



THE COLLECTIVE ALTERNATIVE: EXPERIENCES OF COOPERATIVES IN AGRICULTURE



This booklet is an outcome of the workshop - "National and International Experience of Cooperatives in Agriculture" organised by Joshi-Adhikari Institute of Social Studies (JAISS), New Delhi.

JAISS

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FOREWORD



The United Nations' declaration of "2012 - International Year of Cooperative" drew the world's attention to the increasing livelihood vulnerability of marginalised sections of the society all over the world, and underlined the necessity of promoting and prioritising the issues of collective economic base and cooperation among them. For the vulnerable people, collectivisation provides a viable solution to their challenges and problems.

In Asia, Africa and large parts of the world, peasantry constitutes the biggest segment among those whose livelihoods, and even survival, are threatened in the neo-liberal policy frame. Joshi-Adhikari Institute of Social Studies (JAISS, New Delhi, India), a research institution, conducted a nationwide primary survey from 2009 to 2011. The objective of the survey was to trace the production and marketing trajectories of the marginal farmers. The survey concluded that the only respectable path to resolve the agrarian crisis in the Indian economy would be the collectivisation of production base of marginal farm households (land as well as labour) through the institution of cooperatives.

On 18-23 March 2013, JAISS organised a six-day workshop on "National and International Experiences of Cooperatives in Agriculture" in New Delhi, which brought together a wide repertoire of national and international experiences on the subject. The workshop invited, from the Indian perspective, theoretical and detailed discussions on the relevance of cooperatives in alternative development strategy, the agrarian question and its resolution, the question of land and water, and the possibility of viable farm operations for small and marginal farm households. Many of these issues and discussions were seen as equally relevant and echoed by the experiences in China, Vietnam and Nepal (Asia), Spain (Europe), Cuba and Venezuela (South America), and South Africa, Tanzania and Ethiopia (Africa). The temper of the workshop necessitated the tracing of the history of agricultural cooperatives in the socialist and capitalist countries as well as in the colonial world and also evaluating their roles in the current conjuncture as an important precondition for reviving the agenda of the cooperative movement among the marginalised sections of population.

This booklet is an outcome of that workshop and comprises its detailed report besides three major papers from India presented therein. "Report of the Workshop on National and International Experiences of Cooperatives in Agriculture" prepared by Dr. Jaya Mehta and Saeed Khan captures the wide canvas of the workshop and the quality of its rich discussion, combining the socialist understanding and theory of the agrarian crisis with ground level experiences. The report outlines the deliberations on the



cooperative movement in India, briefly reports on the scenario and experiences in some socialist and developing countries of the world (mentioned above), thereby focusing on the discussion generated in the workshop on finding a solution to the agrarian question through effective and sustainable cooperatisation.

In "The Underutilised Potential of Agricultural Cooperatives in India", Sachin Shrivastava deals with the primary agricultural cooperative credit societies (PACS) and argues that, as in other capitalist and developing countries, the cooperative movement in India has mostly remained confined to service cooperatives. The cooperative credit societies have unfortunately not fulfilled the objective of offering meaningful support to poor farmers. Rampant corruption, excessive bureaucratisation and financial sickness have led to a situation where layering of these societies in the cooperative credit structure is being demanded. However, he states that the PACS should not be abandoned but democratised and people's involvement in their functioning ensured.

In "Kudumbashree - Collective Farming as a Means to Empower Landless and Poor Women in Kerala", Shanta Venkatraman refutes some of the arguments posed by Sachin, by retelling the experiences of thousands of women groups engaged in collective farming in Kerala. These groups have worked wonders for women individually and collectively. The Kudumbashree Mission, began as a poverty eradication programme, has helped around four million women generate income for themselves, and, more importantly, has given them a voice to determine their own development. This women's empowerment is most significant in the collective farming work in Kudumbashree, where women have brought about a positive change to the agrarian landscape in the state.

Roshan Nair's "Cooperatives and Technology: Towards Democratic Exchange of Information" draws attention to how a proper choice of technology such as community radio can facilitate transforming the production structure and help improve the small farmers' production and marketing space and also change the norms of efficiency from profitability to environmental sustainability and egalitarian development. A technology tool using their own language and idioms can help farmers realise their own collective strength and enable them to deal with corporate challenge, an unsympathetic state and also exigencies arising from climate crisis.

We hope that this booklet will, in its own way, be used to help revive the interest of farmers and policy makers in cooperatisation as an effective response to the agrarian concerns gnawing at the vitals of the agrarian society today.

Jaya Mehta

Joshi-Adhikari Institute of Social Studies



Report of the workshop: NATIONAL AND INTERNATIONAL EXPERIENCES OF COOPERATIVES IN AGRICULTURE

on 18-23 March 2013 at JAISS, Jawaharlal Nehru Youth Centre, Delhi

JAYA MEHTA AND SAEED KHAN

In India, the small holder and marginal farmers account for 70% of the country's total agricultural holdings yet they are today under devastating attack from neo-liberal capitalism, which has particularly intensified in the last few decades. They have been pauperised in their own homes, marginalised from their lands and denied any control over natural and productive resources like water and seeds, and thereby prevented from having a gainful livelihood from agriculture.

Land and water are vital resources for the peasants but which have been and continue to be stolen by the processes of neo-liberal development and urbanisation and denied to majority population on the basis of caste and other discriminatory norms. The British converted the communal land ownership system into private ownership with the objective to maximise revenue from land tax and intensify the plunder of natural resources. The continuation of such a policy and approach post-Independence has effectively marginalised the small peasants from their own lands. Likewise in the case of water, which though is a qualitatively different resource in that it is dynamic, asymmetric and part of the commons, and that the normal concepts of property are not applicable to it. But still, the capitalist system has forced property relations on water resources, creating many anomalies and corresponding conflicts.

Until today, the governments' successive policies have kept the smallholder peasants away from taking an equitable share in the country's development agenda. The development in agriculture and the practices of modern and scientific technologies have bypassed marginal farmers, and even the agricultural services, subsidies and facilities aimed for them have largely been confiscated by the bigger and richer farmers and agro-chemical companies.

The incomes of the marginal farmers across the country have been progressively decreasing, and their resource base shrinking rapidly. They are up against increasing land grabbing, subsidy cuts, increasing cost of inputs, unequal terms of trade between agriculture and industry, and inequitable distribution of agricultural prosperity within the rural sector. Consequently, there is a rapid exodus of marginal farmers from agriculture and they are also resorting to suicide in large numbers. According to the National Sample Survey Organisation's (NSSO) report of July 2005, given the option, nearly 40 percent smallholder farmers would like to quit farming. Since 1995 and until 2010, over 2,50,000 farmers have committed suicide!

The condition of petty producers or peasants with individual small holdings has become so vulnerable that there is even a big question mark on their very survival. They are facing an impasse in the resolution of the agrarian question as visualised in the classical frame. Since the problems are largely a creation of capitalism, one cannot expect the latter to offer solutions that we desire. A satisfactory resolution of the agrarian question is not available in the capitalist frame.

So, what is the way ahead?

Joshi-Adhikari Institute of Social Studies (JAISS) initiated a study on the "agrarian crisis" in the country in 2009. As part of the study, a survey was conducted, delineating the production and marketing patterns of 1000 marginal farmers in 128 villages in 30 districts across eight states. The main findings of the study were that if the challenges facing the smallholder agrarian society are to be adequately addressed, the marginal farmers need to pool their land and labour together to form collectives or cooperatives, and the country needs to seriously look at the possibility and necessity of cooperatisation as an alternative development strategy.

In the light of this study, JAISS organised a comprehensive six-day workshop on 18-23 March 2013 in Delhi to discuss the agrarian situation in the country and seek and confirm the possibilities of solution in cooperatives. Though the workshop was primarily a follow-up of JAISS's study and sharing of its learning, it assembled and shared a gamut of Indian and international socialist understanding of the agrarian crisis including experiences on cooperatives in agriculture – from Asia (Nepal, China and



Vietnam), Africa (Ethiopia, Tanzania and South Africa), Europe (Spain) and Latin America (Cuba and Venezuela). Prominent participants included veteran CPI (Communist Party of India) leader Comrade A. B. Bardhan as the chief guest, eminent Marxist economist and political commentator Professor Prabhat Patnaik who delivered the keynote address and S. P. Shukla, ex-Member, Planning Commission and Chairperson of Centre for Policy Analysis and a driving force behind the JAISS study. Other participants included senior researchers and activists working on agrarian issues from different academic institutions and organisations across the country and members of the farmers' wing (Kisan Sabha) of CPI, CPI (M), CPI (ML) and the Forward Block.

Over six-days, there were lectures, presentations and extensive panel and open forum discussions on the agrarian crises, with participants sharing and developing a critical understanding of the genesis and growth of agricultural cooperatives and the possibilities they offer today for solution and the way ahead. Against the background of the agrarian situation in the country and some other countries, this workshop report outlines the deliberations and experiences of the cooperative movement in India as well as in some socialist and developing countries and thereby seeks to generate discussion on finding a solution to the agrarian question through effective and sustainable cooperatisation.

Comrade A. B. Bardhan set the ball rolling by underlining the centrality of the agrarian question, agrarian relations and issues related to land and water in India's development and that these will become even more critical in the coming years because the marginal farmers had reached an impasse with respect to modern technology, water and fertilizer. However, it was important to imbibe grassroots experiences and understand that land and water reforms cannot and must not be divorced from the broad macro-economic policy frame. It would also be important to learn from experiences in the other countries.

The JAISS study determined that cooperatives of the small and marginal farmers would enable viable farm practices and create possibilities of voluntary and respectable shift of surplus labour to related non-farm activities. More importantly, these would help the vulnerable sections of the farming and dependent community with a collective economic base to emerge as a political force. The farmers' collectives could prevent transfer of land from agriculture to non-agricultural purposes, adopt sustainable farm practices with appropriate technology and promote a land use pattern ensuring food security, among other things. Such cooperatives could play a lead role in changing the production relations within agriculture and outside it. Responding to the JAISS research and study, a number of academics and ground level activists have shown interest in reviving the agenda of production cooperatives to counter the corporate onslaught facilitated by the neo-liberal policy frame.

In his keynote address, prominent Marxist ideologue Prof. Prabhat Patnaik provided a theoretical and historical account of role of petty bourgeoisie in capitalist development. Explaining the concept of primitive accumulation of capital in the development of capitalism, Prof. Patnaik pointed out that the process of primitive accumulation, which entails dispossession of petty producers and peasantry, has been politically kept in check by the capitalist state itself. Historically, petty producers have acted as social props for the big capital. However, in the neo-liberal phase, the political support of the state to petty producers and peasants has been withdrawn - leading to a situation where big capital is destroying its own social props.

