rural poor women

The supports given by Government agencies to the SHGs are:-

- 1) Formation of group from the members identified
- 2) Project identification for the selected group
- 3) Conducting Entrepreneurship Development Programs
- 4) Helping the groups in developing infra structure, organization, etc
- 5) Loan syndication with banks for term loan / working capital loan
- 6) Marketing assistance to market the products produced by the SHGs

The problems faced by the SHGs are:-

- 1) Non- availability of adequate training centre
- 2) Limited financial strength hence limited borrowing capacity
- 3) Lack professionalism because the members are less qualified
- 4) Marketing of production poses a major challenge for the SHGs
- 5) Consumers reluctance to buy the products when the products produced by the MNCs are available in the market

The suggestions to SHGs:-

- 1) increase the educational level of the respondents
- 2) selecting right products
- 3) include qualified persons in the management
- 4) undergoing proper training in the business management
- 5) integrating all the SHGs

Conclusion

The cooperative societies which mostly operate as the outlet of the PDS have to be restructured and developed. The infrastructure of these cooperative societies like building and the manpower can be developed and need not have to start from scratch. Only the orthodox modes of functioning have to be changed and modern outlook have to be adopted. These outlets can be changed into Departmental Stores with better packaging of the products and developing the existing infrastructure.

Steps have to be taken to recover the loans which are overdue to PACS amounting to Rs 37,924 crores as on 31.03.09. Success that cooperatives have achieved both in developing and developed countries are not properly highlighted and disseminated. Capitalists who advocate for free market economy take recourse of tax exemptions and tax holidays from the government in order to work in rural areas at the interest of the cooperatives which existed and are working in the rural areas and also without the commensurate attention of the government as given to the Capitalists.

Protection of the weak and not the survival of the fittest is the motto of cooperative. It is cooperation that tries to achieve this end – the protection of the weak – not indeed by allowing them to remain weak, but by enabling them to get the necessary strength. The growing importance of the cooperative cannot be underestimated. UN has proclaimed year 2012 as International Year of Cooperative. It is essential that the cooperatives should communicate in a better way with the members and outside world so that it can be differentiated itself with other economic models. Better communication will help to know the spirit and objectives, activities undertaken by the cooperatives and to create an intimate relation through continued loyalty and commitment. Government should not only use the cooperatives as a means of political mileage but proper missions and visions have to be adopted in order to develop the frail conditions of the cooperatives in general.

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