

PalArch's Journal of Archaeology
of Egypt / Egyptology

MICRO FINANCE - ROLE OF LAMPS IN THE SOCIAL AND
ECONOMIC DEVELOPMENT OF TRIBALS “(STUDY OF
SAHIBGANJ DISTRICT)”

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Finance - Role of Lamps in the Social and Economic Development of Tribals “(Study of
Sahibganj District)” -- Palarch's Journal of Archaeology of Egypt/Egyptology, ISSN 1567-
214x**

Keywords: LAMPS, Co-Operatives, Tribals, Santhal, SC, ST, Munda, Horos etc

ABSTRACT

At the outset of this Research, Researchers task is to spread awareness about the LAMPS and make sure that this research is not the usual academic research but a deep insight into the lives of poor and into understanding those dimension which are so crucial but yet forgotten or till date unseen. We have dedicated this research to India, Jharkhand & to the Poor. In the study area, as in the country itself, there appears no immediate alternative to the Co-operatives. In a situation when the attention – both of the government and the people - is pinned on the bigger enterprises and the corporates, the weaker Section of the society has nobody to take care of except the Co-Operatives which exist to serve and protect the interests of those who are prone to exploitation in the existing economy. The farmers, workers, artisans, weaker Sections especially those living below the poverty line can be saved only by the Co-Operatives. Consequently, they hold a very important position, very much relevant, at least, to the study area. There is no limit to the working of the Co-Operatives. They can work for marketing of agricultural produce, creation of marketing infrastructure, establishment of agro-processing units, irrigation, water management, plantation and forestry, dairy, food processing etc. Here horizon is the limit.

OBJECTIVE OF THE STUDY

The purpose of this study is to make an appraisal and an evaluation of the social and Economic development of the tribals in Jharkhand. Hence the paper concentrates on the reasons for the growth or retardation of the tribal development there. An attempt has been made to be comprehensive and hence there is the choice of the following as indicators of tribal development - i) Infrastructure growth. ii) Growth of Jharkhand

State domestic product and per-capita income. iii)Growth of value - added and gross output in the manufacturing sector. iv)Plan expenditure on tribal development. v) Incentives for tribal development.

HYPOTHESIS

In Jharkhand there has been an inadequate development of tribals during plan period. **a.** There has been an inadequate allocation of fund for tribal development. **b.** There has been an insignificant growth of tribal during the plan period. **c.** No significant increase in the: (i) State income (ii) And the per capita state during the plan period. **d.** No significant change in the state income has been marked during the plan period. **e.** No significant improvement in the contribution of the manufacturing sector to the state domestic product and also in the value added by this sector has been marked.

METHODOLOGY

Data from the secondary source form the basis of the study. Primary source has been used to suggest measures for tribal revival. The following are our secondary sources: Government and non-government agencies supplied the statistical data. They were both the state and central government publications. They had been obtained from the National Accounts Statistics, the annual survey of tribals, the central statistical organization, and the ministry of information and the National Council of Applied Economic Research the Reserve Bank of India.

LIMITATION

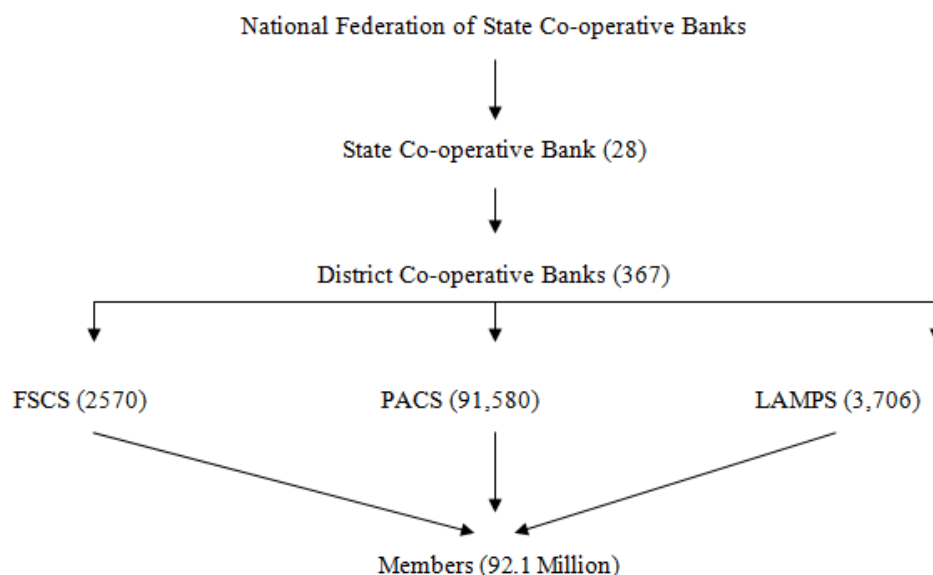
- i The selected members of the societies were reluctant to reveal the real facts of the workings of the societies and were solely dependent on the executive members of the society.
- ii The investigation has been carried out in only one district, hence this limits the general acceptability of the results.
- iii In absence of any other research work of this nature conducted so far in Jharkhand the present study restricts my attempts to review the past work.