This has created a historical possibility of a worker-peasant alliance for social transformation. Therefore, it is very important that while envisioning an alternative development strategy, we incorporate defence and protection for myriads of petty producers, who are currently under a devastating attack in neo-liberal capitalism. However, as petty producers or peasants with individual small holdings cannot be ensured protection for an indefinite period, they have to be persuaded to pool their land and labour together. In this manner, the technological advantage of economies of scale can be availed by small farmers and, more importantly, the surplus labour scattered in individual farm households can be productively engaged in capital formation and agro-processing activities. Prof. Patnaik stressed that the institution of cooperative would be a harbinger for ensuring food security, employment to surplus labour and protection of the petty capital. It would play an extremely important role in building an alternative development strategy which would ultimately usher in socialist transformation.

However, on this, two aspects need to be understood clearly – one, that protection to petty producers cannot be ensured for indefinite period while continuing to follow the capitalist frame; and two, for the same reason, the share of labour force in agriculture cannot be transferred to other sectors in the



current scenario. There is a need to discuss and plan how labour can intervene effectively in the neo-liberal capitalist accumulation process and delineate alternative development trajectory. This, in fact, was one of the major reasons for organising this workshop.



The session on the “Agrarian scene in contemporary India” brought together eminent educationists of the left praxis – Prof. K. B. Saxena (ex-Member, Planning Commission and Professor at Council for Social Development, Delhi), Prof. Pravin Jha (Economist, JNU, Delhi), Prof. Vikas Rawal (Economist, JNU, Delhi) and Dr. Jaya Mehta (Economist, JAISS, Delhi). Dr. Veena Nabar (ex-chief Coordinator of the High Powered GOI Committee on Cooperatives, Delhi) and Prof. Biswa Swarup Mishra (Xavier Institute of Management, Bhubaneswar) deliberated on the historical perspectives and development of the cooperative movement including its current status.

The de-enfranchisement of marginal farmers mainly began during the colonial period. Prior to the East India Company, the Indian society traditionally had a community controlled agrarian system. Though the earlier empires did collect taxes on the basis of agriculture, but these were rarely as unjust or exploitative as the system that the British established. In 1793, the East India Company promulgated the Permanent Settlement of Bengal, which put an end to land being a community resource and gave birth to a new feudal class of Zamindars, who were conferred with private ownership of large tracts of land along with the responsibility of collecting taxes from the population working on it. The basic objective of the introduction of private ownership of land was to maximise company revenue from land tax and intensify the plunder of natural resources. The Zamindars became absentee landlords and the farmers were reduced to being their tenants and serfs, forced to shift from cultivating food crops to growing cash crops. In due course, this led the farmers to seek desperate loans from moneylenders and ultimately get trapped into a vicious cycle of debt, which passed down from one generation to the next. After the 1857 war of independence, the farmers’ unbearably high indebtedness led to their rapid dispossession of land. In the feudalistic society, land was increasingly also denied on the basis of people’s caste.

Taking over the reins of the government from East India Company, the British empire tightened the noose around the peasants’ necks by passing the Land Acquisition Act, 1894 (LAA), which authorised the government to acquire land for ‘public’ purposes, but in actual practice led to further consolidation of land into the hands of the Zamindars and the moneylenders. After 120 years, LAA has now been replaced by Land Acquisition, Rehabilitation and Resettlement Bill 2013 (LARR), which may be an improvement on its predecessor, but still has many flaws that need to be thoroughly debated, clarified and resolved. The agenda of completing the land reforms needs to be taken up with utmost urgency and sincerity. It is at the heart of peasant concern and misery.



Tracing the chronology of the cooperative movement in India, it is well realised that its genesis here was largely an outcome of the issues and concerns in the agrarian society. The land related policies of the British Empire in India had already created the problems of rural indebtedness and consequent dispossession of land by the Zamindars and the moneylenders. In some parts of the country, especially in Poona (now, Pune) and Ahmednagar, the farmers spearheaded an agitation against the moneylenders. In 1892, the Madras Government appointed Frederick Nicholson to study the village banks. In his report, Nicholson suggested setting up cooperative societies for supplying rural credit.

The country had faced a series of disastrous famines, again largely a consequence of the de-franchising of the peasantry, and the government set up Famine Commissions in 1880 and 1901 both of which highlighted the deep indebtedness and distress of the Indian farmer. The Famine Commission of 1901 strongly recommended setting up of rural banks and for granting loans to farmers to tide over distress and improve their agriculture.

Recognising that the absence of institutional arrangement for financial support had pushed the farmers into the trap of wily moneylenders, the government brought out legislation to that effect which was subsequently enacted as the Cooperative Credit Societies Act, 1904. This was amended in 1912 to allow the formation of societies other than for credit. In 1919, under the Montague-Chelmsford Reforms, cooperatives became a provincial subject and provinces were authorised to make their own cooperative laws. It has continued to remain so in independent India as well.

After independence, cooperatives became an integral part of India's Five Year Plans and were seen as important economic and social vehicles for poverty alleviation and rapid socio-economic development. Although, cooperatives had diversified to include industrial labour, consumer, housing and other sectors, agriculture still constituted 80 % of the total and of these, credit societies were still by far the most numerous. Both the natural evolution of cooperative activity, and the impetus of the special need created in several parts of the country by agrarian legislation regulating the business of money-lenders, scaling down of debts, restricting rents and abolishing landlordism are responsible for the striking increase in the operations of cooperative credit societies.

It is generally agreed that while there have been some successes in cooperatives, over a period of time its pace slackened, its membership became dormant, there were mounting dues and a lack of active participation by members in the management of cooperatives. There were also serious inadequacies in governance, excessive bureaucratic control and interference together with over-politicisation in the management of cooperatives, which have been the major drawbacks of the cooperatives.

In fact, the Vaidyanathan Committee, set up in 2004 – the centenary year of cooperatives - looked into how the rural cooperative credit institutions could be revamped, and made recommendations on some of the above mentioned impediments. It stated that as the government directly influenced and interfered in the working of the cooperatives, it is morally responsible for some of the accumulated problems of the sector. As such, it recommended that cooperatives be self-governed and the role of the state be largely confined to framing an appropriate legislation and overall supervision. The Committee also recommended that the cooperatives be given a one-time package for their revival.

Participants at the workshop felt that only constitutional amendments, as was recommended by the High-Powered Committee on Cooperatives under the chairmanship of Shivajirao J. Patil (2005-2009), would provide the cooperatives necessary independence and spirit of self-governance.

One of the recommendations of the Vaidyanathan Committee was the revival of cooperative institutions offering short and long term credit facilities, something which was later overturned by the Bakshi Committee set up in 2012 to examine the three-tier Short Term Cooperative Credit Structure in the country. Doubting the capacity of Primary Agricultural Credit Societies (PACS) to attain core-banking systems, the Bakshi Committee recommended that all PACS be converted into Business Correspondents to their respective central cooperative banks. This recommendation has been protested by farmer and activist groups, and at the workshop as well, it was felt that if this recommendation was accepted and implemented, it would further distance the farmers from credit disbursement mechanism and ultimately lead to the abolition of the vast PACS network, which would be a great loss to the farmers. It was considered necessary to strengthen PACS rather than weaken them and as such, participants generally favoured state involvement and felt that reducing its role will weaken the cooperative sector. Moreover, some participants stated that the said recommendation raised the question of the Centre encroaching on State's jurisdiction, cooperatives being a state subject. It was also urged that the Left



leaders need to take up this agenda on a priority basis.

The workshop looked at several case studies from India – Kudumbashree Mission in Kerala (Dr. Sarada Muraleedharan, National Rural Livelihood Mission, Delhi); Women farmers collective in Andhra Pradesh (Dr. Rukmini Rao, Hyderabad); Meat cooperative in Kerala (Com. Krishna Prasad, All India Kisan Sabha, Delhi); Pravara sugar cooperative in Maharashtra (Dr. Sulabha Brahme (Pune) and the Amul cooperative in Gujarat (Prof. Tara Nayar, Institute of Rural Management, Anand, Gujarat).

Kudumbashree was seen as a successful, sustainable effort involving around 2,00,000 (two lakhs or 0.2 million) women engaged in collective farming initiatives on hitherto fallow lands. More importantly, it has contributed a great deal towards empowering the women. The women farmers' collective in Andhra Pradesh was on a much smaller scale and was felt that such programmes, to be effective and sustainable, needed government policy support. The Pravara sugar cooperative case was seen typical of a movement hijacked by politically vested interests. The sugar barons controlling this cooperative are now lobbying for the implementation of the Rangarajan Committee recommendations which will remove all controls from the sugar industry and allow private takeover of this cooperative sector, and the participants stated that this needed to be strongly resisted. Amul in Gujarat is possibly the most acknowledged and show-cased successful cooperative in the country, and which has registered its presence in the corporate world in big way. While the cooperative is managed very professionally, participants also felt that it has lacked participatory roles for the millions of its primary producers.

The institutional structure of cooperatives would enable a choice of technology which is desirable from the point of view of entire humanity, since such a structure is not driven by profit motive and is therefore free of the dictate of the market. However, as pointed out by Prof. Dinesh Abrol, it would be important to remember that technology can both, fragment the producers engaged in particular activities or join them by building bridges.

INTERNATIONAL EXPERIENCES

The experiences in cooperatives in other countries and their land issues presented at the workshop were very enlightening – with many similarities with Indian experiences but with distinct, country-specific characteristics as well.

ASIA

NEPAL: The traditional social institutions of *guthi*, *parma*, *dhikuri*, *dharmabhakari*, etc. in Nepalese societies are almost akin to primary forms of cooperatives. However, the concept of modern cooperative system arrived with the establishment of a Department of Cooperatives under the Ministry of Planning, Development and Agriculture in 1953 and the enactment of Cooperative Societies Act 1959, with the objective of adopting the cooperative system as a means for economic social and cultural development of the people as well as an appropriate and effective tool for rural development. The Act was revised several times and replaced by *Sajha Societies Act 1984* and then by the *Cooperative Act 1992*. The National Cooperative Federation of Nepal was established in 1993. Department of Cooperative has provided the authority for registration and regulations of cooperative societies/unions/federations under the Acts. The interim Constitution of Nepal, 2006 has considered Cooperative sector as one of the three pillars for national development.

With a vast network throughout the country, cooperatives cover multiple sectors and are seen as substantial providers of social and economic protection in Nepal. The case study was presented by Comrade Guru Baral, Central Committee member of the Communist Party of Nepal, who laid particular stress on the role of women. Like in most parts of the world, women in Nepal too are the most severely impacted by the adverse consequences of liberalisation. So, cooperatives have been a good medium for welfare service delivery and economic opportunities for them and at the same time have provided them some space to unite and overcome cultural restrictions to pursuing commercial or economic activities. And though scattered and still evolving, 10-15 % of the cooperatives in Nepal are exclusively of women. Certainly there is need for extensive trainings, capacity building and becoming more professional and even developing a brand name. Towards this, alliances at the international level, particularly south-south cooperation can be very helpful.

