

Critical Analysis of the role of crafts and artesian cooperative thrift and credit societies in the socio-economic development of its members in Moradabad.

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Abstract

Crafts and artesian plays a vital role in any country in its socio-economic progress. They are suffering from different type of problems like marketing of their products, not getting proper money for it, finance problem etc. most important one is the finance facility. Cooperative thrift and credit societies is an important source of credit facility for such type of people. In this study the role of artisans and artisan cooperatives in the socioeconomic progress of their members in Moradabad is evaluated. The research concentrates to evaluate the socioeconomic characteristics of the members of the cooperatives thrift and credit societies. Researcher also tries to find out the ways in which members are benefited from the cooperative thrift and credit societies. Further this study tries to study the contributions of these cooperative societies. This research tries to find out the reasons for the low performance of cooperatives in Moradabad and make recommendations for greater effectiveness of artisan and craft cooperatives. How the benefits provided by the Cooperative thrift and credit societies helps to improve the performance of its members.

Key words: *Craftsman, Artesian, Socio economic development, Cooperative thrift and credit societies.*

Introduction

One of the great development problems in any country is to develop an adequate organization and institution to mobilize and induce the members of the rural sector to a greater productive effort (Alliance, 1895). In this situation, cooperatives represent a strong and viable economic alternative. The cooperative organization offers the best machinery to reach the masses of small farmers. The International Cooperative Alliance (ICA) defines “A cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs through a jointly owned and democratically controlled enterprise”. It is a company that is voluntarily owned and controlled by its member supporters and operates for and by them on a non-profit basis. It is also a commercial enterprise that aims at the complete identity of the factors that make up the control of ownership and use of services (Government of India : Ministry of MSME, 2016).

Cooperatives play an important role in facilitating access to credit, acquisition and storage, distribution of supplies and marketing of products. They create job opportunities especially in rural areas and allow the organization of disadvantaged groups for social and economic benefit (Akerle & Adekunmbi, 2018).

Cooperative societies are organizations that are widespread in developing countries and are characterized by the strong commitment and participation of their members in decision-making (Ebonyi, V., & Jimo, 2002).

These societies mobilize local savings and administer credit to members, thus encouraging savings and entrepreneurship. Initially, the credit union uses relatively unsophisticated management practices, so costs are very low and most of the interest income on loans can be distributed to members or reinvested in the credit union as part of a capitalization program. (Kareem et al., 2012) As a result, they can establish themselves in poor communities, where access to safe savings and credit on non-exploitable terms is of paramount importance. (Ravichandran, 2021)

Literature review

According to (Dogarawa, 2005) Craft and craft cooperatives have the ability to develop the rural economy and improve the socioeconomic conditions of their members. For this reason, there has been a great expectation of these cooperatives to achieve social and economic goals and also stimulate development and alleviate poverty. It is in this context that various micro and small enterprises (Neulkar, Prakash L.; Linge, 2017) have come together to achieve greater efficiency and effectiveness through mutual cooperation.

Credit unions are member-based organizations that help members cope with financial problems. They are not banking institutions due to their purpose. The ultimate goal is to encourage savings among members and meet the credit needs of people who might otherwise fall prey to loan sharks and other predatory lenders (Farris & Lane, 2006).

Dogwara in his study examines the role of cooperatives in economic development in order to shed light on the nature and characteristics of cooperatives (Dogarawa, 2005)

(Udensi et al., 2014) carried out his study with the objective of evaluating the role of artisans and artisan cooperatives in the socioeconomic progress of their members in the State of Abia. The document specifically identifies and describes the socioeconomic characteristics of the members; discover ways in which members benefit from the cooperative group; examine the contributions of cooperatives to rural economic activities in the study area; (Harper, 2003) identify the constraints that limit the optimal performance of cooperatives in the study area and make recommendations for greater effectiveness of cooperatives in the study area (Udensi et al., 2014)

Research methodology

This study was carried out in the Moradabad region. This study was carried out on 400 respondents who were the members of crafts and artesian cooperative societies residing in Moradabad. Out of 400 respondents 258 respondents responded the question which were drafted on 5 point Likert scale. Responses were collected on personal by asking of the questions by the craftsman. Purposive sampling technique was adopted as there was limited

number of respondents who were associated with the cooperative society. The questionnaire was rated on 5 point Likert scale where five stood for highest and 1 for the lowest. Data was analysed using SPSS 25.

