CHAPTER 6

The Gambhira Cooperative Farming Society

6.1 Introduction

Cooperative management or cooperativization of common pool degraded lands is one of the instruments for averting their tragedy. It has been extensively used in India and other countries of the world (Deshpande, 1977: 3-5). Cooperativization of CPRs is a form of privatization in which ownership/use rights and control of a CPR are vested in a cooperative society of the co-users of the CPR. As we mentioned in Chapter 3, an increasing number of scholars now advocate that cooperative management is in most cases the most appropriate strategy for CPR management. Among the proponents of this view, Ostrom (1990) has researched and written most extensively on the subject. Olson (1971), Buchanan and Tullock (1965), and Hirshleifer (1987) provide conceptual frameworks for identifying the conditions under which cooperative or group action could emerge and succeed. Ostrom (1990) and Wade (1986) specify and enumerate the conditions or factors that affect cooperative behaviour (cf. Ch. 3).

There are a number of activities in which cooperative action could be superior to individual action. Farming in countries like India, where about 76 per cent of the landholdings are less than two ha in size, and where most farmers are poor, illiterate, and unorganized, and where, as a policy, the government is leasing out common pool, mostly public, land to the poor, cooperative farming could be a boon to farmers. Individually operating farmers in such countries may not be able to adopt new and modern technologies in various farming operations and realize economies of scale in buying various inputs and services, and selling their produce. Besides, they may not have access to institutional credit, the national political system, and national and international markets. But when farmers in such countries are organized, they could realize all these benefits and advantages. In India, cooperative farming has been tried on a very large scale but in most cases it has not succeeded. In this chapter I present an overview of cooperative farming in India and the State of Gujarat, and an in-depth case study of a successful and ultra-stable cooperative farming society in the Kheda district of the State. The main objective of the case study is to document and analyse the experience of the society and distil lessons useful for cooperative management of common pool degraded land.

6.2 Cooperative Farming in India: An Overview

Although cooperation as a form of behaviour has been coextensive with human civilization all over the world, cooperation as a form of socio-economic organization is of relatively recent origin. It is generally agreed now that the organized cooperative movement was born in the UK in 1844 with the establishment of a viable cooperative store by the Rochdale Pioneers in Toad Lane (Gadgil, 1961: 5). In India, the organized cooperative movement was born in 1904 with the passage of the Cooperative Credit Societies Act. The movement, thus, owes its origin to the Government and has since been officially guided and dominated. Until 1947 when India got Independence, the official policy was not directed towards economic development. But after Independence, cooperation has been used as a policy instrument to promote agricultural and rural development. Now, cooperation covers almost the entire spectrum of activities in rural areas.

In India, the first non-official attempt to start cooperative farming societies was made by Dr M.S. Mann as long ago as 1921 in Ahmednagar and Sholapur districts of the erstwhile Bombay state. In 1936, the Congress party at its fiftieth session held at Faizpur (Maharashtra) adopted cooperative farming as an important plank of India's agrarian reforms programme. In 1944, realizing the potentialities of cooperative farming in raising agricultural production, the Advisory Board of the then Imperial Council of Agricultural Research (now Indian Council of Agricultural Research) proposed the desirability of encouraging

cooperative farming in India. However, official interest at the national level began to take concrete shape only after the country attained Independence in August 1947.[1] The Report of the Congress Agrarian Reforms Committee set up in 1948 under the Chairmanship of J.C. Kumarappa provided the necessary focus and direction for the formation of cooperative farming societies. Subsequently, the Planning Commission favoured their formation and in the First Five Year Plan (1951–6) it was suggested that small and medium farmers should be encouraged and assisted in setting up such societies on a voluntary basis. As a result, the pace of formation of cooperative farming societies gathered some momentum but the progress made was very uneven with most of the societies formed being concentrated in the three states of Bombay, Punjab, and Uttar Pradesh.

The Indian National Congress in its sixty-fourth session held in 1959 at Nagpur passed a resolution on 'Agrarian Organizational Pattern' which stated:

> future agrarian pattern should be that of cooperative joint farming in which land will be pooled for joint cultivation, the farmers continuing to retain their proprietary rights and getting a share from the net produce in proportion to their lands. Those who actually work on the land, whether they own the land or not, will get a share in proportion to the work put in by them on the joint farm.

This resolution gave rise to a lot of discussion and controversy on the subject in the country.

Consequently, the Government of India set up in June 1959 a Working Group under the Chairmanship of S. Nijalingappa to review the progress and problems of the cooperative farming societies set up in the country and make recommendations for their development. The Group recommended a six-year programme for the development of such societies. Following the Group's recommendations, the Government of India launched in the beginning of the Third Five Year Plan a pilot project in 320 selected community development blocks aimed at setting up 10 societies in each block. Besides, it was also envisaged that about 4,000 societies would be formed in non-pilot project areas. As a result of these intensive efforts, 2,749 societies in the pilot project areas and 2,752 societies in the non-pilot project areas had been formed by the end of the Third Plan period. In July 1963, the Union Ministry of Community Development and Cooperation appointed a Committee on Direction under the Chairmanship of D.R. Gadgil for evaluation of the pilot projects. The Committee concluded, *inter alia,* that although the cooperative farming societies had not taken firm root, they had demonstrated their capacity to enhance production and create the potential for future development.