CHINA: The cooperative movement in a socialist country has to be differentiated from that in a capitalist country. In a socialist country, individual farmers are persuaded to pool their resources together. The



objective is to empower them economically, politically and socially but at the same time, it is also the first step towards making a transition to a socialised ownership of the resource base. In countries like China and India with a labour surplus economy, cooperatives have not just social and moral justifications but a sound economic rationale as well. Cooperation here is mandatory for the rapid development of productive forces and desired capital formation or rather costless capital formation.

The discussion on international experiences with cooperatives rightly began with a detailed analysis of cooperative movement in China. The discussion was spearheaded by Prof. Utsa Patnaik (JNU, Delhi) and followed-up by Dr. Sriram Natrajan (Bangkok) and Prof. Li Xiande (China).

In China, though there were some rudimentary and scattered agriculture marketing and credit cooperatives since the 1920s, the first serious system of cooperative production in agriculture was put in place in 1950s following the liberation in 1949 and the implementation of a nationwide radical land reform programme. At the very basic level were mutual aid teams, which progressed to primary agricultural cooperatives, then to agricultural cooperatives, finally culminating into the formation of peoples' communes. Communes have a wonderful egalitarian thrust, but unfortunately the system quickly dissolved, largely due to the emergence of political forces within the party inimical to the socialist ideology, and the commune land divided or sold out to individual households.

Western, liberal scholars have been very readily claiming that the dramatic increase in agricultural incomes observed in 1980s was due to the institutional reforms introduced in 1978, without realising that the stated increase in incomes was the result of enormous capital formation carried out by labour mobilised in communes during 1960s and 1970s and also due to the state incentives to individual farmers after the reforms.

After 1978, land was allotted to individual households for longer and longer periods, so much so that now a vibrant land market has emerged in China. The pressure of population on land and small farm size, have heightened the inability of farmers to cope with aggressive markets controlled by agribusiness, with the result that, as in India, there is large scale migration of rural workforce to urban areas.

There has been further formalisation of cooperatives through various enactments since the year 2000, but unlike the cooperatives of the 1950s, the new cooperatives only provide inputs and marketing possibilities. They have their own investment and expansion plans and aspire to become commercial entities as in any capitalist economy.

VIETNAM: The legendary leader Ho Chi Minh is credited with laying the foundations of the cooperative movement in Vietnam by talking about it as far back as 1927. His visionary approach saw the role of cooperatives as advancing the democratic aims of Vietnamese freedom. The first cooperative soon came up and its success propelled the cooperative movement in the country. However, by and large, the cooperative movement and the changing land relations in Vietnam have virtually followed the Chinese trajectory. Tuan Anh Ngo, a young scholar presented the paper on Vietnam that was jointly written with his senior Dr. Dung Anh Nguyen. A short video clip of Ho Chi Minh visiting some cooperatives was also shown.

The collectivisation of agricultural land undertaken during 1960s and 1970s was undone in mid-1980s. Like the winds of change in China, Vietnam too started giving primacy in land distribution to individual households, thereby consolidating private control over land. And as in China again, in Vietnam too, a thriving land market has since evolved. Naturally, the market oriented shift changed the character of the cooperatives to now becoming more of service cooperatives. The paper discussed the different structural forms which have among new cooperatives, coverage of cooperative network and achievements in terms of production and export growth.

AFRICA

ETHIOPIA: Ethiopia was never colonised, but this does not mean that it was free from the problems of land issues or its people did not suffer from other agrarian concerns. Prof. Subodh Malakar (Deputy Director, JAISS and expert on agrarian transformation in Ethiopia) underlined this fact with his analysis that change in State power impacts the pattern of land holdings and its social and economic dimensions. Right from the times of the Solomon's Empire in 970 BC to the rule of Haile Selassie till about 40 years ago, land relations in Ethiopia can be described as feudo-monarchic. In 1974, Mengistu Haile Mariam galvanised the people of Ethiopia and all impoverished agrarian forces came together in a socialist kind of revolution and overthrew the monarchy. Land was nationalised and given to peasants for cultivation.



Farmers were grouped into peasants' association and a cooperative structure was introduced with the aim of fulfilling the aspirations of the people as well as finding means and technology to increase the productivity.

However, 17 years later, in 1991, there was a big revolt against Mengistu, and Meles Zenawi took charge as the new ruler. And though he did not overturn the agrarian structure erected by Mengistu and retained state ownership of land, the new ruler weakened the peasant associations and dismantled the cooperative structure. While this created heated debate between the defenders and opponents of privatisation, for all practical purposes, Ethiopia became one of several post-socialist countries undergoing a transformation towards some kind of a capitalist economy.

Relenting to the mounting pressure from IMF and the World Bank to privatise the land, Zenawi enacted a new law in 2002, according to which land came directly under state control. It has the exclusive power to buy and sell land in Ethiopia. The land is now being given to the foreign multinationals on a very low lease rent and the local population is being forced to vacate the land for these companies. There is a great deal of discontent among the peasantry which has led to violence.

TANZANIA: Tanzania was liberated in 1961. During the British colonial era, agricultural marketing cooperatives were established by the colonial government as instruments to organise cash crop production and their marketing as required by the colonial trade. Quite like during the colonial rule in India!

Cooperative development in Tanzania goes back to the early years of the 20th century and was rooted in the peasantry. In his presentation, Prof. Joachim Mwami (Dar-es-Salaam University, Dar-es-Salaam) emphasised the fact that the cooperative movement was used during the independence struggle to dislodge the British colonial state, and in the post-independence period, these were used to dislodge the Asian commercial bourgeoisie and also allow the Tanzanian state to control the use of the surplus-produce.

In 1970s, however, corruption became rampant at every level in the cooperative movement. As a consequence, the functional utility of cooperative societies as instruments of control began to decline. The primary societies which provided the economic base of the cooperative unions became redundant and these were finally dissolved in 1976. Although the government re-introduced the primary cooperatives and cooperative unions, through the Cooperative Societies Act in 1982, the damage had already been done. The cooperatives had lost most of their properties and also their highly trained manpower, and the morale of its members (and potential members) was at its lowest. In fact, to date, the movement has not fully recovered.

Besides, the new cooperatives have come with a major shift in the vision as well. Even though in the earlier cooperatives, while economic enhancement was the objective, it was subordinated to social and common welfare perspectives. In the current phase of neo-liberalism in Tanzania, cooperatives have been reorganised to operate like business ventures responding to market demands. This raises a major question on the basic purpose and approach of the struggle – whether the people should directly seek socialist transition or let the struggle continue to be in the form of a bourgeois democratic revolution, as it has been in the past. This is the question that is currently being debated in Tanzania as well.

SOUTH AFRICA: Dr. Amon Myeni's (Director, Department of Agriculture, Forestry and Fisheries, South Africa) paper 'Catastrophic Failure of Cooperative Movement in South Africa' drew strong parallels to the colonial history of Tanzania. Moreover, South Africa has suffered the longest apartheid rule. Cooperatives were formed by the colonial rulers for the benefit of the exploiters and at the great expense of the local population and the peasantry. Very systematically, the Land Bank Act, 1912 denied the local farmers access to institutional finance, the Land Act 1913 forced the African farmers out of their own land, the Marketing Act 1937 denied them access to market and the Cooperative Act of 1939 killed off any possibility of local farmers organising. Cooperatives were a crucial feature of the country, but unfortunately very disgracefully and perversely built on the foundations of racialised forms of production.

When South Africa was liberated from apartheid in 1994, the world expected it to lead the entire African continent towards justice, peace and equality. But the land distribution in the country was already so skewed that nothing much could be done to improve the situation thereafter. Before 1994, there were 250 commercial agricultural cooperatives of white farmers, which had a membership of



1,42,000 and total turnover in the range of 22.5 billion South African Rand. After 1994, there were hopes and promises but things could not proceed in the desired direction and at the right pace. The Restitution of Land Rights Act, 1994 and Communal Land Rights Act, 2004 aimed to redistribute 82 million hectares of land under white farmers' possession to the people of Africa. The target was to redistribute 30 % of white owned land i.e. 24 million hectares before the end of 2014, but in so far only 1.7 million hectare has been redistributed. Also, there is still a lot of land under cooperatives but in the absence of a proper marketing network, it doesn't hold much good.

What South Africa needs is to have a holistic approach to make these agricultural cooperatives viable. African peasants need to be educated to adopt new technologies. A proper support system will help these cooperatives to become the agency of change, not only in agriculture but in every aspect of the life.

SPAIN: Spain is part of European Union and one of the countries which is worst affected by the financial crisis of 2008. In such a crisis, cooperatives could have been an important support for the people, but the institution of cooperatives has been completely hijacked by the capitalist forces and as part of European Union, Spain has little freedom to formulate independent laws. As is in most other countries, cooperatives in Spain are not people centric socially useful institutions. They are profit making business conglomerates. The laws related to cooperatives have only served to consolidate this role of profitability and efficiency.

The arable land in Spain is divided between minifundas (small farms) and latifundas (big farms). Eighty percent of the funds under Common Agricultural Policy of EU go to latifundas. According to Eva Torremocha, an activist from the organic farming movement in Spain, the situation can be salvaged only by small farmers and other rural poor households de-linking themselves from the existing structure. It is a huge task but this struggle is inevitable.

CUBA: The discussion on and recapitulation of the cooperative movement in Mao's China reaches its logical end by examining the cooperative movements in Cuba. The cooperative structure in Cuba (and Venezuela) has been built up with the explicit goal of attaining socialised ownership of resource base and it is central to their development trajectories.

The Cuban Revolution of 1959 and the enactment of the first Agrarian Reform Law that year, followed by the second Agrarian Reform Law in 1963 made the agricultural system of Cuba socialist, through creation at the primary level groups like mutual aid brigades and agrarian societies. It was in 1970s that the advanced form of producer cooperatives were introduced in Cuban agriculture. However, during the special period starting from 1989, the situation altered and the leadership realised that the big producer cooperatives were unable to function in the new circumstances. The big producer cooperatives were broken up into basic production cooperative units so as to retain people's motivation for giving their best to the farms. In 1993, the Cuban government gave approximately 45 % of the country's farmland free of charge - in usufruct - to farmers willing to produce food cooperatively, called Basic Units of Cooperative Production (UBPCs). With this critical change, farm workers now became farm owners. Currently, many households are only members of credit and service cooperatives and others are members of basic producer cooperative units. People are engaged in production on small family farms.

In Cuba, the basic feature of a cooperative is balanced autonomy and the fundamental democratic principles of cooperative functioning are strictly adhered to. Although restructuring in farm holdings and cooperative forms is undertaken, care is taken that people's motivation is at its highest level.

Making the presentation, Cuban delegate Elbys Perez Olivera concluded by saying, "What we have in Cuba is what we have chosen and we will keep it. This is our system but we are not offering it as recipe to others. We can all learn from each other."

Indeed, it was an apt statement to wrap up the workshop on cooperatives.

