

## The Role of Chotanagpur Catholic Mission Co-operative Credit Society Ranchi as MFI

### Abstract

A cooperative is a legal entity owned and democratically controlled by its members. Members often have a close association with the enterprise as producers or consumers of its products or services, or as its employees. In Chotanagpur as early as 1909 an attempt was made by Fr. J.B. Hoffmann to establish a Co-operative credit society in a modified version of the Raiffesisen System of Germany among the tribal. The main objective was to rescue the tribal peasantry from the clutches of money lenders. This Society has completed more than hundred years of its services. This paper has attempted to examine the progress, performance and basic elements which have helped in the very survival of this Co-operative Credit Society.

**Keywords:** Co-operative, Chotanagpur Catholic Mission, MFI.

### Introduction

Co-operatives dates back as far as human beings have been organizing for mutual benefits. Tribes were organized as cooperatives structures, allocating jobs and resources among each other. Post-industrial Europe is home to the first co-operatives from an industrial context. Robert Owen (1771-1858) was a social reformer and pioneer of the cooperative movement. In 1761, the Fenwick Weavers' Society was formed in Fenwick, East Ayrshire, Scotland to sell discounted oatmeal to local workers. Its services expanded to include assistance with savings and loans, emigration and education. The roots of the cooperative movement can be traced to multiple influences. Cooperatives were between workers and owners, that are expressed today as "profit-sharing" and "surplus sharing" arrangement, existed as far back as 1795

A cooperative is a legal entity owned and democratically controlled by its members. Members often have a close association with the enterprise as producers or consumers of its products or services, or as its employees. Co-operatives are societies or organization registered under the provision of the Co-operative Laws. Co-operatives of different kinds depending upon the types of people for whose benefit and well-being a society is formed and registered. People are involved and engaged in various vocations, occupations and even professions; and with a view to promoting their activities and well-being people engaged in a particular type of vocation or occupation come together and join hands in the activities of the society. Thus the co-operative are organizations, at village or local levels in pursuit of some common objectives for their welfare.

The Co-operative movement in India, tracing its origin to agriculture and allied sectors, was evolved as a mechanism for pooling merge resources of the people with a view to providing them the advantages of higher economic life.

Cooperatives are based on the cooperative values of "self-help, self-responsibility, democracy and equality, equity and solidarity" and the seven cooperative principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperative among Cooperatives
7. Concern for Community



**Robert Pradeep Kujur**

Assistant Professor,  
Deptt. of Commerce,  
St Xavier's College,  
Ranchi

## Historical Background

Fr. John Baptist Hoffmann S.J. who founded Chotanagpur Catholic Mission Co-operative Credit Society, was born on June 21, 1857 in Walenderf in Germany. Fr. J. B. Hophmann arrived India on December 4, 1877 as a Jesuit missionary with great vision and mission to carry. He studied the main causes of backwardness of the Tribals of Chotanagpur. He analysed the situation on the people of Chotanagpur, their strength and weakness. He was fully convinced that the tribals of Chotanagpur do need support and help by someone to be redeemed themselves from various injustice and oppression, to come up in their lives. He deeply felt that they need a leader to guide them and recouped the loss they were having especially in their economic status.

## Chotanagpur Catholic Mission Co-operative Credit Society Ranchi

The motive behind starting the cooperative society was early in 1909. A booklet on the "Social Works in Chotanagpur" was circulated by Fr. H. Hoffmann amongst the Catholic Missionaries. He explained the necessity for setting up a Cooperative Credit Society in a modified version of the Raiffesisen System among the tribal of Chotanagpur. He also outlined an organizational structure and the manner of functioning of the new venture.

The necessity for protecting the people against unjust exploitation, which reduces them to a state of quasi-slavery, was felt by the early missionaries. The Roman Catholic Missionaries who arrived in Chotanagpur were not only religious teachers, but they were also practical persons coming from European Countries, especially Belgium. They themselves had witnessed in their own has saved hundreds small farmers, and industrial workers, from sure ruin, that was threatening them. Missionaries felt in their guts the terrible drama the small farmers of Chotanagpur went through when losing their land.

Thus Fr. Hoffmann felt the need of co-operative societies with twofold end

1. Economic self-sufficiency or independence and
2. Education to thrift

## Aim of the Study

1. To rescue the tribal peasantry of Chotanagpur from the clutches of money lenders, when in need of cash.
2. To educate the people in thrift, by spreading the habit of saving from the little surpluses that they have and now and then were easily squandered in drink or other unwise expenses, because the people had no ready means at hand to practice saving.
3. To educate the people in the self-management of the organization and hence train them to self-help. Tribal of Chotanagpur may feel that human dignity which belongs to every human being by right and thus they are a most powerful factor in making them contended with and happy in their station or sphere of life.