Besides the Centrally-sponsored pilot projects, the State Governments also prepared schemes for reclamation of waste-lands and *khar* (saline) lands by organizing cooperative farming societies. Such societies have generally been successful (Deshpande, 1977: 177). However, the progress of cooperative farming societies has been constrained by a number of both external and internal factors. The external constraints include lack of a clear-cut national policy, half-hearted implementation of whatever policy existed, lack of necessary financial and administrative support, and lack of political commitment to the ideal of cooperative farming. Among the internal constraints, lack of incentive and motivation on the part of members to contribute their best, and problems of wage fixation, work assignment, work measurement, accounting, and distribution of divisible income have been serious (Deshpande, 1977: 176–81). Indeed, the subject of cooperative farming long ago died a premature death in India. Nobody talks of it any longer. In the Indian Seventh Five Year Plan there is no mention of it at all.

6.3 Cooperative Farming in Gujarat

Gujarat is considered one of the progressive states in India with regard to the cooperative movement. It pioneered the celebrated Anand pattern dairy cooperatives and its Kheda District Cooperative Milk Producers' Union, popularly known as Amul, has already acquired international acclaim in the field of cooperative dairy development. In the field of cooperative farming, pioneering efforts were made by a band of dedicated social workers led by Jugatram Dave. They organized three joint farming societies of Adivasis (tribals) in Vedchhi area of Surat district in 1948. But the systematic and organized efforts for the development of cooperative farming societies were made after the adoption of the cooperative farming scheme by the erstwhile Bombay state government in 1949. The scheme provided for the organization of

112 cooperative farming societies in Bombay state. In May 1960, Bombay state was bifurcated into two unilingual states of Gujarat and Maharashtra. Thereafter, besides the general scheme adopted in 1949, some special schemes such as Vaghodia Colonization Scheme, Amroli Village Rehabilitation Scheme, Rabari and Bharwad Rehabilitation Scheme, etc. were also launched in the State. As a result of all these schemes, 308 cooperative farming societies had been registered in the state by the end of the Third Plan.

To give further impetus to cooperative farming, the Gujarat State Cooperative Farming Board was set up in 1960. The Board appointed a Committee under the Chairmanship of Madhavsinh Solanki to look into various aspects of cooperative farming in the State and make recommendations for its further development. The Committee recommended, *inter alia*, that the present cooperative and tenancy laws be amended to suit the requirements of cooperative farming societies and stressed the need for proper planning, efficient management, and dedicated leadership.

However, the progress of cooperative farming in the State in the Fourth Plan and thereafter was tardy and discouraging. During the ten-year period from 1975–6 to 1985–6, only 96 new societies were formed, increasing the total number of societies in the State from 339 in 1975–6 to 435 in 1985–6. Most of the societies were deeply in the red and were composed of big farmers and absentee landlords so as to avoid the incidence of tenancy and ceiling laws, and to secure the benefits of financial assistance from the Government. However, the Gambhira Cooperative Collective Farming Society (hereafter termed Gambhira Society) was an exception. Its performance has been exceptionally good and stable since its inception in 1953 (Kumbhar, 1979: 11–16).

I shall now proceed to present a detailed case study of Gambhira Society.

6.4 The Genesis of Gambhira Society

The origin of Gambhira Society is traced to the response of an enlightened and dedicated social worker, Chhaganbhai M. Patel, to the crises arising from frequent flash floods in the Mahi river. The floods would not only inundate the low-lying areas along the banks of the river but would also wash away the top fertile crust of the soil and deposit deep layers of sand over it, rendering it unfit for cultivation. As a result, the cultivators residing in the area