VENEZUELA – HOMAGE TO PRESIDENT CHAVEZ

Due to the unfortunate and untimely demise of President Chavez, the Venezuelan delegate could not attend the workshop. The Venezuelan Embassy in Delhi, though, prepared a brief note, which was distributed to the participants. Chavez imbibed the cooperative spirit and called cooperatives the outposts of socialism, so it was in the fitness of things that the workshop session turned into paying him a homage. Chavez's role in giving boost to the cooperative movement continues to infuse confidence among the left forces



that cooperatives would play a pivotal role in making a transition to socialist society. Workshop convenor Dr. Jaya Mehta dedicated the workshop to his legacy of 21st century socialism.

A short documentary showing Chavez with the people of Venezuela was screened by the Venezuelan Embassy. Ambassador Ms. Milena Santana Ramirez addressed the gathering, talking of the early years of Chavez and his subsequent emergence as an extraordinary revolutionary leader not just for Venezuela but for the entire Latin America. He symbolised the struggle of the last man, and he worked to fulfill the dream of the last man to change the world. She said, 'We in Venezuela do not condole his death, we celebrate his life and the legacy of his work.'

Comrade Eduardo Iglesias Quintana, First Secretary from Cuban embassy paid his tributes by underlining the close relations between Cuba and Venezuela and between Fidel and Chavez. Recollecting Che Guevara's appeal that 'we need not one but many-many Vietnams', the First Secretary said 'we need many-many Fidels and many-many Chavezs to build a new world'. Subsequently, every participant in the meeting joined in and expressed solidarity with the people of Venezuela and the cause for which Latin American and Caribbean people are struggling.



CONCLUSION

It was hectic six days and the range of the issues was very wide, but as happens, no single workshop can cover all the issues. There were topics which could not be covered adequately in the workshop and which required further deliberations with reference to the cooperative movement. A few such areas identified were – the challenges posed by climate change and natural disasters and the exploitative international trade and possibilities of south-south cooperation. Still, the participants found the proceedings in the workshop very useful and exhilarating. These provided a wider perspective and new insights in understanding the agrarian situation as well as cooperative movements in India and elsewhere. The experiences of socialist countries, capitalist countries and post-colonial economies of Africa particularly generated a great deal of interest. The theoretical premise was widened and technical details were contextualised. For instance - the concept of costless capital formation explained in the context of the Chinese cooperatives was received with much interest. Similarly, the land grab in Ethiopia generated much disquiet.

There was general agreement that the current onslaught of capitalist forces on petty producers and on the agrarian population in particular can be resisted only through collective action and the institution of cooperatives plays an important role and provides a valuable direction in consolidating this



collective action programme. Therefore, an urgent need was felt at the workshop to protect, strengthen, restructure and expand the cooperative movement. This should be a political movement on priority agenda of the left forces.

The PACS, sugar cooperatives and dairy cooperatives - all the three structures had got hijacked by bureaucracy and vested interests. The neo-liberal policy move was to abolish PACS and to privatise the sugar cooperatives. The participants from Bihar and Maharashtra were very keen to organise effective people's movements to protect these institutions and to make their functioning transparent and democratic. For this, need was felt for professional training at the grassroots level. Many other participants wanted such workshops to be organised at state and district levels in regional languages. A few participants even volunteered to make all arrangements at local level for such workshops. However, it was ultimately proposed that instead of meetings or workshops at the grassroots levels on ad hoc basis, a commission should be constituted at national level, which would provide professional and political support whenever required and would coordinate the different movements to give them a collective and organised form and impetus.

Similarly, an international alliance of people's movements in different countries was suggested to act as a pressure group. Such an alliance could work out a South-South cooperation trajectory.

Finally, one big gain of the workshop was that the participants planned informal cooperation with one another. Comrades from Nepal made plans to visit Maharashtra in a group and learn about the functioning of cooperatives there from close quarters. Similarly, Bijay Panda, who is working with cooperatives of forest workers, invited Dinesh Abrol to visit the villages and examine the technological possibilities available to these cooperatives. All India Kisan Sabha Vice President Comrade Kolli Nageshwar Rao from Andhra Pradesh, Dr. Bhalchandra Kango from Maharashtra, Com. Prekash Babu from Kerala, Historian and Editor of Revolutionary Democracy, Prof. Vijay Singh and many senior leaders and academicians attended the workshop with great attention and shared some of the plans which they can take up further at their level.



THE UNDERUTILISED POTENTIAL OF AGRICULTURAL COOPERATIVES IN INDIA

SACHIN SHRIVASTAVA

ABSTRACT

The cooperative network is possibly the biggest collective of small farmers and other small entrepreneurs in India, and Primary Agricultural Credit Cooperative Societies (PACS) provide its strong foundation. Formed in the aftermath of famines during the colonial period, the cooperative network was seen as a beacon of hope post-independence for the social and economic development of the people, particularly in the rural areas. However, the promise has been squandered through mismanagement and corruption, lack of autonomy and widespread bureaucratisation and politicisation of the cooperative process. The majority of cooperative societies are today in deep economic distress, and it has been recommended to downscale PACS. That would be unfortunate, if done, because in an otherwise increasingly corporatised controlled globalisation, the cooperatives can find valuable conducive space and offer a viable ray of hope.

INTRODUCTION

Cooperatives are not a new concept. The nature of agricultural work is such that some or the other form of cooperation among farmers has always existed in our societies. Even today, across large parts of rural India, one comes across instances of informal exchange of seeds, farm implements, draught animals and even labour among resource poor farmers. Water and transport services are also often shared and sometimes marketing too is done on a collective basis. In some tribal and indigenous communities, examples of families pooling their individual land holdings and farming jointly can still be found.

However, Cooperatives as an institution have also been used by the ruling colonial powers and big players in the market to regulate and control the sale and purchase of primary products especially those which are internationally traded.

It would be appropriate to begin by briefly tracing the history of the formal cooperative structure in India.

A HISTORICAL ACCOUNT

Towards the end of 19th century, many parts of India were cursed with recurrent famines – in 1876-78, 1896-97 and 1899-1900. Millions of people and cattle perished in these famines. The relief provided by the government was meagre and there was severe distress in the peasantry including food riots in some parts of the country. In response, the government appointed two Famine Commissions - in 1880 and in 1901. The 1901 Famine Commission observed that a perennial cause of distress and discontent among farmers was the absence of institutional arrangement to provide them finance and, as such, recommended establishing an institutional network of credit cooperatives. Accordingly, the first law on Cooperatives in India, called the Cooperative Credit Societies Act was enacted by the British government in 1904.

The objective of the Act was to provide farmers and artisans with short and long term loans to help them cope with adversities that had befallen them as a result of recurrent famines. The government took steps to popularise institutional credit networks in the rural areas. Towards this, the Act made a clear distinction between rural and urban cooperative societies and allowed the former unlimited liability. The problem of initial finance was overcome with the government providing loans to cooperative societies, matching the capital raised by them but not exceeding Rs. 2000. The Act also provided for a government functionary - the 'Registrar of Cooperatives', to act as a friendly adviser and ensure the success of the scheme.

People responded eagerly to the initiative and a large number of cooperative credit societies sprung up in rural India. Encouraged with this popular response and the overwhelming growth of cooperatives,



the Cooperative Society's Act, 1912 was passed, which allowed the cooperatives to provide non-credit services to their members and to federate. As a result, urban cooperative banks converted themselves to central cooperative banks with primary cooperatives and individuals as their members, and carried out many non-credit activities such as marketing. The Reform Act, 1919 transferred the control over cooperative institutions to the provinces so that these could be developed according to the local needs and conditions. Subsequently, provinces enacted their own laws on cooperatives.

However, despite their spread, the financial health of primary cooperative credit societies soon became a matter of concern. By the 1920s, the cooperative societies had accumulated disproportionately large overdues. The great depression of the 1930s aggravated the situation and many cooperatives failed because of poor loan recovery from the farmers. The situation improved somewhat with the setting up of the Reserve Bank of India (RBI) in 1935, with a separate department for agricultural credit development. During World War II (1939-45), the prices of agricultural products skyrocketed and due to an increase in the farmers' incomes, many of the loans were returned. Also during this period, the term period of credit was increased and the number of cooperative societies increased rapidly. Around this time, consumer cooperative societies and marketing cooperative societies also began coming up. The government of independent India, realising their potential, accorded the cooperatives a prominent place in the development plans for rural India. Influenced by the socialist experiments in collectivisation, the policy-makers also floated the idea of production cooperatives in agriculture, but it was vehemently opposed by the landed peasantry and most states quickly shelved the idea. In the end, state initiatives in the cooperative movement remained confined to service cooperatives.

In 1954, the All India Rural Credit Survey Committee (AIRCS) submitted its report, which had a far reaching impact on the subsequent development of cooperatives. The Committee recommended state partnership in cooperatives at all levels – in the form of share capital contributions as well as assistance at technical, managerial and financial levels - thus perceiving a cooperative to be a state agency rather than an autonomous member based body.

During first three five-year-plans (1951-1966), the government pursued the agenda of cooperative formation aggressively. Following the promotion of marketing cooperative network, sugar cooperatives came up with state support in Maharashtra and dairy cooperatives came up on the Anand pattern. A number of institutions like National Cooperative Development Corporation, National Cooperative Marketing Federation and National Dairy Development Board were set up to federate primary societies. The National Bank for Agricultural and Rural Development (NABARD) was setup in 1981 to address the financial concerns of Primary Agricultural Credit Cooperative Societies (PACS).

AN OVERVIEW OF PACS

In the constitutional framework, Cooperatives are a state subject. The cooperative credit system is organised as a three-tier structure. At the top are state cooperative banks. They formulate rules and regulations for credit distribution and transfer money from the Centre to the district cooperative banks. The responsibilities of the district level cooperative banks, which are also known as central cooperative banks, are to provide coordination among the financial units, oversee the implementation of the rules and regulations and distribute the required funds to PACS. The district cooperative banks also take deposits from individuals and give credit to them. State level units are connected with one another through the National Federation of State Cooperative Banks Limited (NAFSCOB), which works in the interests of the cooperative banks and coordinates between the government and other agencies like NABARD and the Reserve Bank of India. It also provides research and consultancy to member banks. At the local level, other than the PACS, there are Farmers Service Societies (FSS) and Large Sized Adivasi Multipurpose Societies (LAMP) as well, which have other responsibilities like distributing subsidised fertilizers and pesticides, renting out farm machinery, marketing farm produce and distributing subsidised food-grains.

PACS works at the most primary level. Its tasks include assessing the need for credit, providing credit to members, recovering credit dues and, in general, working for the economic upliftment of its members. Any villager can become a member of PACS by filling up a form with a deposit of Rs. 10. Cooperative credit availability to the farmers is classified under short, medium and long term. While short and medium term credit is given for routine agricultural operations, long term cooperative credit is provided for developing agricultural land or for purchasing farm machinery and other implements, etc.



