

## CONFED: AN CRITICAL ANALYSIS

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### ABSTRACT

*Consumer Cooperative Society is a willful organization of consumers, which is established to supply consumer goods and services, so that consumers can purchase goods directly from manufacturers and henceforth distribute according to consumer's needs. It helps consumers, to provide quality goods with right quantity at reasonable prices..*

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**Keywords:** *Consumer Cooperative Society, Consumer Goods and Services, CONFED.*

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### Introduction

#### Meaning and Definition of Consumer Cooperatives

According to Professor S .B.Rao."Sehkari Upphokta Bhandar is deliberately formed economic federation, organized by consumers in a democratic way to provide their domestic consumption related goods and services." Therefore consumer cooperative is an organization formed on the principles of cooperatives and its objective is to provide its members (consumers), good quality products and services at reasonable prices, so that consumers can get rid of exploitation by intermediaries.

#### Establishment of CONFED

Rajasthan State Consumer Cooperative Federation Limited is a state level leading institution .It was established in the year 1967, to form and develop Upphokta Bhandar, and to strengthen consumer cooperative movement .Federation was established under Rajasthan Consumer Societies Act 1965.The name of cooperative will be Rajasthan State Consumer Cooperative Federation Limited. The registered office of federation will be at Jaipur nagar, district Jaipur.

#### Initialization of Cooperatives in Rajasthan

It is believed that, in Rajasthan, the work of Cooperative was started in 1904 in Bharatpur and Ding with establishment of agricultural banks. In 1904 cooperatives was inaugurated in Ajmer. First cooperative society was established in the state in1905 at Bhinai in Ajmer. Thereafter a no. of cooperatives was formed in estates of Bharatpur in 1912, Kota state in1992, Bikaner in 1924, Alwar in 1934, Kishangarh in 1935, Jodhpur in 1938, Jaipur in 1944, Dhaulpur in 1947, Udaipur, Tonk, Pratapgarh, Shahpura etc.in 1949.

Before independence the period of development of cooperative was 1910 to 1918. In 1918, 362 cooperatives were there. Cooperative laws were first formed in indigenous estates Bharatpur and Kota, but planned development of cooperatives could be possible only after independence. After independence cooperatives was developed at a faster rate. On 21 December 1957, Rajasthan State Cooperative Federation was established .In 1965 and 1966 cooperative rules were formed. On 2<sup>nd</sup> Oct, 1965 new cooperative act was enacted and the facilities provided in this, are believed to be very progressive. In new 20 point program, the responsibility assigned to cooperatives is successfully faced .In 1999-2000 different types of approx. 25251 cooperatives were working. About 85% rural farmer families have come under cooperatives.

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### Objectives and Functions of Cooperatives

Main objective of consumer cooperative is to make available, quality goods at right prices to its members. Other objectives are:

- **Removal of Intermediaries**

To render goods to consumers at fair price, removal of intermediaries is necessary. These intermediaries can be removed only with the help of cooperatives. Through Govt. control also, the inappropriate activities of these intermediaries can be checked. But the irregularities and drawbacks involved in this can only be eradicated through cooperative societies. Therefore the formation of these societies is indispensable.

- **To Check Monopoly of Product**

The second objective of these societies is to check monopoly of producers of large scale, so that consumers can be protected from their monopolistic and restrictive behavior

- **Balance between Demand and Supply**

The main objective of consumer cooperative is to maintain balance between demand and supply. When consumers themselves distribute goods at cooperative level, then balance between demand and supply automatically maintains. Even it helps to stabilize prices.

- **Increase in Purchasing Power of Consumers**

Providing quality goods at reasonable prices will result in increasing purchasing power of consumers. They can purchase more goods with the same income.

- **Protection to Small Consumers**

Sometimes small producers have to sell their products at less than cost, which results into loss rather than gain to them. Therefore only consumer cooperatives can protect interest of small producers by fixing right prices.

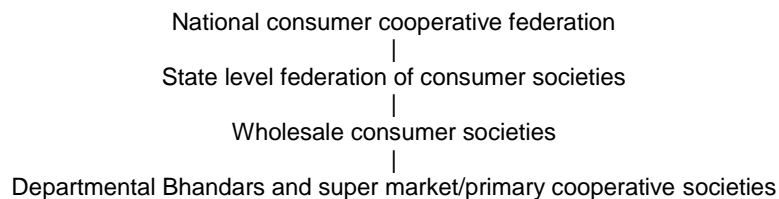
- **To Control Unnecessary Business Practices**

Businessmen often exploit consumers by practicing black marketing, provide contaminated products with less quantity and earn unreasonable profits. Consumer cooperative societies suppress these practices of businessmen by making availability of quality products at best price.

- **Stability in Prices**

Businessmen unnecessary rise prices, that makes consumers condition pitiable. Upbhokta Bhandars help to eliminate intermediaries and thereby control prices. Consumer cooperative stock goods and whenever intermediaries rise prices, then consumer cooperatives bring stock into the market and provide goods to consumers at fair price. It will automatically control prices. In this way cooperatives bring stability in prices. After learning objectives of consumer cooperatives, it becomes clear, that to control prices and to regularize distribution system, formation of consumer cooperative is mandatory.