Jharkhand state was created with 18 southern districts of Bihar dominated by the Santhal and Scheduled Tribes like Munda, Horos etc. Forestry with agriculture is the main business of the area. Jharkhand has a very rich storage of mines and minerals. Therefore, the population of the state is mainly dependent on labour and agricultural works either in fields or in mines. Jharkhand state ranked 13th in regard to population (2690928). It comes to 2.62 percent of India's total population. Out of the total population more than 70 percent comprises of rural and about 30 percent is urban population. Literacy rate shows that more than half (54.13%) of its population is illiterate engaged in Agriculture and allied activities which comprises major part of the working population. In regard to density of population, the state ranks 10th (338 person/54 km). The concentration of ST population is higher than that of SC population (27.67% and 16.10% respectively). Area wise the state ranks 15th in the country with a total geographic area of 79714.54 km.

District profile

The Sahebganj district falls under the newly created Jharkhand state. This state in the beginning was constituted with 18 districts now it has 22 districts. The Sahebganj district is one of them. This district was the part of old Santhal Pargana district. This district borders the cities of Katihar and Bhagalpur of Bihar. Santhals and Biharis dominate the population of which mostly (92.69%) resides in rural areas. Since the area is a plateau, agriculture and goatary are the main business of the poor households.

Structure of Agriculture Co- Operative Society in Indian Economy:



Share of Co-Operative Society in Indian Economy

Value Rs. in Million	
Number of co-operatives (All level):	4, 52,657
a) Primary Agricultural Co-operatives:	1, 34,582
b) Primary Non-credit Co-operatives (all types):	3, 14,153
Membership of co-operatives (All types)	2, 04,511
a) Membership of Primary Agricultural Co-operatives:	1, 46,962
b) Membership primary Non-credit Co-operatives:	46,200
Share Capital (All level and all type):	Rs. 10, 72,375
a) Participation of Government (Credit + Non-credit):	18.9%
b) Participation of Government Agricultural Credit Co-operatives:	11%
Working Capital (Credit + Non-Credit):	Rs. 15, 74,771.4
Assets* of Co-operatives (All level):	Rs. 13, 21,246.63
Deposit:	Rs 6, 00,173.5
Rural Households covered:	67%
Villages covered by Co-operatives:	99.5%
Number of National level Co-operatives Federations:	21
Number of state level co-operatives Federation:	361
Number of district level of Co-operatives Federation:	2741
AGRICULTURAL CREDIT	1995-96 1996-97
Total loans Advances (ST +MT+LT)	1, 42,947.8 1, 68,000

* Source: Indian co-operative Marketing profit, co-operative at a Glance, March 2019, page 10.

Share of LAMPS in Indian Economy: LAMPS was started in 1980...Today in India

Large Area Adivasi Multipurpose Societies (LAMPS)

Number	3706
No. of viable LAMPS	2346(63.5%)
Membership (000)	52.14
a) Scheduled caste members	10.17
b) Scheduled Tribes Members	59.2
Paid up Capital	Rs. 1080.2
a) Share of Government participation	37.4%
Reserves	Rs. 289.3
Deposits	Rs. 4018
Working capital (value Rs. In million)	Rs. 5779.0
Working capital per LAMPS (Rs. In million)	Rs.1.55
Borrowers (%)	26.5%
Loan Advanced (Rs. In million)	Rs. 2306.1
Total	81.7%
Short Term	18.3%
Medium Term	Rs. 0.50
Loan Advanced per LAMPS (Rs. In million)	Rs. 1826.3
Loans Overdue (Rs. In million)	50.1%
% of overdue to demand	Rs.104.18
Agriculture produced marketed	Rs. 591.49
Agriculture inputs distributed	Rs. 485.84
Consumer Goods Distributed	Rs. 34.6%
No. of LAMPS in profit(%)	34.6%
No. of LAMPS incurring in loss (%)	47.0%

