

# three institutional arrangements

## **The Management Principles of the Forest Societies**

The basic principles and rules pertaining to the formation and running of the KFCS are summarised in the following.

### *Objectives*

When the scheme began, the objectives of the KFCS were:

- to arrange for the plantation, improvement, protection, and management of society forests as mentioned in the WPs, with special reference to preventing erosion and to utilising the forest produce to the best advantage of the members;
- to work to spread knowledge of cooperative principles and practices; and
- to undertake other activities that are incidental or conducive to attaining the above principles.

### *Basic conditions*

A society was formed only when 75% of the 'khewatdars' (owners of land with rights in the forest) and occupancy tenants of each mauza or 'tika' (hamlet) that constituted the revenue estate being taken up, agreed to its formation. The societies were registered with the registrar of cooperative societies under the Punjab Cooperative Societies Act (II of 1912), and later the Punjab Cooperative Societies Act of 1954, and are presently governed by the rules of the Himachal Pradesh Cooperative Societies Act of 1968.

### *Membership*

Any resident within the area of a society's operation who was over 18 years old and was a right holder in the forests to be administered by the KFCS (as per the revenue records), could pay an admission fee of one rupee and become a life member of the General Body of the KFCS. He/she had to individually sign an agreement (Annex 2) binding himself/herself to carry out the society's WPs and subordinating his/her individual rights in the forest area under society management to those of the society. Membership could be revoked if the member left the village to settle elsewhere, was found guilty of dishonesty, ceased to be a right holder in the forest, or voluntarily chose to withdraw from the KFCS.



The early proceedings of KFCs Maranda Bhangiar meetings, in Urdu

### *General body*

The general body (GB) met at least once a year. The secretary, under directions from the managing committee (MC), generally convened the meeting. Under special circumstances, however, such as internal disputes, a signed requisition by at least one fourth of the GB's members required the MC to call a GB meeting, failing which the signatories could refer the matter to the registrar CD, who could summon a meeting.

The quorum for the general meeting was one third of the total members. All decisions and issues, unless already specified in the by-laws, were decided by a majority vote. Proxy voting was not allowed.

The GB was the ultimate

authority in administrative matters, disposal of profits, decisions about induction/expulsion of members, adoption of the WP, amendment of by-laws and approval of the scale determined by the MC for contributions to be made by members. The GB meeting also established a maximum credit limit, the extent to which the cooperative could receive deposits and loans from members and non-members (as per the instructions of the registrar).

### *Managing committee*

The MC consisted of not more than seven persons (as per the old rules), including the president, vice president, and a treasurer, all of whom worked in an honorary capacity. The secretary was the executive head of the MC and was normally paid a lump sum at the end of the year. The MC was elected at a special meeting of the GB, which until 1971 was held once a year (under the Punjab Cooperative Societies Act of 1912) and thereafter once in two years (under the HP Cooperative Societies Act of 1968). In this meeting, every member had an equal right to speak, vote, and discuss any matter concerning the management of the village forests. The level of fines for members caught committing forest offences was also decided at this special meeting.

The MC exercised almost all powers regarding the appointment of the 'rakha' (forest guard), secretary, treasurer, and other employees, deciding their emoluments as well as the administrative and financial aspects of the work. The forest officer was selected by the society at the GB meeting; the CD registrar confirmed his appointment. The CD was responsible for all work connected with the formation of the KFCS, with auditing their accounts, and with general information, while the FD provided technical guidance and control.

The by-laws also provided that the area under the administrative control of the KFCS should not pass to the owners, even after it had been reclaimed and declared fit for cultivation, unless the KFCS released it through a proper resolution passed in the general meeting and after the owners paid for these services, at a rate fixed by the GB.



The flagstone on the side of the KFCS Bhagotla building listing the names of the managing committee in 1942

### Financial aspects

The government bore the cost of preparing the WPs, of the original demarcation of the village forest, and of inspection by government forest staff. Depending on their financial standing, societies could be paying or non-paying. Paying societies received lands that already had forest, and thus had income almost from the beginning. In these societies, all the costs for work and staff were paid out of society funds. Societies had to have their accounts audited annually by the CD.

