

# Contribution of the Silk Co-operative Societies to the District of Murshidabad of West Bengal-an Overview

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### Abstract

During the last century silk industry of Murshidabad of West Bengal was mainly financed by Mahajans (or money lenders). The farmers, reelers and weavers used to approach the Mahajans who were in the practice of advancing money to them for purchasing raw materials on the condition that the products must be sold only to the money lenders.

The farmers, reelers and weavers of silk still face many problems at the time of selling their produce. The silk merchants advance money to them at their need and they compel them to sell their produce to them at a low rate. The mahajans and middlemen often control the prices of raw materials and finished goods due to lack of organized market in the district. Owing to these difficulties (production, financing and marketing problems), the sericulturists, reelers and weavers of the district often become victims of mahajans and middlemen who deprive them of their selling price or real wages. It is an acute problem of sericulture in the district.

Under such circumstances different Silk Co-operative Societies have been formed by the sericulturists / rearers, reelers and weavers of the district to save their interest and to protect themselves from the exploitation of silk merchants and money lenders or mahajans. The different Silk Co-operative Societies are at present financing the beneficiaries in the form of raw materials for rearing, reeling and weaving system of sericulture in the district. The Government and the National Bank for Agriculture and Rural Development (NABARD) have taken initiatives to finance the sericulturists, reelers, weavers and the different silk co-operative societies of the district. The objective of this paper is to discuss the necessity and contribution of the silk co-operative societies to the district of Murshidabad.

**Keywords:** Democratic, Awfully, Malpractices, Manipulation, Debt-Ridden, Intervention, Pivotal, Dominant, Viable, Intermediaries,

### Introduction

Co-operative form of organization is based on the philosophy of self-help and mutual help. The aim of such a society is to practise the virtue of all for each and each for all.

A co-operative organization needs to be registered with the Registrar of Co-operative Societies. It should have a minimum of 10 members and no limit for maximum number of members. The members are the owners. They contribute capital to the organization by purchasing shares and get dividends. The liability of the members is limited.

The managing committee elected by the members in the annual general meeting manages the affairs of the co-operative organization. It is a poor men's society and it is best suited to agricultural production, sericultural production and cottage industries, where capital required is small. Here it will not have to face the competition of large-scale industry with huge capital and much technical and expert knowledge of management.

Government has adopted Co-operatives as an instrument of socio-economic changes. Hence, the government offers a number of grants, loans and financial assistance to the Co-operative societies to make their functioning more effective.

The management of co-operative societies is entrusted to the managing committee duly elected by the members on the basis of 'one-member one-vote' irrespective of the number of shares held by them.

The proxy is not allowed in co-operative societies. Thus, the management in co-operatives is democratic.

In the district the silk co-operative societies have to apply to the Handloom Development Office (HDO) for their registration. The HDO scrutinizes and enquires the relevant papers, resolution of the societies seeking for registration, methods of formation of a co-operative society etc. After scrutiny and enquiry the HDO in the district approves the society for its registration. These societies are now working for the upliftment of the rural economy of the district by providing assistance to the farmers, reelers and weavers in respect of production, sale, marketing etc.

#### **Silk Co-Operative Societies in Murshidabad**

The majority of sericulturists and weavers are illiterates and are scattered all over the villages in the district, besides being unorganized. They are awfully exploited by business people-middlemen, manufacturers etc. The middlemen, who are intelligent, are well-organized and try to suck the blood of the sericulturists and the weavers in the district.

It is also experienced that the sericulturists and weavers sell their produces in the village itself. This is because of prior indebtedness to the village moneylenders or merchant-middlemen. Even before the produces come up, the produce sales take place, because sericulturists and weavers are badly in need of finance. The moneylenders who grant loan against the produces pay low price on the strength of agreement. The sericulturists and the weavers are bound to sell them – a forced sale.

There are various malpractices prevailing in the silk markets— arbitrary deduction, manipulation of weights and scales, multiple market charges, existence of many middlemen etc. and increasing cost of marketing and reduced price of silk yarn.