**Source: Indian Co-operative Movement: A profile, March-2019*

LAMPS: Large Area Adivasi Multipurpose Co-operative Societies have functioned as major channels in tribal region for capital and services flow to the farmers. To reduce the tensions of the farmers a scientific approach to farming has been introduced. This method requires both working capital and investment capital. It will help the farmer in general and in particular the tribal farmers are to be much benefited. Technological innovations and commercialization of agriculture not only lead to increased capital requirement from farmers but also create demand for superior inputs. Many Co-operative societies have played very important role in uplifting the condition of tribals in particular.

In the state of Jharkhand, LAMPS have three tier organizational structure, the first one being Panchayat or Block members constituting the bottom unit, followed by District level Co-operative institutions as federating block level society and, finally, the state level federation constituting all district level institutions. Since the district level provides the credit and service facilities, it is considered the most active unit.

Secretary (Co-operative Department) (Project Building,3rd floor, Dhurva, Ranchi)

Registrar (Co-operative Department) (Jash ko Lamph Building, Purliya Road,Ranchi)

Additional Registrar (Co-operative Department) (Gangu toil, Near Blind School,Ranchi)

Joint Registrar

Joint Registrar

Joint Registrar

(Co-operative Department)
Ranchi

(Co-operative Department)
Hagaribagh

(Co-operative Department)
Santhal Pargana

South Chotanagpure Division

North Chotanagpure Division

Dumka Divison

District Co-operative Officer (in each & every districts) (deputed by Govt.)

Managing Director (M.D.) Central Co-operative Bank (8-9 Branches) (i.e. Ranchi, Hagaribagh, Chibasa, Gumla, Giridhe, Dhanbad, Dumka, Deoghar....)

Co-operative Banks (District level) or (Block level)

Branch Manager (Controlling all the activities) (deputed by share holders)

LAMPS (Large Area Multipurpose Co-Operative Society)

(Co-operative Extension Officer) (Member Secretary)... (paid by Govt.)

(Block Co-operative Extension Officer) (Like B.D.O.) ..(paid by Govt.) (Remaining all Staff from the profit of LAMPS)

Managing Committee consist (11 members....Six Working committee members 4 should be ST, And 5 Members are Members Secretary, BDO, Bank Co-operative Manager, One member from MESO, One member from Adivasi Vikas Nigam)

(One Chairman & Director elected by their own election procedure....)

(They are providing loans only to share holders or members....to be a share holder person has to invest Rs. 10/- for one Share & a person can take maximum 100 shares)

(All Co-operative Banks are providing Loan with a difference of 0.5 to 1% as compare to other commercial banks; Loans can be Cash or Kinds Seeds, Fertilizer, Pesticide etc....)

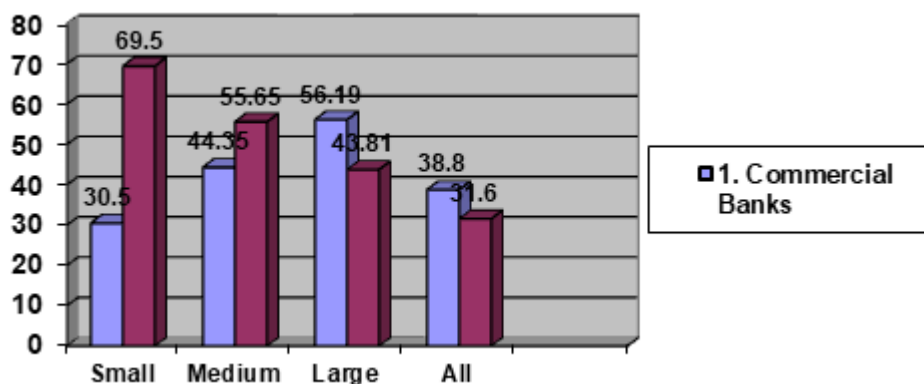
*(By Interview of Co-operative Extension Officer Mr Nagendra Prasad) (9431389693)

The economic viability, being the core of a successful policy, establishes the importance of multipurpose Co-operative society in agricultural development and socio-economic improvement of the tribal community. Within the policy procedures of the government, the Co-Operative financing has always endeavored to work for the benefit of more agricultural population within the tribal population. Issues related to its adequacy, time availability and repayment capacities of tribal farmers are considered the major aspects of credit in the field of agriculture. The problem of overdue has been focused due to the institutionalization of agricultural credit. It's a known fact that the mounting overdues paralyze the whole gamut of agricultural credit. The Co-operatives unable to mobilize adequate deposit resources, their managerial weaknesses and the dominance of vested interests in their functioning usually lead to poor performance in terms of recommending and farming appropriate policies to revitalize the existing Co-operatives in tribal regions. Therefore it is necessary to have a re-look at the performance of credit.