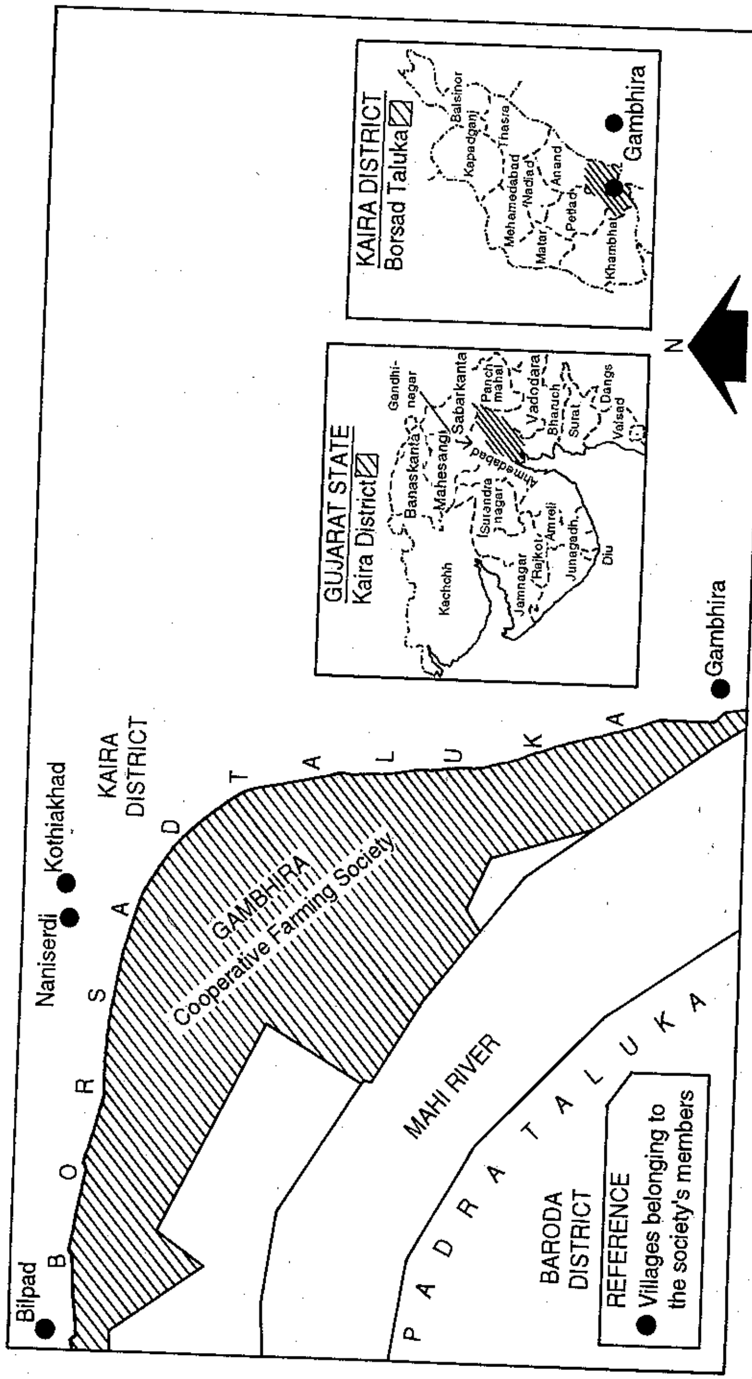

Fig. 6.1 Gambhira Cooperative Farming Society

affected by the floods, most of whom were poor marginal and small farmers, lost their only source of livelihood, i.e. land, and joined the rank of agricultural labourers.

In 1951, with a view to helping the distressed cultivators, the State Government, at the request of Chhaganbhai Patel, granted 246 acres of *bhatha* land (riverine/riverbed land), which was state property of the Government, to 176 cultivators from four villages of Gambhira, Kathiakhad, Nanisherdi, and Bilpad situated in the flood-affected area. The grantees cultivated the granted land individually in small fields of one acre or so. This helped them little because, (1) the *bhatha* lands granted were saline and had very low productivity; and (2) the grantees, being poor and resourceless persons, had nothing to invest in reclamation, and had to take water for their crops from the owners of water pumping plants in return for half the produce. Thus, the Government effort to rehabilitate the distressed cultivators by granting them *bhatha* land had failed. Moved by the pathetic condition of his fellow-cultivators in distress, Chhaganbhai Patel suggested to the Government that the flood-affected grantees of the *bhatha* land be organized into a cooperative collective farming society.[2]

Chhaganbhai Patel was a Gandhian social worker in his early fifties then and he had worked with Dhawalbhai Mehta and other Gandhians who pioneered cooperative farming in Gujarat. He belonged to the Patel community, a landowning upper caste social group in Gujarat, had some land, and was educated upto the fifth standard. The Government accepted Chhaganbhai Patel's suggestion and Gambhira Society was registered by the Registrar, Cooperative Societies, Bombay state, Poona, under the Cooperative Societies Act on 10 October 1953 under the name 'The Mahisagar Bhatha Collective Cooperative Farming Society' which is now popularly known as Gambhira Cooperative Farming Society or just Gambhira Society.

We shall now go on to analyse the experience of Gambhira Society using the Oakerson model (1986: 13–27).

6.5 Technical and Physical Attributes of the CPR

The *bhatha* lands are found along the banks of rivers and most of them are CPRs but a small proportion may also be owned privately. The lands granted to Gambhira Society belonged to the erstwhile Baroda state and after Independence they became Government land. The land is located along the right bank of Mahi river which forms a natural boundary between Baroda and Kheda districts of Gujarat state (see the map in Figure 6.1). The Society's jurisdiction extends to the four villages of Gambhira, Kothiakhad, Naniserdi, and Bilpad, all belonging to the Borsad *taluka* of Kheda district (see the map). The area of the land granted to the Society originally was 246 acres which eventually increased to 526 acres.[3] All the land is located in a contiguous block and is easily accessible to the grantees from all the four villages. Before the land was granted to the Society, the Government used to auction it annually for cultivation at the rate of Rs 175 per acre. The auctions would usually go to the rich contractors who, in turn, would sublet tho land to actual cultivators for production of tobacco on the condition that the produce would be divided in a 50:50 ratio between the contractor and the cultivator. The *bhatha* lands are now quite fertile and are as productive as the privately owned lands in the area. But located as they are on the bank of the river, they are prone to floods and a lot of land used to be washed away due to heavy floods in earlier years.