A society could have various sources of income.

Net miscellaneous income – This was the name given to all the funds left after receiving and paying out money from and to different sources. It included

- income to which the proprietary body of the mauza constituting the KFCS had exclusive defined rights, for example grass, fruits, revenue from quarrying, and income from

‘gharats’<sup>9</sup>; the KFCS could collect this but had to distribute it among the khewatdars as per their rights as recorded in the ‘wazib-ul-arz’;

- income received from privately owned lands (other than village commons) managed by the KFCS; after deducting actual expenditures, the KFCS was supposed to pay the income to the owners;
- the net government grant.

The total of the first two points was the net distributable income. Certain allocations from this income were mandatory, including 1% as reserved funds, 10% as a forest improvement fund, 9% for charitable purposes (as defined in Section 2 of the Charitable Endowment Act of 1890) or to be put into the KFCS common good fund, up to 5% to the cooperative education fund (actual amount and instructions on what amount to spend were specified by the registrar), and portions for creation of a building fund or any other fund required by the KFCS. The allocation of funds had to be recorded in the society accounts.

The net government grant was the money given by the government to cover running expenses, as laid down in the WP of each KFCS. The society had to pay the ‘zamindari share’ (one fourth of the revenue from trees felled and sold – ‘hak chuharam’) to the member ‘khewatdars’ from this fund. Usually, these were small amounts and instead of distributing them as cash to the khewatdars, most KFCS would undertake to pay off on their behalf the land revenue payable to the government. The village ‘patwari’, or land revenue official, and the ‘lambardar’, or traditional revenue collector, together received a one-sixteenth share of the revenue. First the DFO had to certify the amounts as payable to the entitled persons in accordance with the settlement rules. Then the revenue department would prepare and send a cheque to the KFCS. The sum remaining after the various payments was the net government grant and constituted the real income of the KFCS.

Final income – The final income was the amount left after the above deductions and the KFCS’ working expenses for the year had been deducted. This was distributed among the members in proportion to their rights in the forest.

### *The working plans*

Before a KFCS was registered, a WP was prepared by a gazetted officer of the FD after consultation with the KFCS members, formal consent being taken at a general meeting and recorded in the KFCS register. The society could only be registered after the chief conservator of forests had sanctioned the WP on behalf of the government. The WP was revised by the FD after expiry of its working period, again in consultation with the members of the KFCS. The WP provided for the management of the forests in great detail, particularly with respect to the closure of parts of the pastures (for the harvest of the hay crop), for conservation of the soil, and for planting trees of fodder and economic value, both in closure areas and in areas set aside for grazing.

## **Introduction of the KFCS Scheme**

Initially people were suspicious of the scheme, but intervention by politicians, and wide dissemination of information about the scheme through special ‘durbars’ (public receptions) and by designated forest staff were instrumental in taking the “great experiment in democratisation of

<sup>9</sup> Traditional water-powered mills for grinding grain



The first rakha of KFCS Arla Saloh (left), now 70 years old. The present rakha is on the right.

the forest management<sup>10</sup> to the people. There are references to almost all important officers of the district administration, the revenue department, the FD, and the CD making special efforts to take this scheme to the people of the selected villages.

The Conservator of Forests, North Circle, notified detailed procedures for the organisation of KFCS.<sup>11</sup> Due to a shortage of staff, the area of work was confined to the parts of Kangra north of the Beas River. Although the basic economic unit was to be a mauza, if any administrative problems arose, a single or group of tikas could also form a workable unit. The FD preference was for villages with large and compact areas of unmanaged wasteland undergoing erosion and denudation. Villages where old cooperative societies already existed were also preferred. The FD believed that “the smaller the number of tikas and rightholders, the easier would be the organisation work.” Easily accessible villages were selected initially to demonstrate the experiment’s efficacy.

