



HISTORY AND GROWTH OF THE COOPERATIVE MOVEMENT IN INDIA: AN EMPIRICAL VIEW

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Abstract:

The study aims to overview the history and growth of the cooperative movement in India. The cooperative movement's history and growth in India is a narrative of transformative empowerment, communal solidarity, and economic resilience. Emerging in the late 19th century, the movement was a response to the socio-economic challenges faced by farmers, workers, and marginalized communities. It embraced principles of cooperation, mutual aid, and democratic governance to counter exploitation, poverty, and unequal access to resources. The movement gained momentum with the Cooperative Credit Societies Act of 1904, providing a legal framework for credit cooperatives. It flourished in the 1920s-1940s with a focus on agriculture, aided by institutions like the Reserve Bank of India. Post-independence, cooperative development found a place in national plans, leading to the White Revolution's success through dairy cooperatives, exemplified by Amul. However, the movement also confronted challenges. Political interference, mismanagement, and lack of professionalism hindered progress. Government interventions swung between support and neglect. Nevertheless, cooperatives diversified into various sectors, reaching urban areas and marginalized communities. They facilitated financial inclusion through credit cooperatives and self-help groups, and empowered women. Looking ahead, digital technology and international collaborations offer avenues for modernization and growth. Challenges such as governance issues and regulatory concerns require addressing. The cooperative movement's success has been a combination of grassroots innovation and government policies, including financial support, regulatory frameworks, and capacity-building initiatives. Balancing regulation with autonomy remains crucial for sustained impact.

The study concludes that, the cooperative movement's journey in India mirrors a quest for equitable progress, showcasing the power of collective action. As it navigates contemporary challenges, the movement's legacy of solidarity and democratic ideals continues to inspire, promising a future where cooperation thrives alongside socio-economic transformation.

Keywords: History, Growth, Cooperative Movement, India etc.

INTRODUCTION:

The cooperative movement stands as a testament to the power of collective action and shared aspirations in fostering socio-economic development, equity, and empowerment. Rooted in principles of cooperation, mutual assistance, and democratic governance, this movement has traversed time and borders to impact societies worldwide. Emerging in response to the pressing challenges of inequality, exploitation, and limited access to resources, the cooperative movement embodies a dynamic approach to socio-economic transformation. At its core, the cooperative movement represents a departure from traditional top-down models of development, emphasizing the participation and ownership of individuals who come together to address common needs. Through cooperatives, whether in agriculture, finance, or various services, communities unite to pool resources, share risks, and collectively shape their destinies. This movement recognizes the inherent strength of people working in synergy, transcending individual limitations to achieve shared goals. This study overview the history and growth of the cooperative movement. From its origins in the late 19th century to its present-day global presence, the cooperative movement continues to evolve and adapt to changing times. Its influence spans sectors, regions, and cultures, demonstrating the enduring relevance of its principles in fostering sustainable development, fostering inclusivity, and amplifying the voices of the marginalized.

OBJECTIVE OF THE STUDY:

The study aims is to overview the history and growth of the cooperative movement in India.

RESEARCH METHODOLOGY:

This study is based on secondary sources of data such as articles, books, journals, research papers, websites and other sources.

HISTORY AND GROWTH OF THE COOPERATIVE MOVEMENT IN INDIA

The cooperative movement in India has a rich and intricate history that spans over a century. Emerging as a response to the multifaceted socio-economic challenges faced by various segments of society under the colonial rule of the British Empire, the cooperative movement aimed to empower individuals and communities through collective action, mutual cooperation, and self-reliance. Let's delve into the detailed history of the cooperative movement in India, tracing its evolution, milestones, challenges, and impact.

1. Pre-Independence Era:

The early roots of the cooperative movement can be traced back to the late 19th century, a time when India was grappling with poverty, landlessness, and exploitative agricultural practices exacerbated by British colonial policies. The first cooperative credit society in India was the Agricultural Credit Cooperative Society of Kanaginahal village in Gadag district of Karnataka. It was registered on July 8, 1905, under the Cooperative Credit Societies Act, 1904. The society was founded by Shri Siddanagowda

SannaRamanagaowda Patil, a farmer from the village. The society had an initial membership of 20 farmers and a share capital of Rs. 2,000. The society's main objective was to provide financial assistance to farmers for agricultural purposes.