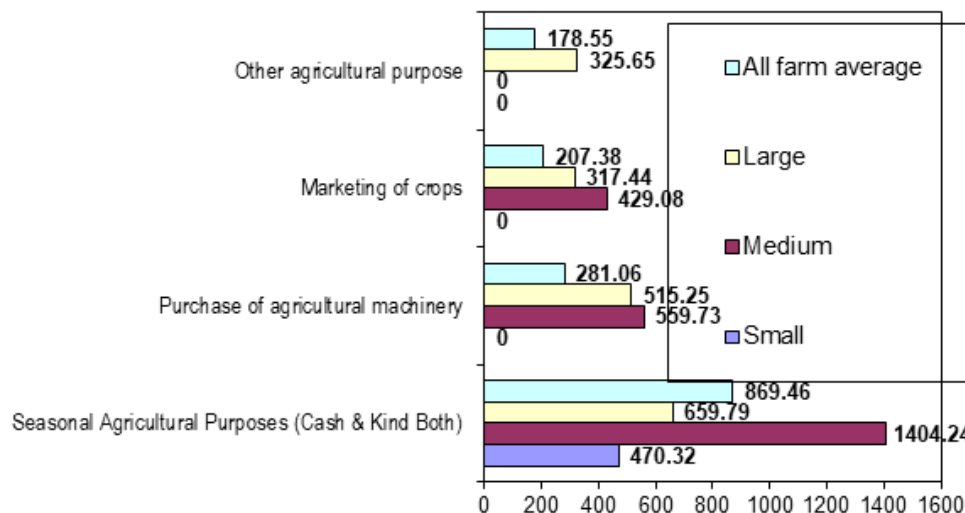
When no such specific study has been conducted in the region so far "Role of LAMPS in the Social and Economic Development of Tribals Study of Sahibganj District" is of

immense significance. This study was taken up to examine the role as well as the prospects of LAMPS. To examine the source for availability of credit and share of LAMPS among the respondent farmers this study tries to examine the utilization pattern of credits obtained for the purpose of agriculture. It also attempts to assess the repayment capability and the performance, to study the impact of credit on agricultural development and also to examine and explore the future prospect of LAMPS in the area of study i.e. (Sahibganj District) as the main objectives.

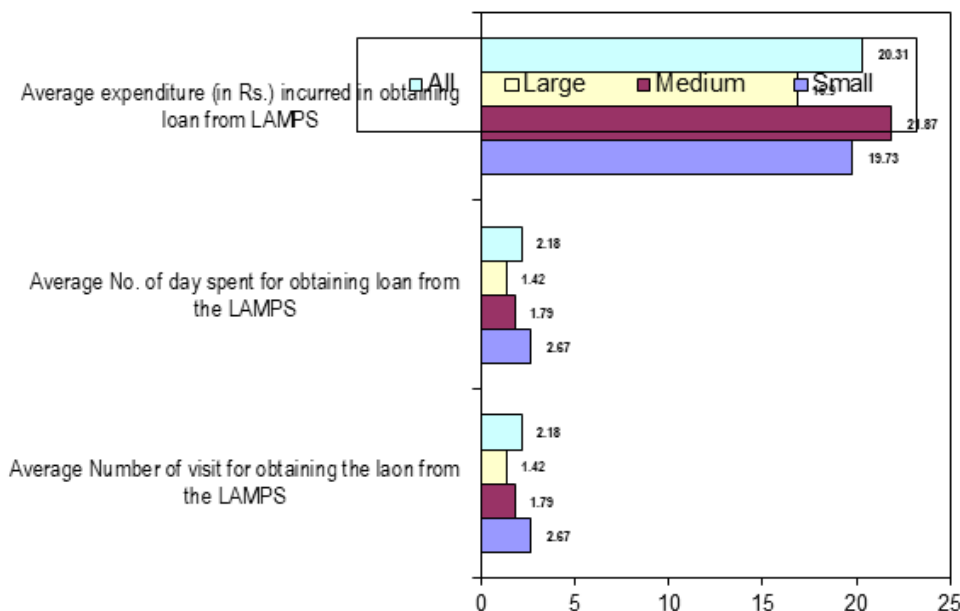
Percentage of borrowing from institutional sources by sampled respondent