The credit cooperatives have a vast network. In 2010-11, there were 93,412 Primary Agricultural Credit Societies (PACS), 371 District Central Cooperative Banks (DCCBs) with 13,327 branches and 31 State Cooperative Banks (SCBs) with 953 branches. The state wise coverage of PACS was as follows: Maharashtra 21343 units, Uttar Pradesh 8929, Bihar 8463, Gujarat 8117, West Bengal 7007, Rajasthan 5264, Karnataka 4811, Madhya Pradesh 4526, Tamil Nadu 4488, Punjab 3660 and Andhra Pradesh 2792.

The geographical coverage of the network is excellent, reaching out to far flung villages. PACS cover 6,75,382 villages which is 96 percent of the total number of villages in the country. The network has a membership of 121 million people which includes 15 million Scheduled Caste (SC) and about 10 million Scheduled Tribe (ST) members. Marginal farmers (44 million), small farmers (33 million) and rural artisans are also members of PACS in significant numbers.

In 2010-2011, the working capital of PACS was Rs 1,44,22,19 million. That year about 52 million members were given short and medium term loans, among who 5.6 million were from Scheduled Castes and 3.7 million from Scheduled Tribes.

There have been some notable successes in Cooperatives and these need to be enumerated. The performance of some of the state level marketing boards in products like rubber, coconut and coffee has been promising and has benefitted a large number of small farmers. But while a long history, federal structure, vast network and government support constitute the inherent strength of the cooperative movement, these very factors are also responsible for the overall performance of state driven Cooperatives being far from satisfactory. Bureaucratisation and politicisation of cooperatives have led to their rampant mismanagement and corruption. Cooperatives have failed to deliver the promised goal of attaining a people centric, equitable and inclusive growth trajectory. People's participation in the functioning of Cooperatives is non-existent. This is particularly true in the case of PACS which constitute the hub of cooperative network in the country.

FUNCTIONAL PROBLEMS

The problems in PACS can be viewed in two separate but inter-related contexts. One, the complete absence of the basic spirit of a 'cooperative', and the other, their financial vulnerability.

A 'cooperative' is ideally formed with the people coming together voluntarily to form a collective. The bye-laws governing its functioning are decided democratically by the members. But in the case of PACS it is different. It came into existence through a government fiat. In fact, the Cooperative Credit Societies Act of 1904 was enacted to provide for 'constitution' and 'control' of cooperative credit societies. Over the years, the panoply of cooperative laws has kept building upon the initial framework determined by the colonial rulers. The Registrar is the fulcrum of the cooperative network, while the members are treated as periphery. Accordingly, the government has retained the right to refuse the registration of a credit society, dissolve it arbitrarily, conduct audit, hold enquiry and supersede the elected management. The government has the power to attach or sell the property of a cooperative society. New investments planned by the cooperative members have to be approved by the government. The government can also reject the amendments to bye-laws introduced by members and can introduce its own amendments.

It is clear that from the very beginning PACSs had no autonomy. With the government retaining control in all matters, there is little space for members' participation and decision making. PACS' function has essentially been reduced to delivering state subsidies to people.

Actually, it needs to be realised that although the Cooperatives were claimed to be upholding the socialist values but on a closer look, one can easily see that these institutions too had become part and parcel of the ruling class set up, displaying the same feudal character and motives. The Zamindari system was abolished in the early 1950s but feudalism never really went away and a new capitalist class began planting its feet firmly in the Indian economy. This new class needed an external institutional support to get a stronghold in the rural areas – and they found it in the Cooperatives. Around the same time, a new capital intensive agricultural system was also knocking at the doors of India, which would require credit finance to meet its needs for chemical fertilizers, pesticides and plenty of water. The landed peasantry became the vehicle for this new agriculture, called the Green Revolution and it became the main function of PACS to serve this class, duly maintained and promoted by the government.

In a complete mockery of the spirit and concept of a 'cooperative network', in 1977, democratically



elected management committees of PACS were dissolved in nine states. Ever since, at many places, elections have been suspended indefinitely and the cooperative societies are being managed by government officials rather than by elected management committees.

FINANCIAL VULNERABILITY

Most of the PACS have very large membership of around 1000 persons from different social and economic strata of the community. But the powerful sections in the village hierarchy have colluded with the government representatives to acquire absolute control over the resources. The bureaucratisation and politicisation of PACS have generated rampant corruption on the one hand and disillusionment, frustration and alienation of the majority, on the other. There is no proper arrangement for distribution of credit. Nearly 50% of the families belonging to rural and tribal communities don't have access to institutionalised loans and are left at the mercy of private money lenders.

The substantial resources that PACS have required for their functioning and disbursement of loans have always come from the government and still, their financial condition has remained a matter of deep and perennial concern. Nearly fifty percent of PACS and more than 30% of the district central cooperative banks are incurring losses. The recovery rates are very low, accumulated losses are huge and the incidence of non-performing assets is very high. While the commercial banks and regional rural banks (RRBs) had a gross non-performing asset (NPA) level of 3.3% and 7.2% respectively as on March 2006, the arrears for village level PACS were as high as 32.5%. With accumulated losses, the level of fresh lending tapered off and the share of cooperatives in total ground level lending declined from 62% in the 1990's to barely 33% in 2003-04.

The Government made an attempt to improve the viability of credit cooperatives by setting up a Task Force under the chairmanship of Prof. A. Vaidyanathan in 2004 to suggest a plausible action programme to revive the cooperative network. While underlining the revival of cooperative credit system as absolutely necessary for the financial inclusion of millions of poor people in rural areas, the Task Force categorically recommended large public funding for such a revival, albeit on condition that the state governments agree to specific legal and institutional restructuring in a phased manner. The Vaidyanathan Committee also recommended that government equity should be withdrawn from the cooperatives over time.

It has been more than 6 years since the Task Force submitted its report but its recommendations are yet to be implemented. Essentially, the state governments did not agree to the reforms suggested by the Task Force, including the withdrawal of government equity and it has been decided to retain the 25% government equity. Meanwhile, the government announced regulated rate of interest for agricultural lending in 2006-07 and a debt waiver in 2008. Both these moves, however, worsened the financial health and status of the credit cooperative network.

Another committee was set up in 2012, headed by the Chairman of NABARD, Prakash Bakshi. The Bakshi Committee submitted its report in 2013 and recommended, among others, the merger of nonviable central district cooperative banks and delayering of PACS and reducing it to being mere banking correspondents of CCBs.

The Bakshi Committee recommendations, if accepted, will have serious implications for ground level credit network. No other institutional network can compete with PACS in its reach to assist poor rural households. They have an essential potential role in ensuring an inclusive financial structure. If this potential is not being harnessed, the solution lies in strengthening them by increasing their responsibilities, allowing them autonomy, de-politicising and de-bureaucratising them, and making them truly people centric. Curbing the role of PACS or dismantling the network is not the solution to the problems.

CONCLUSION

Committees are formed by the government and they submit their recommendations to the government. But the cooperative movement is a people's movement. The approval and implementation of the recommendations cannot bypass the people at large. It is true that the network was set up through a government fiat, but now it cannot be wound up by the government simply on the basis of its unsound financial status. There are 122 million members of the credit cooperative network in India. It is now these people who should demand their inclusion in deciding the future trajectory of this network.



In the coming years, the role of cooperative societies in promoting new technologies, different qualities of seeds, fertilizers, plant preservation, appropriate pricing policy and distribution of agriculture credit, will be significant. Despite the failures hitherto, conditions exist in the country that are conducive to the cooperative movement. Small and marginal farmers, for whom individual participation in the globalised and corporatised market is not possible, they can find their appropriate place in the market scenario only on a collective basis. In today's scenario of industrialisation and globalisation, where everything is being sought to be taken over by the corporate market, cooperatives still provides the small farmers and entrepreneurs a ray of hope.



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KUDUMBASHREE- COLLECTIVE FARMING AS A MEANS TO EMPOWER LANDLESS AND POOR WOMEN IN KERALA

SHANTA VENKATRAMAN

ABSTRACT

High literacy and education, large scale male migration in search for employment and the subsequent high financial remittances from abroad have collectively had an adverse impact on the agriculture in Kerala. Food-grain production dropped and extensive agricultural land remained fallow. The fact that women traditionally have not been too involved in agriculture increased problems for the poor women on the one hand, and produced a surplus, productive women labour lying waste, on the other. Kudumbashree Mission, a state government programme, sought to address these issues through encouraging women to initiate economic activities through collectivisation. Under this programme, the women in small or large groups have taken to collective farming in a big way. Their efforts are a positive development for the women themselves and for the state's food and agriculture scenario, even as new challenges and problems emerge.

INTRODUCTION

Kudumbashree Mission, a Government of Kerala programme under the National Rural Livelihood Mission (NRLM) started in 1998, is among the most significant women's empowerment initiatives in India, which can serve as a model for women's collective farming in other states of the country. The Mission is well living up to its name 'Kudumbashree', which in the Malayalam language means 'family's prosperity' ('Kudumba' is 'family' and 'Shree' means 'prosperity'). The programme is under the charge of the Department of Local Self Governments (LSG) and actively supported by the Government of India and the National Bank of Agriculture and Rural Development (NABARD). The programme seeks to eradicate poverty with the active participation of women, especially the poor women.

Kudumbashree works through a three-tier structure. At the basic level is the Neighbourhood Group (NHG) comprising women members from economically backward families, who meet on a weekly basis in the house of one or the other member. The members deposit their thrift and loans applied for are sanctioned. The second tier is the Area Development Society (ADS), which is formed at the Ward level by elected representatives from NHGs in the ward. The ADSs are further linked to each other at the level of the Panchayat /Municipality to form a Community Development Society (CDS), which is the third tier. The CDS is the representative structure of the vast network of NHGs in the Gram (village) Panchayat/Municipal area. It is a registered body under the Travancore-Cochin Literacy Scientific and Charitable Societies Act, works in close liaison with the local self government (Panchayat) and serves as both, a dissemination organ for government programmes and a communicator of community needs in governance issues. Both ADS and CDS have a general body and an executive committee. While ADS has a President and Secretary, the CDS executive heads are Chairperson and Vice-Chairperson. They are elected by the CDS executive committee. The CDS' Member Secretary is nominated by the Department of Local Self Governments as an Ex-officio Member. Proportionate representation of Scheduled Castes (SC), Scheduled Tribes (ST) communities is ensured in the CDS executive committee. Lately, election by-laws have been formulated introduced and it has now become mandatory for Kudumbashree to hold elections in its every unit. The District Collector appoints an officer to supervise that the elections are fair and take place regularly.

As of date, Kudumbashree is the largest women's movement in Asia with a membership of around four million. There are 2,05,000 NHGs, 19,773 ADSs, and 1072 CDSs in the entire state, and there are many districts where 100% BPL (Below Poverty Line) families have become members. A sum of Rs. 16.88 billions (1688 crore) has been mobilised as thrift, and loans amounting to Rs. 41.95 billions (4195 crore) have been disbursed to NHG members. Over 25,000 individual enterprises and 1757 group (minimum 5-10 members) enterprises have been set up in urban areas and 3516 individual and 10,620 group enterprises by the poor women in rural areas.