Initially, the number of land grantees was 176 and all of them were enrolled as members of Gambhira Society. As of 1990, the membership of the Society stood at 291 and the total land area at 526 acres. Thus, on an average, each member had 1.80 acres of land pooled and vested in the Society. The entire area owned by the Society is cultivated and 264 acres is cropped more than once. Thus, the gross cropped area of the Society in 1989-90 was 790 acres. Irrigated area constituted about 34 per cent of the gross cropped area and about 50 per cent of the net cultivated area. The salient features of the Society's land use over time are presented in Table 6.1. For the past 10 years or so, there has been no increase or decrease in the extent of land available with the Society but the area sown more than once and irrigated area have both increased significantly in the past ten years or so as a result of the construction of borewells and tubewells, and installation of diesel and electric pump-sets by the Society.

TABLE 6.1
Trends in land available with Gambhira Society and its use

(Acres)

Year	Total land	Fallow and *khar* land	Net area sown	Area sown more than once	Area irrigated	Cropping intensity	Net area sown per member
1953–54	274.00	—	240.00	71.00	71.00	143.75	1.56
1958–59	221.00	—	221.00	121.00	85.00	154.75	0.85
1961–62	380.75	160.75	220.00	110.00	85.00	150.00	1.31
1966–67	372.75	174.75	198.00	96.00	100.00	148.48	1.28
1971–72	411.00	22.50	388.50	120.00	121.50	130.89	1.41
1972–73	460.80	73.30	387.50	197.00	197.50	150.84	1.58
1977–78	460.80	—	460.80	168.00	148.00	136.50	1.58
1982–83	526.00	136.76	389.24	230.00	230.00	159.00	1.34
1988–89	526.00	—	526.00	264.00	264.00	150.00	1.81

SOURCE: Kumbhar (1979: 28) and Gambhira Society's office records.

6.6 THE DECISION-MAKING SYSTEM

Gambhira Society was registered under the Cooperative Societies Act and its role, functions, and structure are defined by its by-laws. The society had 176 members at the time of its inception. The membership increased to 260 in 1958–9 when the Society admitted 84 new members from the list of eligible cultivators prepared and approved by the State Government. In 1961–2, the Government allotted to the Society 160.75 acres of *khar* land on a 30-year lease. Subsequent to the allotment of this land, 31 landless labourers of Kothiakhad village were enrolled as members of the Society. This increased the membership to 291 which had remained unchanged since then. Consequent upon a decision taken a meeting of the Society held on 3 June 1960 under the chairmanship of the then Deputy Minister for Cooperation, Government of Gujarat, and attended by the district and *taluka*-level officials and local leaders, the membership of the Society was closed. It was decided at the meeting that no new members should be enrolled unless and until the average size of landholding per member increased to 3 acres. Such a restriction on the membership was considered necessary to ensure the Society's economic viability

The General Body of the Society has vested the management of the Society in its Management Committee which is composed of eight members, seven of whom are elected from amongst the members of the Society and one is nominated by the Cooperative Department of the Government of Gujarat. The General Body meets once a year and takes decisions on policy matters, but the Management Committee normally meets once a month but can meet as frequently as necessary to ensure smooth functioning. A salient feature of the Society is that three of the seven elected members and one nominated chairman who constituted the first Management Committee still (as of November 1990) continue to be on the Management Committee. There have been no formal elections so far; the members are informally re-elected after the expiry of their term, as is also a single individual, Chhaganbhai Patel, elected as Chairman term after term. Thus, Gambhira Society is perhaps the most ultra-stable cooperative society in the world with nearly half the members of its Management Committee and the Chairman unchanged since its inception thirty-eight years ago in October 1953. A brief profile of the members and the Chairman of the Management Committee is presented in Table 6.2.

Table 6.2
A brief profile of the members and the Chairman of the Management Committee of the Gambhira Society as of 1990

Sl. No.	Name	Designation	Age	Caste	Education
1.	Shri Chhaganbhai M. Patel	Chairman	93	Patel	5th standard
2.	Shri Khumansinh H. Padhiar	Member	72	Baraiya	4th standard
3.	Shri Shanabhai D. Padhiar	"	70	"	1st standard
4.	Shri Jasangbhai M. Padhiar	"	70	"	Illiterate
5.	Shri Chhatarsinh G. Padhiar	"	71	"	3rd standard
6.	Shri Desaibhai M. Padhiar	"	72	"	2nd standard
7.	Shri Bhadosinh M. Padhiar	"	73	"	2nd standard
8.	Shri Ganpatbhai P. Padhir	"	56	"	2nd standard

SOURCE: Personal communication with the Manager of the Society

As shown in the table, all the seven members are from a single caste-group, Padhiar or Baraiya, which is the majority caste group and is classified as economically backward and the Chairman belongs to another caste-group, Patel, which is a minority group and is classified as landowning upper caste in the villages. Of the 291 members of the Society, 272 (93%) are Baraiyas, 8 Machhis

