

## **A Study on Cooperative Movements and Indian Economy**

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### **Introduction**

The term cooperative Societies came into existence when the farmers of Poona and Ahmednagar spearheaded an agitation against the money lenders who were charging exorbitant rates of interest. Hence, British government came forward and passed three acts- the Deccan Agriculture Relief Act (1879), the Land Improvement Loan Act (1883) and the Agriculturists Loan Act (1884). But Cooperative move came with structure and shape when British enactment of the **Cooperative Credit Societies Act, 1904**. In 1919, cooperation became a provincial subject and the provinces were authorised to make their own cooperative laws under the **Montague-Chelmsford Reforms**. This categorization carried on to Government of India Act, 1935. In 1942, Government of British India enacted the **Multi-Unit Cooperative Societies Act** to cover Cooperative Societies with membership from more than one province. The cooperative movement got a boost during the war period. Various post-war plans were drawn up in the country and they all emphasised the increasing role of cooperative movement. The second report on recommendation and planning issued by the Government of India gave an important place to cooperative movement. As a result, a Cooperative Planning Committee was appointed by the Government of India in 1945. In 1951 RBI appointed a committee the the guidance to survey All India Rural Credit Societies and the Committee was submitted its report in 1954.

### **The Achievements of the Co-operative Movement in India!**

According to some critics, the cooperative movement has been beset with several shortcomings. But the truth is that despite weaknesses, it has outstanding achievements to its credit. Some of the important benefits of the co-operative movement are as follows:

#### **1. Economic benefits:**

The cooperative movement has provided a number of benefits to the ruralities in several ways.

a) Co-operative societies have provided a large amount of credit to the farmers at a cheap rate. Dependence on the money-lenders, landlords, traders and commission agents has been reduced to a considerable extent. Again, effective competition from the co-operatives has forced the moneylenders to offer loans to the farmers at lower rates of interest.

(b) Co-operatives have promoted the habit of thrift and self- help among the ruralites. They have come forward to acquaint the villagers with banking practices. At present they are well aware of the advantages of keeping money in a bank instead of hoarding it inside the house. Further, a part of the hoarded wealth has also begun to be used for productive purposes through banks.

c) The role of the consumer co-operatives in the distribution of essential commodities at a reasonable, fair price especially at the time of scarcity cannot be gainsaid. The controlled commodities are also supplied to people through consumer stores.

(d) The cooperative movement is instrumental in solving the problem of rural unemployment. At present the unemployed educated youth are availing help and assistance from the government. They are forming consumer cooperative societies, marketing societies, processing societies, weaving societies etc. Through them they are improving their economic condition.

### **Review of Literature**

**Ms Banishree Das, Dr Nirod Kumar and Dr.Kumar Das(2006)** In this paper authors try to analyze the problems and prospects of co-operative sector in India under free marketism. It is recognized that the co-operative system in India has the capacity and potentiality to neutralize the adverse effect emerging from the process of globalization. After the economic liberalization under the new economic environment co-operatives at all level of to marketing efforts to re orient their functions according to the market demands.

**Dr.Saroj Kumar Singh (2016)** In this article the author concludes that after independence India marched with central planning in order to achieve economic development. The new economic policy of globalization after eighties has reduced the dominant role of the state. Neither public sector nor private sector promote social welfare. India requires meaning full reforms in co – operative sector before complete opening up its economy to the competitive regime. The

cooperatives have inherent advantage in tackling the problems of poverty alleviation, food security and employment generation. Co-operatives have immense potential to deliver goods and services in areas where both the state and the private sector have failed.

**Dr. Saroj Kumar Singh (2016)** In this paper the author analyzed the co-operative sector has plays a key role in the economy of the nation. They found that co-operatives covers almost cent percent villages. The place of co-operatives in Indian economy and its role in social and economic affairs has developed a new dimension with the beginning of the planning. The emerging need of economy in the new competitive and de-regulated financial environment co-operative institutions have re-oriented their policies by drawing up their perspective mission and strategy to make the globally competitive. It is found that the co-operatives movement has been extended up to the national level in various sectors of the economy. It was also stated that co-operative movement rendered many useful services for the economic improvement and the welfare of the rural and urban population.

Kunal Mishra(2020) In this article author analyzed co-operative movements and its emerging scenario in India. In his study he found that co-operative coves nearly 100% of Indians villages, 67% of rural population and account for nearly 49% of the total agriculture credit supplied in rural areas, 60% of total sugar produced and 35% of the total quantity of fertilizers distributed in the country, 60% of total quantity of cotton produced, 29% of the total wheat procured and 50% of the total branded oil marketed in India.