Purpose wise loan taken from the LAMPS by the sampled farmers, during the year 2006-07



Average Number of Visits, Days Spent and Expenditure Incurred for Obtaining Loan from LAMPS. (Per borrowing)



Farm size wise repayment performance of the sample farms in the study area

Particulars	Small	Medium	Large	All
Average amount of borrowing from LAMPS (in Rs.)	470.32 (100.00)	2393.05 (100.00)	1818.12 (100.00)	1531.43 (100.00)
Average amount of repayment (in Rs.)	269.77 (57.35)	1034.27 (43.21)	670.34 (36.87)	622.07 (40.62)
Average amount of outstanding in Rs.	200.55 (42.65)	1358.78 (56.79)	1147.78 (63.13)	909.36 (59.38)

Impact of LAMPS credit on production of sampled respondent in the study area

Sl. No.	Name of the activities	Small	Medium	Large	All
	Number of respondents	47	39	10	96
1.	Productivity of the crop grown increased.	29 (61.70)	23 (58.97)	4 (40.0)	56 (58.33)
2.	Use of patricides in their field increased	9 (19.14)	16 (40.02)	6 (60.0)	31 (32.29)
3.	Use of fertilizer application increased	16 (34.04)	21 (53.85)	7 (70.0)	44 (45.83)
4.	Adoption of High yielding variety of seeds increased	5 (10.64)	14 (35.89)	5 (50.0)	24 (25.0)
5.	Irrigational facilities increased	0 (10.0)	6 (15.38)	2 (20.0)	8 (8.83)
6.	Use of machinery increased	0 (0.0)	8 (20.51)	3 (30.0)	11 (11.46)
7.	Income of the sampled farmers improved	34 (72.34)	28 (71.79)	7 (70.0)	69 (71.87)

The Most tragic fact about this co-operative society is that there is no Co-operation between its holy objectives and its actual functioning. The data show that the physical progress has been made but the financial front is a source of concern. The scene is like that of a weak heart in a strong body. The data reveal the number of LAMPS had increased by 42.85%. The coverage area has increased by 43.69%. The members have

increased in number by 26.63%. Its share capital also has increased by 28.84%. Its deposit has risen by 107.39%. But there has been an increase in the number of defaulters by 43.20%. The share of profit has been nil. The DCCB has been in loss of Rs. 17.39 lakh over Rs. 8.26 lakh in 1990-91. So the organization has been running in loss.

For this situation the members themselves seem to be responsible. LAMPS are being treated by the members as such a cow. Nothing more is to be expected from such members – Of whom 60% are illiterate, 45% have not been attending the General Body Meeting, majority of the educated unemployed are never in cooperative mood..etc...

The study finds that, on an average, the sample farmers borrowed Rs. 5926.69 annually from institutional Banks and LAMPS and also from non- institutional sources like commission agents, money-lenders, relatives etc. The sample farmers seem to have borrowed 38.80% from the Commercial Banks and 61.20% from the LAMPS. In the samples area LAMPS loans for agricultural needs are received twice in a year by the sample farmers. The loan comes both in the form of cash and kind. The proportion is 80% and 20% respectively. The loan in kind consists only of fertilizers. LAMPS also provide loans for minor irrigation, purchase of farm machinery etc....

The impact of credit on the overall income among the sample respondents can be rated as about 71.87%. It also varied according to the size of the land holdings. For small category it has been rated at 72.34% ; for medium category it has been 71.79% and large category comes to 70.00%. This analysis leads one to the conclusion that LAMPS, in the study area, had played a catalytic role in improving the productivity of crops grown and also in increasing the use of agricultural inputs as confirmed by majority of the sampled respondent.

Further in the field survey, it had been found that extension of loan facilities by the society had induced the members to use modern agricultural inputs in agricultural application and also helped them in raising their income. LAMPS also had provided godown facilities to the peasants to protect their crops from the vagaries of the weather by storing them at a safe place. This storage facility helped them in selling their produce at higher prices. LAMPS had also extended the facility of pledge financing at the time of harvest. Out of the total value of the pledge stocks, normally 75% of value was financed and the rest 25% is kept as a security by the LAMPS. For keeping grains in its godowns LAMPS charged only the rent, which comes to Rs. 0.50 per quintal per day.