(Fishermen), 3 Harijans, and the rest belong to other caste groups. The Management Committee is assisted by a team of eight hired employees headed by an experienced manager who operates the accounts and implements the decisions of the Committee with the help of two supervisors and 30 group leaders. Of the eight employees, one (manager) is a Patel, one (clerk) is a Shah, and the remaining six are Baraiyas. The employees are paid very low salaries; in 1990, the Manager's salary was Rs 1,500 per month which was the highest of all the Society's employees. The total annual expenditure on wages and salaries was Rs 36,400 in 1989–90. A brief profile of the Society's employees is presented in Table 6.3. As shown in the Table, most of the employees of the Society have had only primary education and have been in the service of the Society for the past 20 years plus. In the course of our talks with the employees of the Society, we got an impression that they were all loyal to it and its Chairman, and were satisfied with its management and performance.

TABLE 6.3
A brief profile of the employees of Gambhira Society as of 1990

S. No.	Name	Designation	Age	Education	Working since	Gross salary (Rs/Mo)
1.	Kanchanbhai S. Patel	Manager	60	8th	1952	1500
2.	Chimanbhai A. Shah	Clerk	57	6th	1967	700
3.	Fatehsinh B. Parmar	Peon	65	3rd	1980	400
4.	Zaverbhai L. Dabhi	Driver	58	5th	1960	800
5.	Sanabhai A. Dabhi	Driver	35	5th	1977	750
6.	Chattarsinh M. Padhiar	Supervisor	37	6th	1985	600
7.	Sanabhai R. Gohel	Supervisor	68	6th	1953	600
8.	Marmanbhai M. Parmar	Tubewell operator	38	5th	1985	500

SOURCE: Personal communication with the Manager of the Gambhira Society

6.7 THE METHODS OF WORK, WORK ALLOCATION, AND SUPERVISION

The Mamlatdar and the Land Evaluation Officer constituted in June 1953 an ad hoc Committee of the representatives of the four constituent villages of the Society to look after its affairs until it was registered. The ad hoc Committee laid down the following guidelines for membership and collective farming:

1. Only distressed cultivators whose names are included in the Government approved list could become members of the Society;
2. the members will have to work in groups;
3. a group leader will be chosen from amongst the members of each group and he will be solely responsible for cultivation of the fields assigned to his group; and
4. fifty per cent of the produce of each group will be retained by the Society to defray its expenses and meet its statutory liabilities, and the remaining 50 per cent will be distributed equally among the members of the group.

The Society has developed innovative methods of collective farming, work allocation, and supervision. With a view to ensuring efficient land use, high yields and proper work allocation and supervision, the entire cultivated land of the Society is divided into 30 blocks. Each of the blocks is assigned to a small and homogeneous group of the Society's members for purposes of collective cultivation. As of 1990, there were 30 groups, each group comprising 7 to 14 members, and the land allotted to each group varied from 1.50 acres to 2.34 acres per member. Each group chooses its own leader from amongst its members. The choice is based on such factors as integrity, experience in farming, economic status, and ability to motivate and command fellow members of the group.

The group leader prepares every year an appropriate crop plan for the block assigned to his group. The plan is finalized in consultation with the Management Committee and the final plan is executed by the group under the guidance and supervision of its leader. The group leader allocates the work among the group members and ensures that the work is done efficiently and completed in the stipulated time. Given the relatively small size of each group, monitoring each member's work becomes easier than in a big group and shirking is detected immediately and dealt with. In carrying out his duties, the group leader generally consults with the Chairman, the members of the Management Committee, and the agricultural supervisors of the Society.

Each group cultivates the block of land assigned to it with the aid of labour, bullocks, and other resources owned by its members. Necessary inputs such as seeds, seedlings, fertilizers, pesticides, irrigation water, tractor service, etc. are supplied centrally by the Society. With a view to avoiding laborious and intractable accounting of the labour input of each individual in the group, labour-scheduling is done in such a way as to ensure that every member of the group contributes an approximately equal amount of labour every day. The group leader is responsible for day to day allocation of work among the members of the group and its supervision. He also indents manual labour, bullock power, tractor service, and other inputs required by his group. As an incentive to motivate the group leaders to perform their duties efficiently and in time, a special bonus is paid to them in proportion to the productivity of the group as a whole.

The Society employs two agricultural supervisors on a full-time basis. Their duties include preparation of daily reports of the activities of all the groups, submission of the daily reports to the Chairman and Manager of the Society, provision of guidance to group leaders in their work, and monitoring and supervision of all the agricultural operations of the Society. Besides, the Chairman, members of the Management Committee and the Manager of the Society also visit the fields frequently and provide on-the-spot guidance to the group leaders and resolve their problems, if any, there and then. This method of supervision and guidance has been very effective in ensuring timely completion of various operations by avoiding unnecessary delays and negligence on the part of the members of the groups and group leaders.