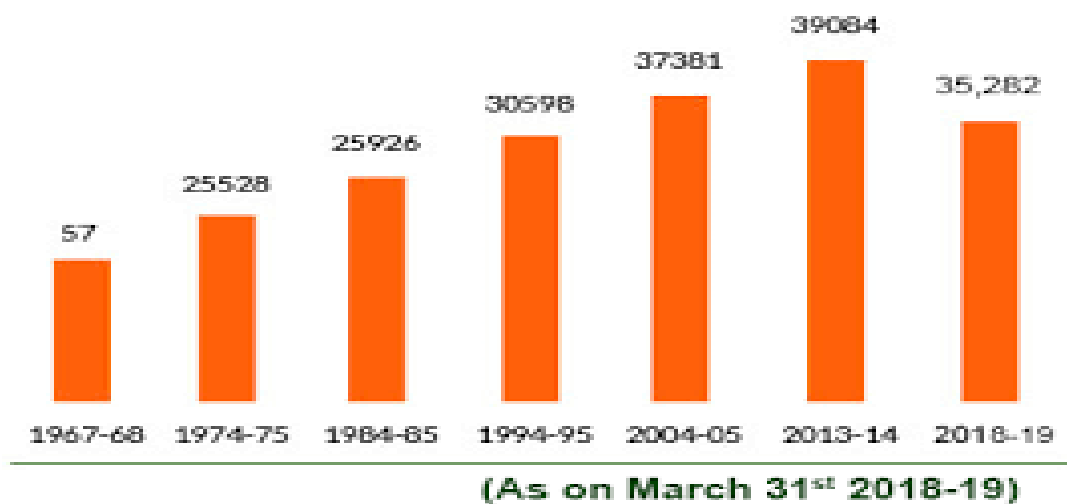
### **Objectives of the study:**

1. To know about the development of Co-Operative Movement
2. To study the contribution of Co-Operative Movements to Indian Economy

### **Methodology**

This paper based on secondary data. The data were collected from various research journals, news papers, economic survey reports etc.

### **Discussion and findings**



The above graph exhibits that the co-operative movement is in the increasing trend up to 2013-14 but in the year 2018-19 it shows decreasing trend. The reasons for decreasing in co-operative movements are lack of knowledge, members did not understand and follow the objective and aims of the societies, small size it means inadequacy and understanding the organizations theme, uninspiring leadership, lack of supervision, lack of proper atmosphere, defective loan policies, inefficient management, absence of self help and vested interest rates.

### **The status of different co-operatives and its contribution to Indian Economy**

**DAIRY COOPERATIVES IN INDIA**

State Milk federation	27
District Milk Unions:	218
Cooperative Milk Societies:	1.77 lakh
Total Memberships	162 lakh
Multi-State Dairy Cooperatives	95

**SHARE OF COOPERATIVES IN NATIONAL ECONOMY**

	<i>Percentage (%)</i>
Milk procurement to total production (2016-17)	9.5
Milk procurement to marketable surplus (2016-17)	17.5

Parameters	2016-17
Milk Procurement '000 kgs/day	42868
Ice cream manufacture'000 ltrs	121663

Source : National Co-Operative Union of India Statistical Profile -2018

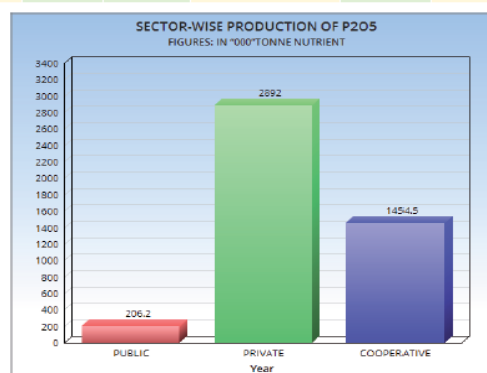
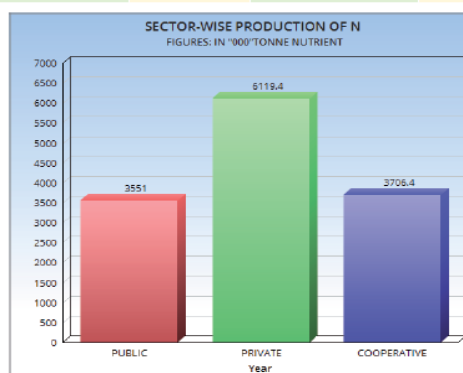
The above table shows that Dairy Co-operative in India is added 17.5% of its revenue to Indian Economy in 2016-

### FERTILIZER COOPERATIVES IN INDIA

Capacity: as on 1.11.2017  
(production: 2016-17, April-March)