### Current Form of Organization of Consumer Cooperatives



### Members of Confed

- Sehkari Upbhokta Wholesale Bhandar and like wholesale Bhandar state level recognized Sehkari Bhandar
- State's leading kray vikray sehkari samiti, Bunkar Sangh, industrial union
- State Govt.
- In this category kray vikray sehkari samiti will be formed members

### Share Capital of CONFED

There is no limit to authorized capital of federation. Capital of federation would be divided into 1000 Rupees share. To become member every Bhandar and kray vikray samiti have to deposit ¼th of 20<sup>th</sup> part and 1/4<sup>th</sup> of 10<sup>th</sup> part respectively, remaining amount to be deposited within 6 months in 3 equal

instalments. According to this, full amount must be deposited by members in 18 months .Kray vikray samiti have to deposit full amount at the time of submission of registration form. It is mandatory for Kray vikray sehkari samiti to purchase share capital having value 10,000.For nominal members, to get membership of federation, have to fill a request form and they are required to pay entrance fee of 1,000 Rupees only. Nominal members are not required to invest in share capital of federation.

**Table 1: Percentage Change in Paid up Capital of CONFED  
Base Year (2007-08)**

Year	Paid up Capital (In Lacs)	% Change	Index= (Current Year/Base Year)*100
2007-08	308.43	-	100.00
2008-09	308.43	0.00	100.00
2009-10	308.65	0.07	100.07
2010-11	308.65	0.00	100.07
2011-12	311.24	0.83	100.91
2012-13	311.69	0.14	101.05
2013-14	312.29	0.19	101.25
2014-15	313.87	0.50	101.76
2015-16	316.58	0.86	102.60
2016-17	316..31	-(0.08)	102.50
2017-18	316..67	0.11	102.67

According to Table-1, the total paid up capital of Confed was 308.43 Rs(lacs), that increased to 313.67 Rs(in lacs) in the year 2017-18. On analyzing the data of past 11 years, it was found that the paid up capital of Confed is increasing continuously. Least yearly percentage change in paid up capital was (-0.08) in the year 2016-17 and highest was (0.86) in the year 2015-16. In this table, the Index of paid up capital was calculated taking 2007-08 as base year. The index increased to 102 in the year 2017-18. On the basis of change in index of paid up capital, it can be said that its nature is to increase continuously but at slow pace.

**Table 2: Membership and paid up capital of CONFED**

Year	Bhandar and Samitiyan		State Govt.		Total	
	No.	Capital (In Lacs)	No.	Capital (In Lacs)	No.	Capital (In Lacs)
2007-08	164 (99.39)	18.62 (6.04)	1(0.61)	289.81 (93.96)	165 (100)	308.43 (100)
2008-09	164 (99.39)	18.62 (6.04)	1 (0.61)	289.81 (93.96)	165 (100)	308.4 (100)
2009-10	164 (99.39)	18.84 (6.10)	1 (0.61)	289.81 (93.90)	165 (100)	308.6 (100)
2010-11	164 (99.39)	18.84 (6.10)	1 (0.61)	289.81 (93.90)	165 (100)	308.6 (100)
2011-12	171 (99.41)	21.43 (6.88)	1 (0.59)	289.81 (93.12)	172 (100)	311.2 (100)
2012-13	171 (99.41)	21.88 (7.01)	1 (0.59)	289.81 (92.91)	172 (100)	311.69 (100)
2013-14	180 (99.44)	22.48 (7.19)	1 (0.56)	289.81 (92.81)	181 (100)	312.2 (100)
2014-15	192 (99.48)	24.06 (7.66)	1 (0.52)	289.81 (92.34)	193 (100)	313.8 (100)
2015-16	192 (99.48)	26.77 (8.45)	1 (0.52)	289.81 (91.55)	193 (100)	316.5 (100)
2016-17	192 (99,48)	26.50 (8.37)	1 (0.52)	289.81 (91.63)	193 (100)	316.3 (100)
2017-18	195 (99.49)	26.86 (8.48)	1 (0.51)	289.81 (91.52)	196 (100)	316.6 (100)

Total members of Confed were 165 in 2007-08, that increased to 196 in 2017-18. From the year 2007-08 to 2010-11, there was not any change in number of members of Confed. Number of members were stable at 165. But from 2011-12 onwards the no. of members is increasing at high pace. This shows that the area of Confed is getting wide. On analyzing Table-2, it is noticed that the number and percentage of Bhandars and Samitiyan is more but their share in paid up capital is very nominal. The major share in paid up capital is of state. It is noticed that the share of state is fixed at 289.81Rs. Only the share of BHANDARS AND SAMITIYAN is increasing. But in the year 2016-17, there was a drop in paid up capital of Bhandars and Samitiyan by the amount of 27,000Rs. However in the year 2016-17, actually 113000 Rs was received as paid up capital from different institutions. In the year 2015-16 loan repayment amount of 140000 Rs was wrongly entered in paid up capital. In 2016-17 this mistake was rectified, which resulted into drop of capital by the difference amount (113000-140000).

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