6.8 Methods of Distribution of Farm Produce and Profits

The members of the Society do not work and are not paid on the daily wage basis that is generally the case in most other collective farming societies in India. The Society has developed an innovative method of sharing the produce and the profits between the Society and the groups, and among the members of each group. According to this method, 40 per cent of its produce of food crops is given by each group to the Society to enable it to meet its expenditure on land rent and various inputs and services provided by it to the group, to meet its establishment costs, and to provide for various statutory reserves. The remaining 60 per cent of the produce is retained by the group and is distributed among its members in proportion to the labour contributed by each member which is approximately equal for all members of the group.[4] Thus, the distribution of produce is fairly equitable and the members are satisfied with it.

After recouping all of its expenses from its share of 40 per cent of the produce, the Society sets aside 70 per cent of the net surplus for distribution as bonus among the members of the group and the remaining 30 per cent is retained by the Society for purposes of statutory reserves and dividends. Thus, directly or indirectly, approximately 70 per cent of the total value of the farm produce of each group is distributed amongst its members.

In the case of cash crops like tobacco, castor, etc. which account

TABLE 6.4
Selected indicators of performance of Gambhira Society

Performance indicator	Unit	Year				
		1953 –54	1961 –62	1971 –72	1977 –78	1989 –90
1. Net area sown	Acre	240.00	220.00	388.50	460.80	526.00
2. Area sown more than once	Acre	71.00	110.00	120.00	168.00	264.00
3. Net area irrigated	Acre	71.00	85.00	121.00	148.00	264.00
4. Area under foodgrain crops	%of gross cropped area	75.36	63.64	59.78	64.97	66.84
5. Area under cash crops (mainly tobacco)	"	24.64	36.36	40.22	35.03	33.16
6. Average yield of paddy	kg/acre	N.A.	460.00	667.00	1438.00	32.28*
7. Average yield of wheat	"	N.A.	860.00	1099.00	970.00	648.00*
8. Average yield of tobacco	"	592.00	730.00	1090.00	1025.00	920.00
9. Total production	Metric tonnes	198.66	142.38	254.70	298.48	147.42
10. Total production of tobacco	"	50.32	68.74	213.50	309.54	241.14
11. Value of total farm production of the Society	Lakh Rs	0.91	1.16	8.52	10.68	43.22
12. Total expenditure of the Society	"	0.31	0.43	2.29	2.42	32.98
13. Net annual farm income per acre of gross cropped area	Rs	181.00	230.00	1248.00	1388.00	1375.00
14. Net annual farm income per member (crop share + bonus)	Rs	258.00	226.00	1939.00	2436.00	10957.00
15. Net profit of the Society	Lakh Rs	0.20	N.A.	N.A.	3.11	10.82

SOURCES: Kumbhar (1979) and Gambhira Society's office records.
*The average yields of crops and total production in the year 1989–90 were less than normal due to heavy floods.

for approximately 33 per cent of the total cropped area, the standing crops in the fields are auctioned by inviting tenders. Generally, prospective tobacco buyers inspect the standing crop in the fields, assess its quality, and then make their bids. The highest bid is accepted and the entire produce of all the groups is sold in bulk to the bidder. This method of sale in bulk has benefited the members in two ways. First, the members/groups have been able to obtain a higher price for their produce than they would have if they had sold it individually. Second, the groups whose produce was of inferior quality due to certain natural or other factors got the same price (higher than they deserved) as other groups with better quality produce got. This procedure spreads the weather-induced risk uniformly among all the groups. Besides, this system of sale has also helped the non-member tobacco producers of the constituent villages in realizing higher prices for their produce. The sale proceeds of cash crops are distributed between the Society and the groups in the ratio of 40 : 60, and among the members of each group equally, as in the case of foodgrains crops.[5]

6.9 PATTERNS OF INTERACTION AMONG THE CPR USERS

All the 291 members of Gambhira Society constitute the group of users of the common pool *bhatha* lands allotted to them by the Government. As stated earlier in this chapter, cooperativization of CPRs is a form of privatization in which the use rights in the CPR in question are vested in a cooperative society. By this process, non-members of the Society were excluded from the use of and the benefits from the CPR to which they had as much access as the members before the Society came ints existence. Government patronage of the Society from the very beginning imparted legitimacy to the act of cooperativization of the *bhatha* lands. This, coupled with the honest and enlightened leadership of the Society by an upper caste social worker restrained non-members and other vested interests in the area from undermining the Society. With more than 93 per cent of its members belonging to a single caste group, Baraiya, and with all of its members being poor, the Society's membership was highly homogeneous, socially and economically. This facilitated frequent and mutually beneficial interaction between members of the Society. Since all the four constituent villages of the Society were located within easy reach of one another, the costs and time involved in bringing them together and in disseminating relevant information were almost negligible. This facilitated frequent meetings of the members to discuss and resolve their common problems and their active participation in the activities of the Society. The stakes of all the members, both in the CPR, i.e. the *bhatha* lands, and the organization, i.e. the Society, were very high indeed. The members' survival depended very critically on the survival and success of the Society. So, all of the members worked wholeheartedly to achieve their individual goals of improving their level of living through collective farming. Most of the members had learnt from their personal experience with cultivation of the *bhatha* lands in the pre-Society days that they could not succeed if they operated individually and after having realized substantially higher yields and incomes from the collective farming they had no doubt whatsoever that it was in their best personal interest to cultivate the *bhatha* lands collectively under the auspices of the Society. Since most of the members were small cultivators before the Society came into being, they knew about the crops and the methods of crop production, and were therefore receptive to the new farming ideas and new crop production technologies introduced by the Society.