## Characteristics of Catholic Co-operative Credit Society, Ranchi

### Full Name

Its full name is Chotanagpur Catholic Mission Cooperative Credit Society Ranchi. It was registered under the Cooperative Act of 1904 in 1909. Chotanagpur is one to the old named of the Present State in India called Jharkhand. In our study the term Society is also used as Bank. For all practical purposes the Cooperative functions only within the boundaries of few districts of Jharkhand. Thirty years ago Catholic membership was reaching almost 1 lac of members. Today its membership stands around 70,000.

### Membership

Though Cooperative is expected bit to distinguish members on the basis of religion, in the case of CCCR membership is restricted to Roman Catholic Christians only. This was done with the permission of the Government authorities at the time of its registration, because it was felt that unity of religion would be a factor of strength and of mutual trust.

### Role of Parish Priest as local Directors

The cooperative is divided on the basis of Catholic Parish Boundaries of the Roman Catholic Diocese of Ranchi. Each Parish is a unit of administration, under the Priest in charge of the Parish. The Priest in charge presides at the meetings, and can use his veto power in sanctioning loans. The spiritual authority of the Parish Priest is accepted by all the members of the branch and there is no scope of politicking for the post. The Director of the Bank is also a priest appointed by the Bishop. His office is at Ranchi.

### Predominance of tribal men among the members

The rules specify that only Roman Catholics can, as a matter of fact, be members. This membership is defacto limited to Tribal Catholic men. This limitation of membership based on religious discrimination is the fact of being a tribal provides a very strong sense of identity and of loyalty. It is true that non-Christians tribal can deposit their savings in the Bank, but have no right to take loans from the organization.

The characteristics mentioned above originated with the Bank itself, and received the special permission from the Vice-Roy's office in Kolkata. The possibility of opening membership of the Bank of members of the other Churches or to non-tribal has been several times discussed at the annual general meetings, but have every time been rejected by the members themselves. To outsiders well wishers of the Bank it may look as an outmoded, regressive, antidemocratic measure, but the members themselves want to keep it this way, because they know it is one of the strengthens of the Bank.

### Founding the Bank (Earning & Saving)

Fr. J. B. Hophmann analyses on the cases of poverty and underdevelopment and found the way to establish the CCMCCS for the people. He knew that for their self and monetary reliance, they need a capital which can protect them from the Land lord, it can provide loan to start their business. It can help

them to educate themselves; it may provide a platform to use their talents and capacity to lead their lives. It may give them a ray of hope to dream for their future generation too. Now everyone accepts that this research has given them life to the people of Chotanagpur. It has changed the whole picture of Chotanagpur (Jharkhand). So finally CCMCCS was established in 1909.

In 5 years the CCMCCS had grown and her members unexpectedly counted 9,800 members and soon after it consolidated the capital of Rs.60,000/.

At the outset the fundamental immediate objective was to train the aborigines of Chotanagpur to start small business and trading and eventually to lead them to realize and secure for themselves that they have the right share in their own country's trade to which they have their birth right.

CCMCCS is owned and run by the economic development of Chotanagpur Roman Catholics.

As per the Balance sheet of 31st March, 2009 the Total worth of the CCMCCS is Rs.95,23,30,581 (Rupees Ninety three crore twenty three Lacs thirty thousand five Hundred eighty one). At present there are 63 Circles, 1403 Units, 73641 Members and Office members are active.

### Membership

Who can be the member of the CCMCCS? A Roman Catholic of Chotanagpur, belonging to a particular parish called a circle. There can be only one member from one house. The rest of the member of the house can be office member who can operate their account in the bank and enjoy the benefit from CCMCCS.

How can a Roman Catholic be a member of CCMCCS. Following is the procedure Fillingup the application in the presence of the Panches of the unit.

Application has to be approved by unit members and forwarded to the Circle members who will also approve and forward to the Center Office (Ranchi).

### The Aim and Objectives of the Institution

#### Providing Loans

1. Cultivation expenses
2. Purchase of Cattle
3. Purchase of Land
4. Redemption of Land
5. Improvement of Land
6. Maintenance
7. Trade
8. House repair/maintenance
9. Payment of Debts
10. Well and Pumps
11. Marriage Expenses
12. Other Expenses
13. Plantation – Tree

Out of the total loan the Bank has granted 23% for cultivation and 23% for business, which is a good sign. In the year 2008-09 the bank granted major loan for cultivation and negligible amount for business. It seems the bank felt the importance of business.