The Kudumbashree Mission has three critical areas of work – micro-credit, entrepreneurship and



empowerment. Initially, thrift and savings were the only activities undertaken, but as the programme expanded to cover urban as well as rural areas in all the districts of the state, the women began taking up various income generating and social activities on the issues of health, education, youth employment, marketing, housing and agriculture. While these various activities deserve discussion, and have been discussed by many too, NHGs, are taking up “collective farming” in a big way, and so this is going to become a very important field for intervention for Kudumbashree. However, it is essential that the programme situates this work on agriculture in the context of the land issues in Kerala and the traditional role of women in agriculture.

FARMING ISSUES IN KERALA

Kerala is facing a serious agrarian crisis, which is affecting the society in general and the rural communities in particular to the extent that there are reports of distressed farmers committing suicide from the Wayanad district! Crises of agriculture in Kerala are an anomaly, as the state is blessed with a very fertile soil, water is available in plenty and the climatic conditions too are very conducive for a range of crops!

According to the National Sample Survey Organisation (NSSO) surveys, in keeping with the trend in the rest of the country, the cultivated area in Kerala fell by 12% (from 1,312,400 ha to 1,157,700 ha) between 1991-92 and 2002-03. There has been land re-distribution in the state under the land reforms programme, yet the landless farmers (other than homestead) in the state comprise a high 68% as compared to the national average of 41.6%. The decline in the area under paddy cultivation is even more dramatic. It reduced from 8,50,000 hectares in 1980-81 to 5,60,000 hectares in 1990-91; 3,20,000 hectares in 2001-02 and 2,30,000 hectares in 2007-08.

There are three main factors affecting agriculture in Kerala adversely - (a) Migration of the young working people to the Gulf and other countries, (b) High literacy and education percentage, and (c) Prevalence of respectable wages for agricultural work.

The high level of education and subsequent migration to the Gulf countries or elsewhere for employment, has left a large number of small farmers disinterested in cultivating their land. They prefer to convert land use from agriculture to non-agricultural purposes or simply leave their land fallow. Besides, even if they are farming, many have shifted from paddy to coconut or rubber cultivation, resulting in decline in food production in the state. All these have also led to labourers demanding and commanding high wage rates.

The three factors are inter-related and their cumulative effect has resulted in a considerable decrease in food-grain production and an alarming increase in fields left fallow. The cultivable fallow land in the state is estimated at 1,22,000 hectares. Agriculture has become a low profit, or rather an unprofitable occupation in Kerala. These are worrying issues for the state government, which has taken up the issue of food security on a priority basis.

There is another aspect to the problem. High male migration has also resulted in a high number of women headed households. But as the average size of operational land holding in Kerala is very small and the women do not have ownership rights over land, there is substantial women labour available in the rural areas. It may be important to mention that Kerala boasts a high Human Development Index as compared to other states of the country or even other countries in the developing world. The women here enjoy remarkably better levels of health and education. In 2011, Kerala's female literacy was 93.91%, against the country's average of 65.46% for females and 74.04% overall. Similarly, the maternal mortality rate in Kerala in 2007-09 was 81 per 1,00,000 live births as against national average of 212. But the same cannot be said about the women's social status and public participation. The female labour participation rate in rural Kerala is relatively lower than other states, and it is not so well known that male-female wage difference in Kerala is much higher than in many other states.

So, the twin problems of excessive fallow land and surplus woman labour availability provoked Kudumbashree to take up collective farming as an activity, wherein the unutilised entrepreneurial potential of the poor women became the key point in planning. The immediate gain of this, of course, was that considerable fallow land was brought back under cultivation.

COLLECTIVE FARMING BY WOMEN

Traditionally, women in Kerala do not engage in agricultural work. Their work participation rate in rural areas is only 15.99% as compared to the national average of 30.79%. Similarly, the male-female wage



gap for agricultural work is also very wide . The wage rate for men is around Rs.300 per day or more, whereas the wage rate for women is in the range of Rs. 150 – 160 only.

Under the Kudumbashree Collective Farming Programme, women from one or more NHGs also form a Joint Liability Group (JLG), each comprising 4-10 women. Office bearers in a JLG are appointed with mutual consent, and the first step is to identify land for cultivation. A JLG may take a fallow land in the village from a private land-owner on lease or the members may pool-in their own land or sometimes, state owned fallow land is identified for the purpose. The area may range anywhere between 0.5 - 4 acres. Once identified, the CDS Chairperson is approached to get the land registered in the JLG's name. For this, an application is submitted informing the formation of JLG and a Lease Deed prepared on a plain paper in case of rented land. The CDS Chairperson verifies the application before it is sent to the District Mission Office for approval.

A registered JLG is provided many facilities and benefits: the state government provides loans at subsidised interest rates and the local Panchayat provides farm machinery, subsidised seeds, fertilizers and pesticides through Padasekhara Samitis (field committees). When a JLG brings fallow land under cultivation, it is given an 'area incentive' and if a group cultivates the land efficiently and achieves high yield, it is given a 'production incentive'.

The labour requirements of the JLGs cultivating land are largely met through MGNREGA support. Whether the members are working on the farm themselves or hire labour, they are paid as per MGNREGA rates, which at around Rs 160 is too low for the men, but readily accepted by the women, since their priority is wanting to engage in some productive and respectable income generating work. Through Kudumbashree, work has been provided to over six lakh (0.6 million) women, covering 90% of the total MGNREGA wage work in a year

In 2011, Kudumbashree Collective Farming Programme was being carried out through 45,040 JLGs comprising 2,32,220 women engaged in multiple cropping initiatives. The area under paddy was the highest - about 1,65,000 acres or 34% of the total area, followed by 31% area under banana, 20% area under tubers and 12% area under vegetables.

Kudumbashree's Collective Farming Programme has been a great success. It has provided livelihood opportunities to the poor women and a large area of otherwise fallow land has been brought under cultivation in this Kudumbashree initiative. There are areas where the entire fallow land in the village has been taken over by the Kudumbashree women for cultivation. More importantly, the women taking up agriculture has made a big change in their lives, and their poverty and unemployment is gradually becoming a thing of the past.

In the Perambra's sustainable farming initiative, women have broken new ground - by tilling the land and harvesting the crop – activities which were traditionally taken up by only men. In Payyoli (Kozhikode district), Kudumbashree and the Gram Panchayat have come together to promote groundnut cultivation, which was otherwise not so widely grown. Initially, 28 women under the Usha JLG cultivated 7 acres of land and harvested a record yield, proving beyond doubt good viability of groundnut cultivation in this seaside village. As the groundnut being grown is completely organic, its demand has increased well beyond expectations, and today it is being systematically grown in over 40 acres of land. The Gram Panchayat supports by giving seeds and manure, while the Agriculture department provides periodic technical support and advice. Groundnut cultivation isn't a very exacting work for the women, just requires regular weeding and turning the soil, and the harvest is ready in three months. The success of groundnut cultivation is a matter of great pride and inspiration for the people in Payyoli. There are several other such heartening examples which have not only been successful collective farming endeavour but have also helped achieve women's empowerment.

FIELD EXPERIENCES

Joshi-Adhikari Institute of Social Studies conducted an evaluation of Kudumbashree's Collective Farming Programme, seeking to assess its feasibility and sustainability, with particular reference to its impact on the women's confidence level, their political and economic capacity, and their assessment of the potential of collective endeavours. The study team covered 40 JLGs in five districts.

At a village in the Alleppy district, a meeting of the ADS secretaries with the CDS Chairperson was in progress in the premises of a primary school . About 25 ADS secretaries were present. The majority of the women were in their early 30's with minimum education up to Class Eight. Though the younger women had completed secondary education. The women had children of school-going age and their husbands either worked in factories or were self-employed or were small farmers. Most of the women



expressed having links with political parties. They talked with great enthusiasm, and their confidence level and interest in the programme were obvious and impressive.

Further into the village, the team met a group of JLG women, also in their early 30s, who had just completed preparation of 0.5 acre land for growing yam. The women were poor, landless and barely educated. They chose to cultivate yam as it required less care and lesser water, and was generally in good demand locally. They informed that they were earlier mere housewives managing their household chores and children, until they were motivated by their neighbours to form a JLG and earn some income. Being housewives essentially, it was really difficult for them to take out time for farm work, but whatever little free time they had, they rushed to work in the field. Their enthusiasm to come out of their homes and interact with others gave them confidence and a sense of fulfillment. Short of time as they were, even as the JAISS team was half way through conducting its survey, one by one the women left for their homes. But it was apparent that they were determined to fulfill their aspirations for a better life not just economically but also in terms of gaining more respect and strength.

Meanwhile, it had started raining and the team shifted to a nearby house. Incidentally, the woman of the house was herself heading a JLG which had five members. She was in her late fifties and owned two acres of land. As she and her husband were getting old, it was becoming difficult for them to cultivate all the land on their own and they could not afford to hire labour. The woman decided to form a JLG by leasing out one acre of her land. It had already sown its first crop and was waiting to reap the harvest.

The experience in Munnar, in the Idukki district, was quite different and unique. The women themselves or their family members were tea estate employees. According to the tea estate company rules, the employees are allotted a house and 10 cents (0.1 acre) land per family, which remain with the family till at least one member of the family is on the pay-rolls of the company. A number of JLGs were formed by the women in Munnar by pooling their 10 cents of lands together. The men of these households would often share in the farm work, in the evenings, after returning from work.

It was a festival day (Dussehra) and the offices were closed, but the women readily agreed to meet the research team. The concerned CDS Chairperson had sent a word to ADS secretaries only the previous evening, asking them to assemble for meeting at 9.30 a.m., and they were there dot on time next morning. They were of course in a festive mood, dressed up in new clothes and jewellery, with flowers adorning their hair. In an interesting case, among those present at the meeting were a mother, daughter and the daughter's sister-in-law! The mother was CDS Chairperson, her married daughter was an ADS Secretary and the sister-in-law was heading a JLG. The team learnt that their comradeship at work had improved their relationship within the family as well!

The team visited two JLGs in the Kannur district - one cultivating paddy and another growing tapioca and banana in rotation. The paddy cultivating JLG had 11 members and two plots of land of one acre and half an acre. The two plots were located at a distance of about 200 meters from each other but the paddy cultivation was done jointly. The members put in equal hours of work and, at times, were supported by the men of the family as well. However, they had not availed of MGNREGA support. The harvest had completed a week earlier and the members had shared the produce for self consumption. The reason for this, as one of the members explained was that selling paddy in the market would fetch them Rs.13 a kg whereas the rice they bought from the market cost them nearly Rs.26 per kg. The group had meticulously maintained a record of their various expenses. A sense of achievement clearly marked their faces.

The other JLG grew banana and tapioca in rotation on 2.5 acres of land. The rotation was done to maintain soil fertility. The banana cultivation fetched the group around Rs. 25,000 per acre and the net earning from tapioca cultivation, according to them, was around Rs. 50,000 per acre. The profit was shared equally among the members.