Objectives of the research

The primary objective of this research is to evaluate the socioeconomic characteristics of the members of the cooperatives thrift and credit societies. Further this research will find out the ways in which members are benefited from the cooperative thrift and credit societies. Further this study tries to study the contributions of these cooperative societies. This research tries to find out the reasons for the low working of cooperatives in Moradabad and make recommendations for greater effectiveness of artisan and craft cooperatives. How the benefits provided by the Cooperative thrift and credit societies helps to improve the performance of its members.

Hypothesis of the study

H01: Ways by which the cooperative thrift and credit societies benefit their members are insignificant.

H02: The contribution of cooperative thrift and credit societies in the increasing the efficiency of its members is insignificant.

H03: The reasons for the low working of cooperative thrift and credit societies are insignificant.

H04: Benefits provided by the cooperative thrift and credit societies to their members increases their efficiency.

Data analysis

In this study 400 respondents who were the members of crafts and artesian cooperative societies residing in Moradabad were considered. Out of 400 respondents 258 respondents responded the questionnaire which was drafted on 5 point Likert scale.

Table no 1 Demographic Profile					
Factors	Options	Responses	Percent	Mean	Std. Deviation
Duration of residence in Moradabad	<5 years	146	56.6	1.43	0.497
	<10 years	112	43.4		
	<15 years	0	0		
	No	31	12		
Age of the respondent	Below 30 years	64	24.8	1.93	0.654
	31-40 years	147	57		
	41-50 years	47	18.2		
	More than 50 years	0	0		
Education level	No formal education	57	22.1	2.12	0.782
	Primary	52	20.2		
	Secondary	136	52.7		
	Training from	13	5		

	forefathers				
Family size	2 members	26	10.1	2.26	0.63
	4 members	138	53.5		
	6 members	94	36.4		
	More than 6 members	0	0		
Level of income	Below 20000	52	20.2	2.12	0.782
	20000-30000	136	52.7		
	30000-40000	57	22.1		
	More than 40000	13	5		

In any study Demographic profile helps the researcher to study the background of the respondents.

Most of the craftsman and artisans were the resident of Moradabad for more than 5 years i.e 146 crafts men. 112 craftsmen were the residence for more than 10 years. 147 craftsmen were belonging to the age group 31 to 40 years and below 30 years there were 64 craftsman. On considering the family size 138 that is more than 50% respondents were having family of four members. 94 respondents were having the family of 6 members. Level of income is an important parameter for any study and in this study we found that more than 50% of craftsmen were earning in the band of 20000-30000 in a month. Only 57 respondents were earning above 30000-40000. It was surprise 136 respondents have secondary education (here it means 12 standard) and only 18 of them wer having training from fore fathers.

Table no 2 Chi Square test				
S No.	Parameters	Chi-Square	df	Asymp. Sig.
	Benefits provided to Crafts and artesian cooperative societies to their members			
1.	Financial need in business	248.256 ^a	2	0
2.	Financial improvement in business	325.000 ^a	2	0
3.	For purchase of tools	122.806 ^b	1	0
4.	For purchase of raw material	106.806 ^b	1	0
5.	Emergency need	258.581 ^a	2	0
6.	Social recognition	338.116 ^a	2	0
7.	Medical assistance	333.698 ^a	2	0
8.	Family need	304.070 ^a	2	0
9.	Gift to family	225.791 ^a	2	0
10.	Low interest rate	235.140 ^a	2	0
11	Easy reach to money	69.233 ^a	2	0
	Source of income of societies			
1.	Donations from members	65.884 ^a	2	0
2.	Membership fees	113.047 ^a	2	0
3.	Fines on members	197.535 ^c	3	0