Figures: in "000" tonne nutrient

SECTOR	N		P <sub>2</sub> O <sub>5</sub>					
	CAPACITY	PRODUCTION	CAPACITY			PRODUCTION		
			NP/NPKS	SSP	TOTAL	NP/NPKS	SSP	TOTAL
PUBLIC	3529.7	3551.0	386.5	-	386.5	206.2	-	206.2
PRIVATE	7037.1	6119.4	3275.0	1904.9	5179.9	2204.5	687.5	2892.0
COOPERATIVE	3637.7	3706.4	1712.8	-	1712.8	1454.5	-	1454.5
TOTAL	14204.5	13376.8	5374.3	1904.9	7279.2	3865.2	687.5	4552.7



### SECTOR-WISE CAPACITY OF FERTILISER PRODUCTS

Capacity: as on 1.11.2017

(Figures in "000" Tonne Products)

Sector	Urea	Ammonium Sulphate (AS)	Calcium Ammonium (CAN)	Ammonium Chloride (Acl)	Complex Fertiliser (including DAP)	Single Super Phosphate (SSP)	Total Product
Public	6894.4	410.1	-	-	2163.5	-	9468
Private	11434.3	240.6	-	105.0	9087.6	11905.7	32773.2
Cooperatives	6437.1	-	-	-	4335.4	-	10772.5
Total	24765.8	650.7	-	105.0	15586.5*	11905.7	53013.7

\*out of which DAP capacity is about 7946 thousands tonnes.  
\$-Closed. NOT included in total

### GOVERNMENT SUBSIDIES ON FERTILIZER

Sector-Wise Capacity of Fertilizer Manufacturing Units  
For 2015-16 and 2016-2017

(Figures in \*Lmt)

Sector	Urea		% Change	DAP and Complex Fertilizers		%Change
	2015-2016	2016-2017		2015-2016	2016-2017	
Public	63.09	63.09	0%	21.64	21.64	0%
Cooperative	54.19	54.19	0%	43.35	43.35	0%
Private	90.25	90.26	0.01%	79.05	81.01	2.48%
Total	207.53	207.54	0%	144.04	146	1.36%

Source: Department of Fertilizer  
\*LMT stands for Lakh Metric Tonnes

(In Crores of Rupees)

	Actual (2011-12)	Actual (2012-13)	Actual (2013-14)	Actual (2014-15)
Indigenous(urea) Fertiliser	20208	20000	26500	36000
Imported (urea) Fertiliser	13716	15133	12044	12300
Sales of decontrolled fertilizer with concession to farmers	36089	30480	29427	24670
Total Fertilizer Subsidy	70013	65613	67971	72970

17.

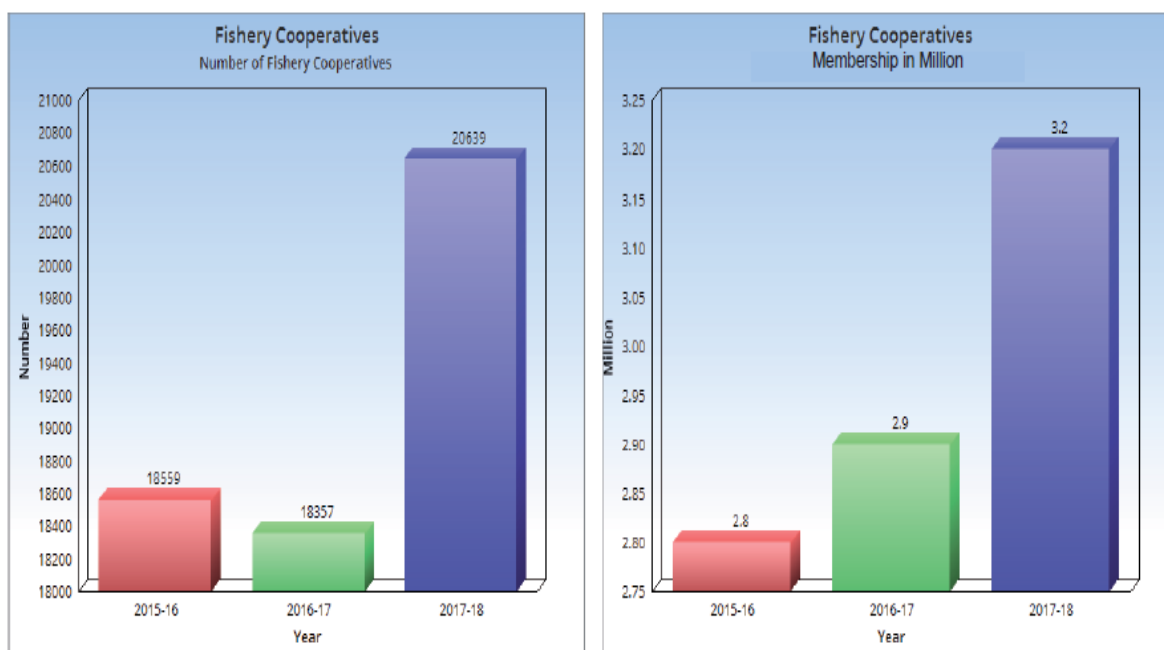
Source : National Co-Operative Union of India Statistical Profile -2018