Kudumbashree also conducts trainings and workshops for the women farmers on the hazards of chemical fertilizers in agriculture. As such, the majority of cultivation being done in the Programme is organic. Being so, the practice is well and truly appreciated in Kudumbashree gatherings and local fairs (Mela). If the farmers follow the organic parameters closely and harvest a good yield, they are rewarded, which further boosts their confidence.

CHALLENGES AHEAD

The journey has not been as smooth as it sounds. There have been problems and hurdles right throughout the programme. Whenever weaker sections of the society begin to assert themselves,



it creates a problem for the ruling elite which does not want to change the status quo. Earlier, the Panchayat used to have considerable control over Kudumbashree activities and funds. Although this control has become somewhat less over the years, the hierarchy still remains. The Panchayat President is a member of the CDS executive committee. At most places, the Kudumbashree office is situated within the Panchayat office premises. In many cases, the CDS Chairperson feels herself inferior or subordinate to the Panchayat President. Kerala's is a highly politicised society and so, if the Panchayat President belongs to one party and the CDS Chairperson to another, then naturally a conflict arises.

As far as the Collective Farming Programme is concerned, it may soon reach an impasse. Already, it is beginning to become difficult for the women to get land on lease. The land owners, who initially gave land on lease to the Kudumbashree women, are now seeing that the land which was lying fallow earlier has now been converted into good and arable land. So, rather than giving it on lease, they are now considering cultivating it themselves. Or even if they are not able to cultivate it themselves, they are demanding a higher lease rent. There are other issues also, such as the legal obstacles in land leasing and the low wages being offered in MGNREGA.

Notwithstanding the problems and challenges, there is a clearly visible and positive effect which the Collective Farming Programme has had on the confidence of poor rural women and in their collective strength. This provides a good basis for believing that the women will be able to resolve the problems and the challenges will not deter their march towards greater participation in economic and political activities.

CONCLUSION

It is too early to talk about definite resolution of the agrarian crisis through endeavours like the Kudumbashree, but even then it has already demonstrated the collective strength of women. The Kudumbashree Mission has successfully addressed issues of women's empowerment, poverty alleviation, assured employment, environmental conservation and food security. It has helped the women transform themselves from being 'quiet and neglected' housewives to becoming vocal members of the community. It has created a feeling of solidarity among the women, greatly enhancing their decision-making capacity and also their capability to translate decisions into action programmes.

An important part of the Kudumbashree Mission is its model of collective farming, which has proved to be a success, particularly given the land situation in Kerala. A few other states have expressed interest in replicating this model. While the programme serves as an important model for both female empowerment and collective farming, it is now time to give thought to the sustainability of the programme in Kerala and to its replication in other states.



COOPERATIVES AND TECHNOLOGY: TOWARD DEMOCRATIC EXCHANGE OF INFORMATION

ROSHAN NAIR

ABSTRACT

In India, marginal farmers and the landless are the most vulnerable to changes brought about in the agricultural sector through consolidation of land under large landholders and commercial farmers. From a resource perspective, small and marginal farms are denied the benefits of scale that enables the employment of new farming techniques and inputs optimised for large, contiguous landholdings. Further, information relating to the use of these new techniques and inputs, and how the output thus produced is marketed should be considered a resource denied to small and marginal farmers. Resource cooperatives enable marginal and small farmers to benefit from scale by lowering shared input costs and farming contiguous parcels of land. Information-sharing centered around Low Resource Technology (LRT) represent a simple way for communities organised around resource cooperatives to rapidly acquire and share information, market produce and exchange local knowledge gained from reorganisation. LRT also has the potential to create secondary demand for labour that supports agricultural activity through the provision and sharing of information.

1. MARGINAL FARMERS AND SURPLUS AGRICULTURAL LABOUR

Seventy million of the total estimated 101 million holdings that make up Indian agriculture are owned by marginal families, i.e. those holding less than 2.5 acres (NSSO, 2006). These and millions of other landless families constitute the bulk of the nearly 650 million who rely on agriculture and allied services for their livelihood. This notwithstanding, agriculture is rapidly becoming an unviable option for livelihood for those on the margins, reflected by the fact that 40% of the farmers, overwhelmingly marginal, report that they would quit farming if given a choice (Mehta, R., 2012). More disturbingly, between 1995 and 2012, over 2,50,000 farmers have committed suicide (Sainath, 2009). This development points to three factors which impact marginal farmers disproportionately. First, increasing costs of inputs and labour have made the per acre costs of small holdings rise dramatically. For example, in the period 2002-03 to 2010-11, the cost of labour for farm activities such as ploughing, weeding, and harvesting increased by 100 per cent or more. This is coupled with a rise in prices of agricultural inputs such as seeds, fertilizers, and pesticides.

Second, between 1970-71 and 2005-06, the total number of operational holdings in India increased from 71 to 128 million and the operational holdings area declined from 162 to 156 million ha. This resulted in the reduction of average farm size from 2.28 ha to 1.21 ha. In the same period, the share of small and marginal holdings in the operated area doubled. Smallholders now cultivate 42% of operated land, constituting 83% of total landholdings. That is to say, there are now more parcels of marginal and small sizes of agricultural land than ever before in the Indian history, with a less viable prospect of monetary gain from farming than ever before. (NSSO, op. cit)

Dominant economic theory has nonetheless recognised a 'universal convergence' (Williamson, 1990) on the premise that there must be a shift of the labour force out of agriculture to permit the transition of an economy into the secondary and tertiary sectors. However, the pace of this change in Europe and North America in the 19th and 20th centuries was aided heavily by an influx of capital from the colonies and mass migration of an unemployed peasantry to new economies with a capacity to easily absorb the labour force (Ministry of Labour, 2010). Apparently eager to replicate this history in India, the economic establishment has posited that the shift of labour out of agriculture is not only inevitable, but at a pace far more rapid than the Western nations were able to achieve.

However, to believe this narrative, one must simply ignore the history of Indian landownership: local caste and power structures with powerful landlords near the top of the heap. To believe that this is possible and desirable today is to mask the sheer violence of a process that would make such a reality possible: the mass evacuation of the peasantry from their small holdings and the consolidation of their land in the hands of large industry and commercial cultivators. To believe it would also mean accepting the impossibility of the necessary conditions for such a transition to occur naturally: the existence of a



ready market for the excess labour generated from such evacuation, and the necessary infrastructure for the adequate training, accommodation and support of this labour force.

The question remains: Can those on the margins, displaced from agriculture be absorbed in activities that do not innately disadvantage those without access to resources?

MARGINAL FARMERS AND ACCESS TO INFORMATION

Outside the realm of Indian agriculture, the world is fast becoming a connected market; an 'information age' that relies on seamless transfer of data between the forces that make up the organised global marketplace. In rural India, caste-based information networks form the basis for credit, insurance, agricultural inputs and access to resources (Munshi, 2004).

To assess the question of agrarian labour from the perspective of information, what appears to happen as we approach the micro-economies of marginal agriculture is a mass theft or loss of market information during its transfer from the institutions that govern the macro-economy. Caste based information networks allow valuable information to flow toward power, i.e., towards the caste groups that dominate the rural landscape and away from those groups without access, in a majority of cases, such as marginal and tenant farmers.

A much researched example is agricultural market prices. Every year in New Delhi, the Commission for Agricultural Crops and Price sets a Minimum Support Price for major crops in order to evolve a balanced and integrated price structure keeping in view the overall needs of the economy and with due regard to the interests of the producer and the consumer. However, the reality in the market is high price volatility. Centrally set prices do not follow local farming conditions, thus creating an unviable and inordinately low price at the market gate. Also, the published government prices are simply denied to farmers of certain caste and social groups at the government markets by local intermediary buyers who run them [W1]. In farms where transportation costs make market sale unviable, small farmers instead rely on local traders or middlemen and accept the prices they offer. In the Muzaffarpur district of Bihar, in 2009, even a cash crop of bananas was offered to local agents at a rate that was almost 30% lower than the prevailing published market prices (Mehta, J., et al., 2011).

Innumerable studies show that small farmers report receiving a lower price for the same crop as large farmers do. Traditional methods of information-sharing, essentially through local market intermediaries, have already been shown to be heavily biased against lower caste and marginal farmers. This trend persists in modern methods of information-sharing too. In mechanised agriculture, if optimal outputs are to be achieved, inputs of modern farming, namely branded seeds, fertilizers and pesticides require specialised information, as also do the specific application of resources such as water and mechanisation. Lack of access to such information greatly handicaps those farmers who are denied it. What is clear is that information is available in rural areas, but shared inequitably and at a price. Several organisations offer mobile phone-based crop advisories, personal field visits by scientists and even farm-side post-harvest processing and marketing services (Parikh et al., 2007) to farmers for a fee, or those with large volumes of produce. Given that disposable incomes and large volumes are almost exclusively the luxury of large farmers, here again we see a skew away from marginal farmers in more recently formed information-sharing networks.

NEED FOR EFFICIENT INFORMATION-SHARING

To be clear, these outcomes of information loss are not a question of inadequate technology. As described in the second section of this paper, several successes have proven the ability of LRT to effectively deliver simple information that addresses the needs of an agrarian population in upheaval. The commodification of information has allowed the creation of a burgeoning marketplace for it. Agricultural information, such as official market rates, best crops and inputs for the prevalent weather conditions, lowest input costs and labour availability have already been put on sale, but with limited success. At the rural level, disposable income to be spent on information is simply a measure of the capacity of a farmer to generate wealth, that is, landownership. Again, we must ask what this implies for marginal landholders and the landless.

COOPERATIVES – BETTER ORGANISATION, BETTER FLOW OF INFORMATION

A solution to the manifold problems mentioned above, namely, the unviability of small holdings, the marginal farmers' lack of access to information and other resources, and the lack of local employment



in agricultural areas can be addressed by revisiting the idea of cooperatives, incidentally one of the oldest continuing legislations addressing agricultural labour in India.

HISTORY OF COOPERATIVE LEGISLATION IN INDIA

The idea of a cooperative agricultural effort, i.e. the sharing of local land, labour, and resources to control output, is not new to India. In fact, Nadkarni reveals that in the pre-independence era this activity took the form of common water management, collective harvesting and marketing of produce, seed sharing and distribution of surplus output. (Nadkarni, 2007)

In 1892, an Indian Civil Services officer, Frederick Nicholson, first suggested a system of agricultural banks providing localised credit to support activities of this nature. The idea gained credence over time, particularly given repeated crop failures and famines at the turn of the century in British India. What eventually was enacted as the Cooperative Credit Societies Bill of 1904 was initially focused solely on provision of agricultural credit, as opposed to other forms of cooperation as 'among relatively backward populations, the difficulties involved in the management and distribution business [were] likely to prove a stumbling block in the way of progress'. (Nadkarni, 2007) The Act was amended and its scope changed during the world wars. By 1945, a Cooperative Planning Committee was established, which identified cooperatives as an ideal medium to democratise agricultural planning activities. This led eventually into the First Five Year Plan of independent India, which relied on cooperatives as an organisational form for development activities.

