

# Organizational Structure and Importance of Silk Co-Operative Societies in Murshidabad District of West Bengal: A Socio-Economic Scenario

## Abstract

Generally, Co-operatives are expected to serve a broad set of socio-political and economic objectives ranging from self-help and grass-root participation to welfare and distribution, including exploitation of economies of scale and social control over resource allocation and mobilisation. 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 was very essential in the district. The objective of this paper is to discuss the organizational structure and importance of silk co-operative societies in the district of Murshidabad of West Bengal.

**Keywords:** Mobilization, Pivotal, Grass-Root, Socio-Economic, Exploitation, Simplistic, Hierarchical, Convergence, Self-Motivation, Upgradation

## Introduction

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 different Silk Co-operative Societies were formed by the sericulturists / farmers, reelers and weavers of the district to save their interest and to protect themselves from the exploitation of silk merchants and mahajans or money lenders.

## Organisational Structure of the Silk Co-Operatives

It has been found that the silk co-operative societies of the district are the simplistic and distinct form of organisation structure. The co-operative organisation is characterised by 'line organisation' structure. In 'line organisation' model the authority flows downward directly from the top level of management to supervisors in a hierarchical nature, where supervisors act as a bottom level of managerial authority. But in respect of co-operative, organisation structure differs significantly from other forms of organisation. In co-operatives the workers play the role of both the shareholders and owners within the organisation. As the shareholders, they have the right to elect and appoint the directors from amongst themselves. That is, they constitute the top management. In respect of other forms of organisation, the directors are elected and appointed by the equity shareholders or the owners who do not work as workers. It is found that the convergence of both the owners and the workers is the most unique characteristics of the co-operatives. So providing with this fundamental background in the present study an analysis of the organisation structure of the silk co-operative societies had been undertaken. We have a very simple line organisation structure of the silk co-operative societies. This is shown in the following chart. It is revealed from the study that the workers

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(farmers, reelers or weavers) are the owners of the co-operatives which is the most unique and distinct feature of organisation structure of the co-operatives. The workers or owners elect from amongst themselves a number of directors who form the top management team of the co-operatives. So the pride of ownership and participation in management encourage the farmers, reelers and weavers of the district in performing their duties and responsibilities and they have self-motivation and self-direction in this fold. Although there is a very simple line organisation structure of the silk co-operative societies in the district of Murshidabad, they are not free from any problem in their different functional areas of management, such as, production, marketing, finance etc.



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

The silk co-operative societies play an important part in the district of Murshidabad. They have the dominant role for the development of sericulture as well as financial improvement of the sericulturists, reelers and weavers in the district. In respect of rearing, reeling and weaving for production of cocoons, silk yarns and silk clothes the co-operative societies play a significant part in supplying the input and raw materials to the beneficiaries of the societies. The societies help the beneficiaries in their different sericultural activities through different stages of silk production.

The district is predominantly viable for silk industry/sericulture. 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 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 societies are working and trying to achieve these goals more or less each and every year for socio-economic development of the district.

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 unutilised labour in the rural areas of the district are absorbed through the co-operative 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. In the foreign market the societies are able to earn foreign money through export of silk produces which in turn helps the district in its socio-economic development.

The mahajans or middlemen in the district act as intermediaries between the rearers, reelers and weavers. Most of them have not any direct contact with each other. To overcome this problem, some rearers, reelers and about 40% of the weavers of the district have been brought under the organised sector by the Department of Sericulture and Department of Handlooms and Textiles, Murshidabad. The beneficiaries are absorbed in the different silk co-operative societies in the district. Hence the silk co-operative societies contribute to the district a greater helping for its overall improvement.

#### **Conclusion**

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.

The silk co-operative societies of the district should bring more beneficiaries batch-wise under the purview of Integrated Handloom Training Programme (IHTP) under rearing, reeling, weaving, dyeing and designing discipline in order to familiarize more beneficiaries with skill upgradation for improvement of their earnings and development of the financial conditions of the societies.

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