In the table it is found that the Fertilizer Cooperative in India added 1454.5 tonne nutrient at the end of 2017

### FISHERY COOPERATIVES

Fishery Cooperatives	2015-16	2016-17	2017-18
Number of Fishery Cooperatives	18,559	18,357	20,639
Number of Regional /District Fishery Cooperative Societies	130	132	144
Number of State Federation of Fishermen's Cooperatives	22	21	21
Membership (Million)	2.8	2.9	3.2
Fishermen Insured	46,71,124	42,14,220	42,14,220

Source: FISHCOPFED



Source : National Co-Operative Union of India Statistical Profile -2018

The number of fisheries cooperatives were increased to 20639 in the year 2017-18 from 18357 in 2016-

17.

#### TRENDS IN GROWTH OF HANDLOOM PRODUCTION AND EXPORTS

Year	Production (in million Sqmtrs)	Growth in production	Handloom exports (Rs. in cr.)	Growth in exports
2008-09	6677		NA	
2009-10	6809	1.97%	1252.80	
2010-11	6949	2.06%	1574.95	25.71%
2011-12	6900	(-) 0.71%	2653.95	68.51%
2012-13	6952	7.53%	2811.97	5.95%
2013-14	7116	2.35%	2233.11	(-)20.6%
2014-15	7203	1.23%	2246.00	5.82%

(Source: Textiles Commissioner Office and HEPC)

#### KHADI PRODUCTION AND SALES

From the Year 2004-05 to 2016-17

(Rs. in Crore)

YEAR	QTY	KHADI PRODUCTION		KHADI SALES	
		Value	% in Increase	Value	% in Increase
2004-05	69.89	481.54	-	617.37	-
2005-06	69.94	488.3	1.4	628.5	1.81
2006-07	71.88	491.52	0.66	683.18	8.7
2007-08	76.25	543.39	10.55	724.39	6.03
2008-09	81.18	585.25	7.7	799.81	10.41
2009-10	83.09	628.97	7.47	867.01	8.4
2010-11	85.95	673.01	7	917.25	5.79
2011-12	88.83	716.99	6.53	967.87	5.52
2012-13	90.98	761.93	6.27	1021.58	5.55
2013-14	93.25	811.08	6.45	1081.04	5.82
2014-15	95.19	879.98	8.49	1170.04	8.23
2015-16	97.45	1065.6	21.09	1510	29.06
2016-17	125.22	1404.14	31.77	2007.61	32.95

	2004-2014	2015-2018 (feb)
Growth of Average Khadi Production	6.52%	26.43%
Growth of Average Khadi Sales	6.62%	31.00%

According to the table the growth of average Khadi production increased from 6.52% in @2014 to 26.43% in 2018 and average sales of Khadi increased from 6.62% in 2014 to 31.00% in 2018. It shows that there is a tremendous increase in production and sales of Khadi in India and it contribute highest revenue to Indian economy.

#### PROGRESS OF LABOUR COOPERATIVES MOVEMENT IN INDIA

Year	1980-81	2001-2002	2014-2015	2015-2016
Number of Societies	14389	32960	42021	46818
Membership (in Lakhs)	8.64	20.25	26	27.29
Working Capital( in Lakh)	119.97	805.32	-	
Business Turnover (in Crore)	119.32	1000.35	2250	

SOURCE: NLCF

The above table exhibits that the number of Labour Cooperatives increased from 14389 in the year 1980 to 46818 in 2015-16 with working capital of 119.97. The business turnover of the Labour Cooperatives 119.32 crores in 1980 and it was increased to 2250 crores in 2015-16.

#### Conclusion



By the study it has been concluded that the Co-Operative movement has been occupy the major role in Indian economy. Today many private and public sector organizations running under loss and the economic contribution by these sectors are less when comparing to co-operative sectors. Many co-operative banking sectors are providing agricultural loan to farmers and the majority of the farmers are contributing their share in national income. Cooperatives tackle the poverty and providing food to everyone. Cooperatives make small business men as partner countries to market their products and get strength in global supply chain Over 75% of Fairtrade products are produced by cooperatives, helping 887,000 smallholders, according to figures from Fair-trade Labeling Organizations International. Co-operatives build local people as experts and profit builders. Because co-operatives are run by local people all the business is handle by such people and it makes them to be an expert in handling the business and it increases the economic power of the rural people. There is an International movement ie. Self –help group which creates number empowered women. It reduced the unemployment in rural area. These self help groups also contribute financial credentials to the country. Worldwide, over 100 million people are employed by cooperatives and 3 billion secure their livelihoods through them. As people-centered businesses, they aim to provide decent work with job security and good working conditions, whether it is for farmers, labourers or office workers

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