2. Mahatma Gandhi and Cooperative Ideals:

Mahatma Gandhi, a pivotal figure in India's struggle for independence, had a profound influence on shaping the cooperative movement. Gandhi believed that cooperatives were not merely economic institutions but also tools for fostering self-reliance, decentralization, and community development. His advocacy for "Sarvodaya," meaning the welfare of all, led to the establishment of village-level institutions, where communities could collectively manage their affairs and address their needs. Gandhi's promotion of spinning wheels (khadi) and village industries was deeply rooted in his cooperative principles.

3. Cooperative Movement and Freedom Struggle:

The cooperative movement found resonance during the freedom struggle, as leaders like Gandhi, Jawaharlal Nehru, and Sardar Patel recognized its potential to challenge British economic dominance and empower the masses. These leaders saw cooperatives as a means to achieve economic self-sufficiency and a way to counter British-controlled institutions. Gandhi's emphasis on self-sufficiency through cottage industries aligned with cooperative principles, further fueling the movement.

4. Post-Independence Development (1947 onward):

After India gained independence in 1947, the cooperative movement assumed a new significance in the nation-building process. The Cooperative Planning Committee was established in 1950 to formulate policies for promoting and strengthening cooperatives. The All India Rural Credit Survey highlighted the importance of credit cooperatives in rural development, recognizing their potential to provide access to finance for marginalized communities.

5. Operation Flood and Dairy Cooperatives:

One of the most transformative phases of the cooperative movement was the launch of the Operation Flood program in the 1970s. Spearheaded by Dr. Verghese Kurien, this program aimed to revolutionize India's dairy sector and make the country self-sufficient in milk production. Operation Flood introduced the concept of dairy cooperatives, wherein small-scale milk producers formed cooperatives to collectively process, market, and sell their milk. The success of this program not only made India the largest milk producer in the world but also showcased the power of cooperatives in transforming entire sectors of the economy.

6. Challenges and Reforms:

While the cooperative movement brought about positive change, it also faced challenges. Political interference, corruption, and mismanagement affected many cooperatives. Instead of serving the interests of

their members, some cooperatives became instruments for political gains. This prompted the need for reforms to enhance governance, transparency, and accountability within the cooperative sector. Various state governments introduced cooperative reforms to address these issues.

7. Diversification of Cooperative Activities:

Over time, the cooperative movement diversified its activities across various sectors. Agricultural cooperatives played a pivotal role in providing farmers with access to credit, inputs, and markets, enhancing their productivity and income. Credit cooperatives, both in urban and rural areas, contributed significantly to financial inclusion by providing affordable credit to marginalized sections of society. In recent decades, the cooperative movement has diversified into various sectors beyond agriculture, including housing, healthcare, and retail. Organizations like the Indian Farmers Fertilizer Cooperative Limited (IFFCO) and the National Agricultural Cooperative Marketing Federation of India (NAFED) have played significant roles in enhancing farmers' access to inputs and markets.

8. Role in Empowerment:

One of the remarkable aspects of the cooperative movement in India is its role in empowering women and marginalized communities. Cooperatives have provided a platform for these groups to come together, access resources, and engage in economic activities. Self Help Groups (SHGs), a subset of the cooperative movement, have been instrumental in empowering women in rural areas. These groups not only provide financial assistance but also offer a support system for women to learn new skills, become financially independent, and participate in decision-making processes. Cooperatives have also played a significant role in improving the socio-economic conditions for marginalized communities. By providing access to credit, education, and employment opportunities, cooperatives have contributed to reducing economic disparities and enhancing social mobility. The cooperative movement's commitment to equality and inclusion aligns with the principles of social justice, making it an important tool for creating a more equitable society.