The sericulturists, reelers and weavers on silk faced very many problems at the time of selling their produces. The silk merchants advanced money to them at their need and they compelled them to sell their produce to them at a low rate. Besides, the merchants took the weight of 821/2 tolas per sear instead of 80 tolas. So there was a regular loss to the producers in the value and weight and they had to take similar loan as there was no other alternative way. After some years, they became –heavily indebted to the merchants. The sericulturists and artisans are usually victims in the hands of moneylenders and become heavily debt-ridden due to the payment of heavy rates of interest. It was an acute problem of the sericulturists and the weavers of sericulture/silk industry in the district.

Weavers dispose of their produces in the village itself, because of the absence of good connecting roads, lack of storage facility, compulsory intervention of middlemen at the market, selling becomes impossible without middlemen etc.

To protect the interest of the sericultural producers, to eliminate the army of middlemen, to ensure that sericulture occupies a pivotal position in the district economy and well-being of the entire population etc., the need for co-operative societies of

sericultural produce is very essential in the district. Under such circumstances the Government of West Bengal gives powers and duties to the Department of Sericulture, Department of Handloom & Textiles, Khadi & Village Industries Commission, District Rural Development Cell to look after the silk co-operative societies as well as the silk industry in the district.

#### **Contribution of the Silk Co-Operative Societies to the District**

The silk co-operative societies have the dominant role for the development of sericulture as well as the sericulturists, reelers and weavers in the district. In respect of silkworms rearing for production of cocoons, silk yarn and weaving of silk cloth the co-operative societies play a significant part supplying the input and raw materials to the beneficiaries of the societies.

At present most of the rural populace are engaged in sericulture next to agriculture in the district. The silk co-operative societies are formed in the district to protect the interest of the sericulturists, reelers and the weavers, to increase the production of cocoons both for seed-growing and commercial purposes, to face the competition in the market of silk goods in the country as well as in the international level, to create the employment opportunities in the sericultural sector day by day by solving the problem of financing, to earn foreign exchange by exporting silk products through government sources for the improvement of the rural economy.

The silk co-operative societies play a secondary role in the development of rural economy of the district. With the development of sericulture, this agro-based industry is improving with the help of establishment of silk co-operative societies so that rural sector of the district becomes economically viable. Huge number of unutilized labour in the rural areas of the district are absorbed through the co-operative societies. They are serving/performing different types of sericultural activities in the societies. These societies provide an assured income to the silk farmers, reelers and weavers of the district. The societies play a viable role in the district economy as they generate more income, provide greater employment opportunities and meet the present demand of silk fabrics in the country and world market.

The mahajans or middlemen in the district act as intermediaries between the rearers, the reelers and the weavers. Most of them have not any direct contact with each other. To overcome this problem, about 40% of the rearers, reelers and weavers have been brought under the organized sector by the Department of Sericulture, West Bengal. They are brought under Khadi Commission, Co-operative Societies and other registered societies.

#### **Conclusion**

A co-operative organisation can promote mutual interest, develop fellow feeling and improve human character to serve social interest. So a co-operative has been acknowledged as an instrument for achieving socio-economic changes focusing mainly on rural economy. In the changing scenario just after implementation of the new economic policy, there is an urgent need to strengthen the grass-root

level co-operation for improving the standard of living of the rural people. Thus, it becomes a need for the hour to improve the state of affairs of the co-operatives and to establish more and more co-operatives for socio-economic transformation of an economy like ours.

In the district there is a lack of co-ordination between different sectors of sericulture and in each sector a large amount of profit goes in the hands of the mahajans or middlemen. The Silk Co-operative Societies do a lot in respect of supply of disease free layings, cocoons, silk yarns, technical know-how to the rearers, reelers and loomless weavers. The societies play an important role in the field of procurement and distribution of raw materials to them and in marketing of silk clothes for the improvement of the different sectors of the silk industry of Murshidabad.

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