The case study in Box 1 helps to illustrate the reality of KFCS formation. The history of the formation of the Bhagotla Forest Cooperative Society illustrates the underplay of social and caste currents in villages during the KFCS formation process.

<sup>10</sup> Speech of His Excellency, the Governor of Punjab, at a special durbar at Palampur, 1941

<sup>11</sup> Letter No.1664 dated 17th May 1949

### Box 1: Formation of the Bhagotla Forest Cooperative Society

Bhagotla village is in Palampur Tehsil on the right bank of the River Neugal, about six km from Palampur town. The Mauza Bhagotla (village area) covered 156.4 ha, with the forests contained in one compact block of 68.4 ha stretching along its northern boundary.

Ban maufi forests were concessions given by the government in the 1860s to ten specific village communities of Kangra District when taking over their land for tea plantations. In return, the village zamindars received almost exclusive ownership of an equal area of unclassed forests, to which the FD surrendered its right of closure. Only the Deputy Commissioner could exercise limited control on the use of these ban maufi forests. By the 1930s, the FD felt the zamindars were unable to conserve these forests and that they were rapidly degrading. The practise of giving private contractors the task of extracting resin from the chil trees was considered the biggest problem. To curb this, the DC passed an order in 1942 that prohibited the zamindars of Bhagotla from granting resin extraction to contractors, on the grounds that it was being carried out in an unscientific manner.

The FD had this episode in mind when forming the KFCS in Bhagotla. They selected Bhagotla<sup>12</sup> since it was one of the smallest ban maufi villages and should have been easy to use as an example to all other such villages, which could then be made into forest cooperative societies. It seems likely, given the DC's limited legal powers to interfere in people's management of ban maufis and the FD's total lack of power, that the government proposed bringing the ban maufi villages under the KFCS scheme so that KFCS rules would apply, making active intervention by the FD a distinct reality.

**Table 2: Classification of Bhagotla forest lands**

Type	Class	Area (ha)
'Ban sarkar'	Unclassed forests	38.4
Shamlat tika	Ban maufi	16.4
	Private wastelands	12.4
	'Gair mumkin'	1.6
	TOTAL	68.4

Source: Working Plan of Bhagotla KFCS, 1942-52

The cooperative sub inspector organised preliminary introductory meetings, the outcome of which was a written application (dated 15 October 1941) by the zamindars of Bhagotla, requesting the formation of a KFCS in their village. At the next stage, the WP officer visited Bhagotla and drew up the WP to bring all the forests under the KFCS, prescribing their closure. Most of the

village inhabitants strongly opposed the closure of their forest lands, at least half of which were then under open grazing. The FD insisted on the closures as important for 'proper forest management'. All resident khewatdars of Bhagotla, except the lambardar and his brother, now refused to sign the agreement giving up their rights as a precursor to formal membership of the KFCS, and the CD dissolved the KFCS.

The lambardar's role in the village hierarchy at that time must be understood. The lambardar was, and to a limited extent still is, the traditional legal institution for revenue collection in the village. In return for a commission, he collected land revenue on behalf of the government. The chance to be a lambardar was the domain of the village's most powerful high caste families; the designation was hereditary and passed on to sons. The lambardar and his family were frequently the village's most powerful family. Their role in land revenue collection gave them easy access to scarce cash and a knowledge of the system of written land records (which the illiterate farmers could not decipher) so they were often able to amass large land holdings. Their proximity to the tehsildar and the administration generally put the lambardars in a strong position to interpret and use government schemes to their own advantage. Thus, over half of Bhagotla's cultivable land and half of its shamlat

<sup>12</sup> From Registration Report of Bhagotla KFCS by the Assistant Registrar Co-ops Societies, Dharamsala, dated 29.6.1942

lands belonged to the lambardar. The family was also the government's most powerful conduit for controlling village opinion.