Division of the members into small and homogeneous groups for cultivation purpose made it possible for them to resolve the problems of free-riding and shirking. Members of the group could monitor one another's work very closely and group pressure was used to curb shirking and free-riding. Besides this, there was a built-in incentive for the members to work hard to increase the group's production; the higher the group's production, the higher the individual share of each member. All these and other features of the work system and its method of distribution of produce adopted by the Society inculcated among the members a sense of cooperative work ethics and reciprocity, and restrained competitive behaviour. There were no serious conflicts among group members.

6.10 Outcomes and Impacts

Now we shall evaluate the outcomes and the impacts of cooperativization of the *bhatha* lands in terms of four criteria, namely, efficiency, equity, sustainability, and members' satisfaction.[6] Table 6.4 presents selected indicators of the physical and financial performance of the Society for selected years. The Society has made impressive progress in increasing its net area sown, area sown more than once, and irrigated area. This was made possible by granting of additional *khar* land to the Society by the State Government, reclamation of the *khar* land by the Society, development of irrigation facilities, and introduction of selective mechanization. An important change in the crop pattern over time has been a marked shift in the crop acreage from foodgrain crops to cash crops, mainly tobacco, in response to higher profitability and lower yield variability of tobacco. Similarly, all other indicators of performance have also registered significant increase over time.

There has been significant growth over time in capital formation at the Society level. This is reflected in the growing accumulations in the reserve and other funds of the Society. For instance, the Society's reserve fund increased from a meagre sum of Rs 4,467 in 1953–4 to an impressive Rs 4.18 lakh in 1977–8 and to Rs 14.35 lakh in 1989–90. Similarly, the accumulations in the other funds of the Society also increased tremendously from about Rs 4,000 in 1953–4 to Rs 12.42 lakh in 1989–90. The Society now owns two tractors, six tubewells, and about 4,500 metre-long underground pipelines for irrigation.

Besides benefiting its members directly and indirectly, the Society has also contributed a lot to the overall socio-economic development of its constituent villages. It was a pioneer in introducing improved/high yielding crop varieties and other improved farm practices and selective mechanization in its villages. This had a beneficial demonstration effect not only on its member–cultivators but also on the non-member cultivators in the area. Furthermore, the Society has created a social development fund out of its profits. It contributes about 14 per cent of its net profit to this fund. The amount accumulated is utilized for improving the socio-economic infrastructure of the Society's constituent villages. By the end of June 1987, a sum of Rs 4.53 lakh had been spent on social welfare projects such as construction of school buildings, *dharamshalas*, drinking water facilities and village *bunds* (embankments) to protect the villages from the havoc of floods. Besides, the Society also sets aside two per cent of its net profit every year for educational development purposes and provides out of this fund scholarships, interest-free loans, and free books to needy and meritorious students for higher education. This, along with such other intangible benefits as inculcation of the spirit of cooperation, mutual help or reciprocity, self-reliance, etc. are the Society's noteworthy contributions to human resource development in the area.

The net profit of the Society is distributed as follows: 20 per cent is appropriated for the reserve fund, two per cent for the education fund, and nine per cent for the dividend fund; from the remaining 69 per cent, 70 per cent is distributed as bonus to members, 20 per cent is set aside for social development purposes, five per cent is earmarked for mutual help projects, and five per cent is distributed as bonus to the Society's staff. Thus, over 77 per cent of the Society's net profit is passed on to the members in the form of bonus, dividend, and expenditures on community facilities such as education, drinking water, etc.

Consistently increasing crop yields, total farm production, net farm income, net annual farm income per member, and net profit over time provide enough evidence for me to conclude that the collective farming on the CPR of *bhatha* land has met the criteria of efficiency and sustainability. Immediately after the floods, the productivity of the *bhatha* lands had been reduced almost to naught and it was not possible for the individual grantees to return to their earlier productivity working on their own, individually. The formation of the Society helped its poor and resourceless members to gain access to modern technology, institutional credit, mechanization, economies of scale, and higher price for their produce. All these factors led to increased productivity and income which have since been sustained.

The criterion of equity was also met as all the members of the Society were destitute and poor. Increase in their income, and thereby in their social and economic status, reduced the disparities between the haves and have-nots in the constituent villages. Distribution of crop produce among members in proportion to the labour contributed by them achieved equity within the groups of members of the Society, as each member contributed more or less the same amount of labour and hence got an equal share of the produce.