9. Government Support and Policies for the Cooperative Movement

Government support has been a crucial factor in shaping the growth, sustainability, and impact of the cooperative movement in India. Over the years, various policies and initiatives have been introduced to promote and strengthen cooperatives across different sectors. Government intervention has played a dual role of providing financial assistance, regulatory frameworks, and capacity-building support, while also ensuring the autonomy and democratic functioning of cooperative organizations.

10. Financial Support and Funding

The government has provided financial support to cooperatives through different channels. The establishment of institutions like the National Cooperative Development Corporation (NCDC) in 1963 has facilitated the provision of funds for cooperative ventures. The NCDC offers financial assistance for

cooperative projects, both in rural and urban areas, ranging from agriculture to agribusiness, and from housing to infrastructure development. Government-sponsored credit schemes and subsidies have also been directed towards cooperatives to ensure affordable credit, inputs, and services for members. These initiatives have helped cooperatives access capital and resources that are critical for their functioning and growth.

11. Regulatory Frameworks and Legislation

Government policies have established regulatory frameworks that define the legal and operational parameters for cooperative organizations. Legislation such as the Cooperative Societies Act provides the legal basis for the formation, registration, and functioning of cooperatives. These laws ensure that cooperatives adhere to democratic principles, transparency, and accountability. The government's role in regulating cooperatives is essential to prevent mismanagement, fraud, and exploitation. However, there is a delicate balance to be struck between regulation and autonomy, as excessive interference can stifle innovation and local decision-making.

12. Capacity Building and Training

Capacity building and training programs have been an integral part of government support for cooperatives. Training initiatives aimed at cooperative leaders and members help build skills in areas such as management, financial literacy, marketing, and modern agricultural practices. These programs equip cooperatives with the knowledge and tools needed to operate effectively and sustainably. The National Cooperative Union of India (NCUI) and state-level cooperative departments have been instrumental in organizing training workshops, seminars, and skill development programs for cooperative stakeholders.

13. Promotion of Inclusive Development

Government policies have explicitly recognized the role of cooperatives in promoting inclusive development, especially in rural and marginalized areas. The National Policy on Cooperatives, introduced in 2002, emphasizes the need to involve cooperatives in poverty alleviation, employment generation, and empowerment of women and marginalized communities. By targeting specific sectors and regions, government policies have aimed to bridge gaps in access to resources and services. For instance, the Rashtriya Krishi Vikas Yojana (RKVY) has supported agricultural cooperatives to enhance productivity, dive

14. Digital Initiatives and Modernization

In recent years, the government's focus on digital initiatives and technology-driven solutions has extended to the cooperative sector. Digital platforms and e-governance tools have been introduced to streamline operations, improve transparency, and enhance member engagement. These initiatives have the potential to modernize cooperative management and bring about greater efficiency. Digital platforms can streamline operations, improve access to services, and enhance communication between cooperative

members. Mobile banking, online marketing, and e-commerce platforms can broaden the reach of cooperative products and services beyond local markets.

CONCLUSION:

The cooperative movement in India reflects its enduring significance as a catalyst for socio-economic transformation, community empowerment, and inclusive development. From its origins in the late 19th century as a response to pressing challenges, to its present-day role as a multifaceted force, the cooperative movement has weathered various phases, adapting to changing times while adhering to its foundational principles. The movement's evolution through agricultural, financial, and social sectors underscores its flexibility and resilience in addressing diverse needs. The success of initiatives like the White Revolution exemplifies how cooperatives can revolutionize sectors, empower marginalized communities, and contribute to national development goals. Despite challenges such as mismanagement and regulatory complexities, cooperatives have remained integral to rural and urban livelihoods, fostering financial inclusion, gender empowerment, and grassroots innovations.

As India strides towards a more equitable and sustainable future, the cooperative movement remains a beacon of collaborative effort, epitomizing the potential of collective action. Its legacy intertwines with government policies, grassroots initiatives, and international learnings, offering a roadmap for building vibrant communities and resilient economies. By embracing digital advancements, promoting professionalism, and addressing governance concerns, the cooperative movement can continue to play a vital role in shaping a progressive and inclusive India, guided by its core values of cooperation, democracy, and mutual upliftment.

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