A brief discussion on the major findings of the study is presented as follows:

- A considerable change in the percentage of credit made available to sampled farms through different credit institutions in sampled area and the land holding size.
- An increment in the loan taken by the sampled respondents through the Commercial Bank will increase the size of holdings, whereas LAMPS serve the farmers with small land holding size in a better way in comparison to Commercial Banks.
- In most of the cases members divert loan amount received from institutional sources in general and LAMPS in particular to other uses.
- It was observed that the credit disbursed by LAMPS both in cash and kinds were helpful in development.

- Majority beneficiaries complained of inadequacy of loan amount and level of services advanced by LAMPS keeping in view their real requirement to meet their agricultural need.
- It was observed that lower the amount of repayment larger was the size of land holding and vice-versa.....
- LAMPS play a catalytic role in improving the productivity & increasing the use of agricultural inputs.
- Mass base of membership was adversely affected due to illiteracy and unawareness of common people regarding society and its activities.
- Working and performance of society was badly affected due to the indifferent attitude of LAMPS officials.
- Defective lending procedures and lack of proper supervision regarding its use were responsible for the misutilisation of borrowed amount.
- It was noticed that there was no alternative to the Co-operatives when it came to serve and protect the interests of those, prone to exploitation in the existing economy. The farmers, workers, artisans, weaker Sections, particularly those below the poverty line (BPL) people could be protected from exploitation through Co-operatives, which will lead them to their relevance in the future, the era of economic reforms.
- The 8th Five Year plan document after liberalization stated that the changes introduced by the Government in several fields provide an opportunity for Co-operatives to play a greater role in several areas as marketing of agricultural produce, creation of marketing infrastructure, establishment of agro processing units etc. Besides it also ensures the provision of supplying agricultural inputs, viz: irrigation, water management, plantation and forestry, ecological activities, international trade, health services, transport, dairy, food processing, horticultural processing, production of fruits etc
- This shows how important a role the Co-operatives have to play Now & in Future.....
- Under economic reforms measures it (LAMPS) should be introduced at various levels with a view to increase their organizational strength. To consolidate the achievement a process of self-reform is necessary. The governments at the center and states as well do not seem inclined for this change more for political reasons. There is a vast scope of expansion under liberalized economy. They have the potential to face the competitions caused by multinationals as the later have their own limitation. Dedication, commitment and vision on part of individuals and institutional leadership are required.

Future Prospects of lamps in the study area

In the study area, as in the country itself, there appears no immediate alternative to the Co-operatives. In a situation when the attention – both of the government and the people - is pinned on the bigger enterprises and the corporates, the weaker Section of the society has nobody to take care of except the Co-Operatives which exist to serve and protect the interests of those who are prone to exploitation in the existing economy. The farmers, workers, artisans, weaker Sections especially those living below the poverty line can be saved only by the Co-Operatives. Consequently, they hold a very important position, very much relevant, at least, to the study area. There is

no limit to the working of the Co-Operatives. They can work for marketing of agricultural produce, creation of marketing infrastructure, establishment of agro-processing units, irrigation, water management, plantation and forestry, dairy, food processing etc. Here horizon is the limit. However, before the Co-Operatives set a task for themselves in these fields, they have to bring a reform in themselves and increase their organizational and financial strength. It should take the form of self-reform from within. Before it undertakes new ventures it should consolidate the achievements made so far in various fields and directions. The government is not willing to come forward to help them and to loosen its mortal grip over them. Thus, there is the need to develop dedication, commitment and vision on the part of the individual members and the institutional leaderships.

Some of the suggestions have also been cited to provide effective capsules for the policy makers, bureaucrats, Co-operators, academicians and scholars to bring an overall positive change.

- There is a need to change the attitude of rural tribal members of LAMPS in matters of willingness to repay the loan, and to get them educated.
- Society must distribute the sanctioned amount in to their members & in poor tribals....
- Heavy weights get more loans whereas the needy are deprived of it...Therefore Members shouldn't consider it to be a loan-providing agency but should be prompt in discharging their responsibility of repayment of loan in time.
- Financial base must be broadened by identifying business relationship with other institutions like Money-Lenders, Commercial Banks & Other Financial Institutions....
- Women membership should motivated...as you know success story of Grameen Bank in Bangladesh is made possible only by taking maximum participation of women...as they are...Very particular ...Conscious .. Responsible... About the loan... & Repayment...
- Awareness among people....

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