The CD sub inspector of that time noted how they minutely analysed the records of the rights to the shamlat land (14 ha) which the KFCS was to manage and which was proposed to be closed to grazing. They found that the lambardar along with his brother owned the rights to more than half of the shamlat. Until this point, the non-resident khewatdars had been ignored, but by adding the shares of 15 of them to those of the lambardar and his brother a group was constructed that owned a two-thirds share of the shamlat land. The Conservator of Forests and the Director of Soil Conservation, Punjab, both organised meetings in Bhagotla in order to convince the opposition and bring them into the KFCS. The CF was ready to adjust the size of the closures, something the resident khewatdars were not ready for, wanting the removal of closures at all costs. Since, as per Section 38 of the Forest Act, the new group mustered a two-thirds majority, it was technically competent to give the necessary consent for the closures. Thus, closures were carried out without the consent of the majority of resident khewatdars, through the mobilisation of non-resident khewatdars.

The Bhagotla Forest Cooperative Society was formed at a subsequent meeting of these 17 people, with 11 khewatdars absent. The lambardar was elected secretary of the KFCS, a position he continued to occupy until 1950. The WP was adopted on 28 March 1942 with the following distribution.

Chil Shelter Wood Circle	=	40 ha	of which 10 ha was closed
Grass and Fodder Circle	=	12.8 ha	all closed
Grazing Circle	=	16 ha	all closed

Following acceptance of the WP, the Bhagotla KFCS was registered on 5 September 1942 and land for management was transferred on 2 October 1943. Formation of the KFCS meant that the DC's ban on resin tapping by zamindars did not apply<sup>13</sup>, and they could now tap under the DFO's supervision. In the season of 1942, the KFCS earned Rs 2,000 from resin tapping carried out through a forest contractor. With unrestricted grazing stopped, grass had also started coming up in the closures, whose auction brought the society income. The possibility of individual incomes through the society seems to have convinced many resident khewatdars of the advantages of the KFCS. In a meeting on 3 November 1942, presided over by the Assistant Registrar CD, Dharamsala, four of the opposing 'ring leaders' joined the KFCS.<sup>14</sup>

By 1943, the number of members swelled to 24, reaching 41 by 1945 and 103 by 1971. The KFCS continued to pay the annual land revenue on its members' behalf from the zamindari share received from the FD. It also invested money from its common good fund for construction and repair of two spring wells, a school building, repair of the temporary bridge across the Neugal River every year, and Rs 9,603 on a building of its own. The success of the regeneration achieved and plantations done in the areas managed by the KFCS has been appreciated on record by many visiting officers of the FD and the administration itself.

However, there does not seem to have been much potential for ownership of the society by the people themselves or for its functioning as a democratic institution. Numerous complaints were made against the lambardar for autocratic administration, lack of transparency in accounts, and non-distribution of benefits to members. As the society secretary, he installed an illiterate person as treasurer, managing and controlling the accounts himself. The CD considered the lambardar the ideal committed village

<sup>13</sup> Report of Sh. M. Gurdas Mohan, E.A.C. Forests, dated 10.4.1942, sent to the Divisional Forest Officer, Kangra Forest Societies Division

<sup>14</sup> Memo No 9653-D dated 3.11.1942 from Additional Registrar Cooperatives Department, Dharamsala to Divisional Forest Officer, Kangra Forest Societies Division



leader and even gave him a cash prize of Rs 72. But his autocratic ways became increasingly unacceptable to the members, who complained to the assistant registrar. Eventually in 1948, the AR found the lambardar guilty of having embezzled one thousand rupees; a case was filed in the police station. The court fined the lambardar Rs 500, or four months jail on non payment; the KFCS threw him out and new leadership emerged to control the society. Today the KFCS regularly conducts elections every two years and has its accounts audited annually. The members are unanimously critical of the confused situation created by the FD since 1973, but still maintain their commitment to the aims and objectives of the KFCS and are continuing their work along these lines.



Primary school constructed by KFCS Bhagotla from its own funds