4.	Interest on loans given to members	61.000 ^a	2	0
5.	Funding from Government	.651 ^a	2	0.722
6.	External Sources	147.000 ^a	2	0
7.	Charitable income	98.860 ^a	2	0
8.	Collection from different activities like fate	93.791 ^a	2	0
9.	Interest from banks on deposits	102.721 ^a	2	0
	Factors for the low performance of the cooperative thrift and credit societies			
1.	Insufficient fund	7.814 ^a	2	0.020
2.	Migration	4.465 ^a	2	0.107
3.	Lack of government support	55.837 ^a	2	0.20
4.	Corrupt leadership	20.674 ^a	2	0
5.	Poor welfare to the members	107.581 ^c	3	0
6.	Lack of educated members	123.233 ^a	2	0

Chi square test was conducted to test the goodness of the parameters. Among the benefits provided to crafts and artisans of cooperative thrift and credit societies to their members, 11 factors were considered. They are financial need in business, financial improvement in business, for purchase of tool and raw material, the emergency needs social recognition, medical assistant, family need, gift to family, low interest rate and easy reach to money. Here p value is less than .05 therefore we reject our null hypothesis and conclude that the benefits which the cooperative society are providing to their members are all significant that means that members are taking benefit from cooperative thrift and credit societies. Cooperative thrift and credit societies earn money through donation from members, fine imposed on members, interest on loans given to members, external sources, funding from government, charitable income, collection from different activities and interest from banks on deposits. Out of which funding from government was an insignificant factor that is the cooperative society are not getting any funding from government.

Low performance of cooperative thrift and credit societies depends on various parameters sectors like in sufficient funds, migration, lack of government support, corrupt leadership, poor welfare to the members and lack of educated members. Here it was surprise to see that low performance of cooperative and credit societies in Moradabad depends upon migration and lack of Government support where as we find that leadership was very good which was provided to the members of the society the members were benefited from different in different aspects from the society in form of money and funding and education. . The reasons for low working of cooperative shift and credit societies are significant.

Table No.4 ANOVA					
Benefits provided to Crafts and artesian cooperative societies to their members					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	160.005	13	12.308	1.844	.037
Within Groups	1622.166	243	6.676		
Total	1782.171	256			

Third hypothesis which is the ways by which cooperative thrift and credit societies benefit their members increases the efficiency of its members is insignificant is tested with the help of ANOVA test. Here p value is less than .05 therefore we reject our null hypothesis and conclude that the ways by which cooperative thrift and credit societies benefit their members increases the efficiency of its members is significant.

Results and discussions

Data was collected with the help of a researcher-constructed self-administered questionnaire administered to 400 members of specially selected artisan and craft cooperative societies. Data was analyzed descriptively using frequency, simple percentage, and mean etc. The result shows that migration and non-governmental support are some of the factors that limit the optimal performance of artisan and craft cooperatives in the study area. Meeting frequently (usually weekly) could help support cooperative societies and also act as a catalyst for sharing knowledge and new ideas that could be effective in improving the business, solving personal and group challenges, and increasing work productivity. This could help reduce poverty and solve the problem of insufficiency and lack of funds that is often faced by an important population of artisans. Therefore, it was concluded that organizing efforts to mobilize artisans and artisans for a spirit of cooperation in the study area, and elsewhere, could help increase access to funds, the spread of information and innovations, and reduce poverty. Education (of members) is a significant factor that can effectively mobilize cooperative societies to attract government presence for assistance, the lack of educated members could hamper the leadership structure of the group.

Future scope of the study

This micro level study will pave a path for the benefits of artisans and craftsman to be associated with cooperative thrift and credit societies to reap benefits and progress in their field. Further it would help them to find ways in future to get benefit of different government schemes for their upliftment.

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