

**INTERIM REPORT ON EVALUATION OF
CONSUMER COOPERATIVE, 1965,**

1. The Study

The study was undertaken by the Programme ,Evaluation Organisation at the instance of Ministry of Community Develeopment & Cooperation (Department of Cooperation), to assess the important aspects of the organisation and functioning of the consumer's cooperatives organised under the Centrally Sponsored Scheme.

2. Objectives

- i) To find out how the consumer stores are organised and managed;
- ii) To study their financial structure;
- iii) To enquire into the various aspects of business operation;
- iv) To study the extent of patronage of the stores by members and their reactions about some important aspects of the working of the stores.

3. Sample Size/Criteria for Selection of Sample

32 wholesale stores from 14 States were selected. These wholesale stores were selected out of such stores as had done business for at least nine months till June,1964. From each of the selected wholesale stores, three primary stores or branches were chosen from amongst those that had done business for at least nine months upto June,1961 except in Bihar, Orissa and West Bengal, where business started later. In each of the selected primary store or branch, ten consumer members (total 927) were selected on a random basis from among the members who were on roll as on 31-12-1963.'

4. Reference Period

The study was conducted towards the end of 1964 and the record data were collected for the year 1963-64.

5. Main Findings

The summary of main findings on various aspects of this study was presented in the final report on Evaluation of Consumer Cooperatives (Pub.No.53). However, some of the major findings of this report are as under :

1. The organisation and functioning of the cooperative stores presented a better picture in 1964 than in 1963. Though membership, capital and business had expanded considerably in 1964, they were still heavily dependent on the Government's contribution to their share capital and clean credit. The working capital and volume of business recorded a significant expansion in 1964. But most of them were suffering from inadequacy of working finance and lack of accommodation from the institutional credit agencies and as a result, had not been able to sufficiently diversify their business. While the stores in States like Punjab and Madras had done very well, the record in a number of other States had not been so good.

2. Among the three types of stores in existence - federal, unitary and mixed -, the findings did not point conclusively in favour of one or the other of these. The unitary stores get off to a good start and established themselves at a higher level of capital and business than the federal stores; but subsequently the federal stores started catching up. Consumer satisfaction and the identification were higher with the federal stores than with the branches. on the whole, the mixed type of stores probably emerge with an edge over the other two types.

6. Suggestions

The future of the consumer cooperatives sponsored under the central scheme depend on the extent to which membership can be built up and their loyalty to the stores ensured.