However, the persistent 'difficulties involved in management and distribution led to a hands-off attitude in the formation of cooperatives, allowing their takeover by large peasants and other local power groups (Chithelen, 1985). The high subsidies received allowed the creation of a new stratum of rich landlords who controlled the cooperatives, and eventually translated into political power in cooperative heavy states like Maharashtra and parts of Uttar Pradesh. Ironically, the most effective remedy to these issues of management and distribution, namely LRT, were adopted early on by these cooperatives of the resource rich farmers.

Thus, the history of organised, state-led cooperative formation in India is pockmarked by the use of the cooperative form of organisation to capture power by resource rich groups of the peasantry. When considering solutions to the issues of contemporary marginal, small, and tenant farmers, it becomes clear that the current paradigm of cooperatives, as defined by state interventions, is not suitable. However, given its historical and cultural significance, the concept of cooperatives cannot be dismissed as easily.

RESOURCE COOPERATIVES AS A SOLUTION

In view of the persistent, distributed and localised nature of Indian agriculture, resource sharing still offers a solution to several of the issues facing marginal farmers. These are analysed below:

Unviable holdings and access to resources: The JAISS study (Mehta, J. et al., op. cit) states that while marginal households often do not hold contiguous parcels of land, and that many parcels lack access to water, one important observation is that neighbouring plots of sampled households are nearly always reported to have access to water. Coupled with the fact that an overwhelming majority of these plots are held by members of the same community, and often the same family, the question of viability of resource sharing must be posed again. Voluntary pooling of inputs would allow neighbouring plots to significantly decrease the price of ploughing, sowing, irrigation and harvesting through economies of scale.

Information Access and Local Employment Generation: A reorganisation of communities around resources would allow for the formation of local groups of farmers, based on geography, land quality and income. As described in the following section, LRTs have demonstrated several successful examples of connecting discontinuous groups to transparent information in an efficient manner. Combining these ideas, a scaled information exchange can be created, whereby resource conserving and optimising practices can be shared, market information received and trade of surplus facilitated (Gandhi, 2009). Such exchange would also form the basis for local employment. By connecting communities directly with the market, employment around information transfer and trade of surplus which involves local community members is possible, sidestepping the role of middlemen external to the community.

Several examples, both from the development sector and public undertakings, have proved the viability of a localised exchange model as described above. For example, the Kudumbashree Mission



project undertaken in Kerala since 1998 has shown that a scalable network of cooperatives can efficiently share resources and information for both social and marketing outcomes (Pat, 2005). However, without public discourse on a policy framework to make such success scalable, permanent and supported by public and community-owned infrastructure, and for technology to allow the efficient scaling of such models, these successes will remain limited to the local geographical areas where they thrive. Having explored the context of cooperatives in addressing the issues of surplus labour from marginal farms, I will now analyse the technological interventions that have successfully enabled the growth of localised information exchange.

2. LOW RESOURCE TECHNOLOGIES

Specific to agriculture, LRT, in this paper, refers to all tools and innovations whose manufacture, distribution and implementation is primarily defined by the end-users of the technology and whose cost and process barriers to manufacture are sufficiently low to allow wide social participation in these processes. These technologies represent a break from mainstream technology interventions in agriculture, which have traditionally been controlled by large private or state enterprises that do not distinguish one user from another, or in fact seek direct user input for a major part of the production process.

LRT has emerged from early development sector interventions to improve outcomes for communities by strengthening communication and distribution among them, particularly those excluded from state and private attempts in this regard.

This section attempts to outline the hitherto unexplored potential of LRT tools to aid local organisation of scaled cooperative production and to form a basis for viable local exchange in crops for which no larger viable market exists. Deployment of such infrastructure would also necessitate the creation of a local organised cadre of service providers using such platforms to trade, manage and expand existing economic activities on the basis on such technology. Several successful experiences of local groups throughout South Asia provide a possible direction for such growth. These are explored below.

The question of information technology in agriculture

The evolution of agriculture through history is, among others, the history of technological interventions in agriculture. While the early technologies introduced in crop production were responsible for reorganisation of societies around agricultural activities, the last several centuries have seen technology evolve mainly from the needs of crops as commodities. Recent decades have seen every input hitherto controlled by the marginal farmer, including water, seed, fertilizer, and the techniques for their proper access and use converted into private assets for rent.

LRT has followed a rather different trajectory and has emerged directly as a result of this latter feature of contemporary technology, i.e. the increasingly privatised access to technology inputs for small and marginal farmers.

What follows below are examples that prove local community organisation combined with technology infrastructure is able to effectively transfer information among peers. The relationship of beneficiaries of information to land and local power equations has not been explored as the primary focus in any of these experiments, which only further highlights the urgency of public and development sector policy interventions to address these gaps.

Successful deployment of LRT has shown promise in two areas directly relevant to the efforts towards resource cooperatisation described above, namely, in helping to share local knowledge and resource use techniques among groups, and in the creation of transparent and localised markets which generate consistent value for the output of marginal farmers or cooperatives set up to serve these groups.

LOCAL KNOWLEDGE EXCHANGE

AWAAZ OTHALO

Started in 2007 as a research project in Gujarat, Awaaz Othalo is a service that allows farmers to access information over the phone, provide their own responses and listen to the responses of others. This application allows sharing agricultural advice by posting, listening to and replying to others' voice messages using any phone. It has catered to nearly 300,000 calls for over 15,000 callers since 2009. In experiments, the service tested whether information was more influential when it came from high-status scientists in comparison to peer farmers. Contrary to general belief, participants acted more upon the



same information when it came from a peer. Based on these and other experiences from fieldwork, the service developed a generalised software platform for deploying voice-based social media combining call-in and call-out features, and web-based moderation. (Patel, 2012)

DIGITAL GREEN

Digital Green is a research project that seeks to disseminate targeted agricultural information to small and marginal farmers in India using digital video. The unique components of Digital Green are: (1) Participatory process for content production; (2) Locally generated digital video database; (3) Human-mediated instruction model for dissemination and training; and (4) Regimented sequencing to initiate new communities. Unlike some systems that expect information or communication technology alone to deliver useful knowledge to marginal farmers, Digital Green works with existing, people-based extension systems and aims to amplify their effectiveness. While the video provides a point of focus, it is the people and the social dynamics that ultimately make Digital Green work. Local social networks are tapped to connect farmers with experts. The thrill of appearing 'on TV' motivates farmers, and homophily is exploited to minimise the distance between the teacher and the learner. Since its founding in 2007, Digital Green has increased the adoption of certain agricultural practices sevenfold over a classic Training and Visit-based (T&V) Extension approach. On a cost-per-adoption basis, Digital Green was shown to be ten times more effective than a classical extension system. Investments included performance-based honoraria for local facilitators, a shared TV and DVD player in each village, and one digital camcorder and PC shared across the project area. (Gandhi et al., 2009)

CREATION OF TRANSPARENT LOCAL MARKETS

NEPAL WIRELESS

Since 1997, a schoolteacher in rural Nepal and his team of locally trained technicians set out to connect several villages to the internet (Ruth & Giri 2007). They used a series of wireless antennas tethered to trees and a locally made micro-hydel station to power the system. The initial 19 villages selected were overwhelmingly agrarian, with a majority of residents engaged in yak herding or cultivation of subsistence crops and produce for local sale. The experiment has since been expanded to cover three districts, and provides the beneficiaries with shared computers to access the network and a variety of services, including tele-medicine, agricultural advice, and trading services. The latter feature is the most promising in terms of potential within cooperatisation. Through the information sharing network, yak herders are able to trade milk, cheese and cattle across remote villages without the aid of middlemen.

KACE

In Kenya, KACE (Kenya Agricultural Commodity Exchange) provides a complete market information system plus marketplace, with access through information centres, SMS and voice recordings via a toll-free number. The marketplace allows a transparent exchange between groups of farmers and buyers. Early results show significant use of the system to match local supply and demand and to learn current market prices, providing leverage with traders. (Parikh et al., op. cit.)

USING LRT TO ADDRESS THE SCALE CHALLENGES OF COOPERATIVES

The technologies mentioned in the above examples, such as mobile technology and local Wi-Fi mesh, show great potential for rural and small town connectivity with information-sharing networks. Also, peer-based systems allow for participation by a wide spectrum of users. However, seen in the context of enabling cooperatisation, the experiments described reveal several shortcomings that need to be addressed before they become relevant to addressing the issues of information exchange discussed in the earlier section.

Primarily, all the initiatives described are of a technical nature and do not specifically focus on the dynamics of local landholding. That is to say, without a change first in the existing structures of organisation, larger farmers are still the best placed to take advantage of new information. However, especially in the case of the Knowledge Exchanges above, there is clear evidence of a significant increase of marginal and small farmers in information contribution and dissemination than prevailed earlier.

Another issue is that all the information exchanged still dealt with traditional markets and production cycles driven by those markets. Under resource cooperatisation, community markets and predictable local demand can occupy an important place in the farmers' production decisions.

What is clear in all cases is that LRTs enable local groups to coordinate activities, share best practices,



and market directly to buyers, with minimal cost of monitoring. For resource cooperatives, this not only allows efficient organisation, but, considering that all the LRTs described above are run with the active participation of community members, also generates secondary employment.

Some possibilities currently being explored by LRT practitioners include the creation and support of 'viewing groups' of marginal and tenant farmers across states with the goal of discussing issues directly affecting them and resolving them with minimal external input, crop planning across groups based on information received and collaborative resource planning through information-sharing. The next stage of expansion of LRT will feature small farmers classified for resource-sharing and localised marketing of crops between farmers' groups.

CONCLUSION

The issues of surplus labour in Indian agriculture have been seen to have their roots in the widespread exclusion of the landless and marginal, small and tenant farmers from participation in the resource and information intensive system of modern agriculture that has been adopted by the larger farmers, and encouraged by lopsided market structures that support output from these processes. Examples of voluntary cooperatisation of resources between marginalised agricultural groups present a possible solution to this problem by creating viable operations for those directly engaged on the land, and a structure which generates employment from resource organisation and produce marketing. The experiences of deployments of LRT offer practical directions.



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CLIMATE CHANGE AND INDIA

ANALYSIS OF POLITICAL ECONOMY AND IMPACT

**ROSA
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Dutta, Ghosh, Gopalakrishnan, Bijoy and Yasmin. *Climate Change and India. Analysis of Political Economy and Impact.* New Delhi; Danish Books, 2013.

The book attempts to bring together the overlapping processes of globalisation, global warming and the politics of development. It explores and analyses several processes related to climate change, their relationship with it and its impact on people; not only dominant politico economic processes in India and abroad, but also economic policies. It also discusses the multifaceted nature of the impact that climate change has as a natural phenomenon, a political symbol and a focus of policy making.