Members of the Society were, by and large, satisfied with the performance of the Society, and with the way in which the Chairman and the members of the Management Committee and the managerial staff of the Society managed its affairs. All of them had a very high opinion of and respect for the Chairman of the Society (Kumbhar, 1979: 61–2). A few of the members felt that

agricultural supervisors should be appointed only for the period when agricultural operations are performed and not on a permanent basis and that the group leaders should be elected for a fixed term, say for five years, and that group leadership should not be considered a hereditary right. All the members believed that their economic and social status had considerably improved after joining the Society and that the relationship between its members and non-members had been, by and large, cordial and harmonious.

During the course of my discussions with the Manager of the Society, a few members of the Management Committee, and a few members of the Society, I got an impression that, of late, quite a few members of the Society, particularly those belonging to the younger generation, do not take as much interest in the affairs of the Society as they used to do earlier. In my opinion, this is perhaps due to their declining stake in the Society as a result of the availability of alternative sources of income and employment to them.

6.11 Lessons and Implications

No generalizations can be made on the basis of a single case study. However, the following lessons that seem to me to be useful for designing improved systems of CPR management can be drawn from the case study presented in this chapter:

First, although most of the cooperative farming societies established in India have failed for various reasons, cooperative management of degraded common pool lands can succeed under the conditions that obtained in the Gambhira case. The facilitating factors that are specific to the Gambhira case and difficult to replicate elsewhere include exceptionally good leadership for a very long period of time, high stake of the members in the Society, dedicated employees accountable to the members and satisfied with relatively low salaries, and homogeneous and coherent group of lessees of common pool land.

Second, the facilitating factors that can be recreated/ replicated elsewhere, and hence the lessons of the Gambhira experience that can be generalized are the availability of common pool land in contiguous blocks in most states of India, formation of small and homogeneous work groups or teams of members, adoption of Gambhira methods of work assignment, work measurement, monitoring, and distribution of divisible surplus, substantially higher private net benefits from cooperation than without it, and provision of technical, financial, administrative, and moral support of the government.

Third, in India, there is a lot of degraded common pool land lying unused. Under the existing policies of the government, such land can be leased out to cooperatives of the rural poor who could then restore, use, and manage them productively as was done by the members of the Gambhira Society. What is required for this to happen is political will at all levels, a clear-cut national policy for the promotion of cooperative ideology, good local leadership, and the willingness and ability of the government/ bureaucracy to play a catalytic and facilitating role in promoting the cooperative management of common pool degraded land in the country.

NOTES

1. A detailed account of the evolution of cooperative farming societies in India is presented in Kumbhar (1979:3-16).

2. In a cooperative collective farming society, the members pool their landholdings for joint cultivation and management, and ownership of the land pooled is vested in the society. The profits, after deduction of wages and other statutory reserves, are distributed among the members in proportion to the wages earned by each. There are three other kinds of cooperative farming societies set up in India, namely, Better Farming Society, Tenant Farming Society, and Joint Farming Society. In a Better Farming Society, members continue to cultivate their lands individually. The society assists them in obtaining credit and farm supplies, in adoption of improved farm practices, and in marketing their produce. In a Tenant Farming Society, land is obtained by the Society on freehold or leasehold rights and is parcelled out among the members in suitable plots for individual cultivation. The society assists members with farm supplies, equipment, etc. A Joint Farming Society is like a Collective Farming Society except that the ownership of land is retained by members and the produce is distributed among members in proportion to the land share of each.

3. The increase in the area of land resulted from reclamation of saline land partly naturally due to accumulation of silt brought by floods and partly with financial and technical help from the Khar Land Board. In 1961–2, the Government of Gujarat allotted 160.75 acres of *khar* land to the Society on a 30-year lease. Of this land, about 100 acres is under dispute. A former *talukdar* has staked his claim to it and the case has been pending in the Supreme Court since 1981.

4. The by-products of the foodgrain crops grown by the groups are all retained by them and distributed equally among their members.

5. The pattern of distribution of the Society's share of 40 per cent of the sale proceeds is the same as in the case of its share in foodgrain crops.

6. For details of these criteria *see* Berkes (1986: 67–9).

CHAPTER 7

Privatization of Common Pool Land: A Case Study*

7.1 INTRODUCTION

India has a land mass of nearly 813 million acres (329 million ha) of which about 353 million acres (43.40 per cent) were under cultivation in 1988–9 and the remaining 460 million acres (56.60 per cent) were uncultivated (CMIE, 1990: Table 12.1). Most of the uncultivated land is owned either by the government or village *panchayats* and is therefore a CPR. The common pool lands (CPLs) in India include most of the 198 million acres of land classified as cultivable waste, permanent pastures, and other grazing lands, land under miscellaneous tree crops and groves, fallow land, barren and uncultivable land; vested lands, i.e. land acquired by the government under the land ceiling and estate acquisition acts; and the land donated to the government under the Bhoodan movement. No reliable estimates of the extent of CPLs are available but their magnitude is large enough to warrant serious attention of policy-makers, planners, resource economists, ecologists, and others interested in the development and management of India's natural resources.

CPLs in India are now in a very bad shape. They are badly degraded and denuded of their vegetative cover, and their productivity is almost negligible or far below the potential. They suffer from what Hardin (1968) calls 'The Tragedy of the Commons'. Since, *de jure*, they belong to everybody, *de facto*, they

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