### Loan

#### Short term loan

1. Below 25,000 for a month to one year.
2. Interest charged on loan – 5%

#### Long term loan

1. 25,000 – 5,00,000 for 5 years.
2. Interest charged on loan – 10%

#### Receiving Deposits

Interest provided on deposits is 4%.

#### Source of Fund (History & now)

During the 1st World War many of the tribes of Chotanagpur joined the force. They received some amount of money but they did not have saving so the collection of those fund became the source of fund of CCMCCS. As the people of Chotanagpur became aware of their saving, they earned a lot from their agricultural efforts and they put their money in their saving for their future generation.

#### The fund Management/Distribution (PAT)

Development fund (55%)

1. Repairs
2. Siksha Kosh
3. Land investment
4. Tree Plantation
5. Well / Pond

#### Reserve fund (35%)

Recoup of not refunded loans

#### Bad Debts (10%)

Recoup of Any unpleasant loss

Present position of Chotanagpur Catholic Mission Co-operative Credit society, Ranchi, based on the Balance Sheet on March 31, 2010:

**Members** : 73,641

**Circles** : 63

**Rural Units** : 1,403

#### Reasons Why This Bank Still Exists After 100 Years

Homogeneity of members: All are of tribal origin, there are neither rich nor very poor among them. They are all small farmers. Most are landed persons though the land may be reduced to a tiny plot. They share the same values, strength and weakness too.

#### Liberation From Moneylenders

When the Bank was started the members were in the process of losing all their land, because they did not know the values of saving money on their own or in group. The Bank was a means to stop money lending by the outsiders in a massive way and the heavy transfer of land into the hands of outsiders.

The tribal have learned the value of saving and have found in the Bank a safe institution to entrust these savings.

The rules of management were simple, and were known to the majority of the members.

#### The religious authority of the Church

The members, mostly Catholic tribal were under the religious authority of the Church and it was represented to them in the person of the Parish Priest. He functioned as local manager of his unit. This parish priest was under the authority of the Bishop.

#### Placed Him Where He Thought Best

At the same time he did not belong to their community, because he was not married man. He

was a learned person in whom all could place their trust. The education, the priest received before ordination, and the fact of him not being married gave them authority, and respect by the members.

The fact that the Bank was considered as a part of the Catholic Church reinforced the authority of the Bank's structures.

### **Mistakes Have Occurred**

There have been times when large amounts of money were lost. The church however has always honored the commitment it made when launching the Banks. It has seen to it that incapable priests who had erred as local directors were replaced by more capable persons. The latter were able to put the Bank on its feet again. Such errors and recoveries have occurred perhaps 5 to 8 times during the 100 years of its existences. The general public opinion is strongly established amongst the tribal that the Church was a body, which could be counted upon.

### **Conclusion**

Thus we find that this Co-operative Credit Society shaped the life of poor tribals of Chotanagpur. It was established at a time when tribal people were on the point of losing all their land and being reduced to the status of impoverished agricultural labours as happened with so many STs, OBCs, and SCs in modern Indian History. Many of the beneficiary tribals who could successfully save their land and other assets owe to the services of this society.

### **References**

1. Chatterton, E. "The Story of Fifty Year's Mission works in Chotanagpur". London, 1901.

2. De Sales, F. "Crisis in Chotanagpur". Banagalore : Redemtorist Publication, 1975.
3. Doongdoong, A. "The Kharia of Chotanagpur". Ranchi : Catholic Press, 1981.
4. Ekka, A. "Adivasis of Chotanagpur". Poona: Social Action, 1962.
5. Hough, E.M. "The Co-operative Movement in India". London: Oxford University Press, 1966.
6. Iveen, F. "Chotanagpur Survery". New Delhi: Indraprastha Press, 1969.
7. Van Exem, A. "Basic Socio – Economic Attitudes of Chotanagpur Tribals". Ranchi: Catholic Press, 1973.

### **Journals**

1. Khunti, The Annual Report off the Central co-operative Banking Union Ltd., yearending 31<sup>st</sup> December 1972. Ranchi : GEL Mission Press.
2. Annual Report of Vikas Maitri, for the year 1973-74, Ranchi, 7<sup>th</sup> April 1974.
3. The Catholic Co-operative Credit Society of Ranchi, Social Action, New Delhi, May –June 1960.
4. The Chotanagpur Catholic Mission Co-operative Credit Society, Ranchi, Report of Annual General Meetings, 1920-1974.
5. The Chotanagpur Catholic Mission Co-operative Credit Society, Ranchi, Bye –laws, amended as per Bihar and Orissa Co-operative Societies Act VI of 1935, and Resolutions of the General Meetings up to the 11<sup>th</sup> March 1943. Ranchi : Catholic Press, 1959.