



## Co-operatives and Rural Development

- Dr. Misal S.M.

C. T. Bora College, Shirur, Pune

**Abstract :-** The Co-operative sector has played a key role in the economy of the country and always recognized as an integral part of our national economy with its network. Co-operatives have ideological base, economic objects with social outlook and approach. The Co-operative covers almost all cent percent villages in India. Cooperatives have emerged to be the third sector of Indian economy in addition to public and private sector. The co-operative form of organization is the Ideal organization for economically weaker sections in the country. Hence, the success of Co-operative organization depends on the proper implementation of principles, The Revolution of Agro- Industries as well as white Revolution ( cotton and milk ) are the symbol of the development through the co-operative movement. Today in India Co-operatives are going to face many challenges in globalization, privatization, Liberalization and free market era.

**Key Words :** Co-operatives, Rural Development, Economy, Agricultural, Socio-Economic, Globalization, liberalization , free market, Employment.

**Hypothesis :** Following is the hypothesis of the present study- "Co-operative sector is an important sector in India as far as its role in socio-

economic development of India is concerned. It has no alternative in the era of economic reforms also.

**Objective of the study :** The study was undertaken with the objectives,

- 1) To study the performance of co-operative movement in respect of rural development.
- 2) To study development process through co-operatives
- 3) To study the growth of co-operatives in our country.
- 4) To study the role of co-operatives in economic development.

**Research mythology :-** The present study is based on the secondary data published by office of the commissioner of co-operative and Registrar of Co-operative societies, Maharashtra state, Pune The required data for the study purpose were collected from the number of reference Books, magazines, Journals, M.phil, Ph.D., Theses, Internet and daily news papers.

### Introduction

India is agricultural based country and its 70% population stay in rural area. Co-operation is a dynamic movement for the socio-economic and cultural development of the people. The co-operatives have strong local linkage in the rural

area. This can be used for expanding the rural all round development. The growth of the co-operatives in the country in the second half of the last century was the outstanding. The number of the co-operative societies in the year 2000 rose to 5.4 lakh against 1.81 lakh in 1950. The total membership of the Co-operatives increased from 1.55 crores in 1950 to 20.91 crores. The co-operatives covered 67% of the rural households and almost 100% villages in the country.

India has basically an agrarian economy with 70% of the population residing in the villages. The co-operatives which are the life blood of the Indian economy and the mechanism for any development programmes. The quality and the transparency of working of the co-operatives and constant interaction with the members and general public had resulted into its success. The co-operative movement is undergoing may changes due to the phase of liberalization, privatization and globalization.

**Results and Discussion** - co-operatives have played a significant role in promoting agricultural and rural development in India, particularly in the field of processing of agricultural produce, supply of production, inputs, credit etc. A profile of co-operatives in India, India can rightly claim to have that the largest network of co-operatives in the world. As March of 31, 1998 there were nearly 4.88 lakh rural co-operatives of different types having the total membership of 207.58 million. Total share capital of Rs. 1,16,555 Million and total working capital of Rs. 16,53,128 million.

**TABLE NO. 1****Employment Generation through co-operative in Maharashtra state ( No. in Lakh)**

1) Total Working population as per population census 2001 –	411.73
2) Total Employment in public and private sectors at the end of March 2007 –	37.5
3) Percentage of total employment in public and private sectors to total working population –	9.11
4) Total employment generated in co-operative sector at the end of March 2007 -	3.84
5) Percentage of employment in co-operative sector to total working population –	0.93

**Source :** Co-operative movement At a glance in Maharashtra 2007, page 49

Table No. 1 shows the employment generation through co-operatives in public, private and co-operative sector, In the year 2007, the total working population as population census 2001 was 41173 lakh. It could be revealed from the data presented in this table that total employment in public and private sector registered to 37.5 lakh at the end of March 2007. It was 3.48 lakh during the year Employment Generation through Co-operative sector was recorded 0.93 percent to total to total working population.

**Table No. 2**

### Progress In Co-operative Movement In Maharashtra

(Members in lakh and Rs. In crores)

	1961	1971	1981	1991	2001	2006	2007
Total Societies	31565	42603	60747	104620	158018	192797	200740
Total Members	42	86	148	270	430	465	476
Paid up share capital	53	238	600	1957	7560	12329	12565
Of which Government	8	39	105	385	1150	2367	2435
Owned funds	73	345	1207	3935	177710	34665	36366
Deposits	76	315	1939	11048	17462	109635	99792
Working Capital	326	1490	5210	24713	134441	200265	202207
Loan Advanced ( Net )	95	348	1116	6300	43392	61186	82460

**Source :** Co-operative movement at- A Glance in Maharashtra 2007, Page -5

The above table reveals that during the year 1961, the total number of societies were 31565 lakh which increased to 200740 in 2007.

The total members were 12 lakh in 1961 which increased by 476 in 2007. It is seen from the table that paid-up share capital increased from 53 lakh in 1961 to 12565 lakh in 2007. During 1961 to 2007 as compared to owned funds to share of state Government. Owned funds showing better position throughout the period. The deposits were 76 lakh in 1961 which jumped up to 17462 lakh in 2001 but decreased to 109635 lakh in 2006 and 99792 lakh in 2007. It is observed that working capital increased from the initial year ( i.e. 1961) Rs. 326 lakh to 202207 lakh in 2007. It indicates a better progress in co-operative movement in Maharashtra.

**Table 3 :**

Share of co-operatives in National Economy at a Glance.

	%
1) Rural Network ( Villages covered )	100.00
2) Agricultural credit Disbursed by Co-operatives 46.31	
3) Fertilizer Disbursed (6.103 Million Tonnes )	36.60
4) Fertilizer produced ( For Nitrogen N )	14.80
5) Fertilizer produced ( For phosphorous-p )	23.50
6) Sugar produced ( 7.062 million tonnes )	54.95
7) Capacity utilization of sugar mills	85.70
8) Wheat procurement	27.80
9) Jute procurement ( 1997-98)	21.50
10) Retail fair price shops ( 1,25,200)	28.00
11) Milk procurement to total production	6.70
12) Milk procurement to marketable surplus	10.00
13) Oil marketed / Procurement	51.00
14) Spindleage in Co-operative ( 3,1313 million )	10.00
15) Cotton marketed/ procurement	67.50
16) Cotton yarn/ fabrics production	22.00
17) Handloom in co-operatives	55.00
18) Fishermen in co-operative ( active )	21.00
19) Storage facility ( Village level PASS )	62.50
20) Soya Been production	7.50
21) Self- employment Generated for person ( min )	12.50
22) Salt manufacture	7.40

**Source :** Co-operative movement, Phadke Prakashan

Kolhapur ( Oct. 2005 ) page 213,214

Table No. 3 examines that Co-operatives in India have contributed significantly to the production of

food grains, Fruits, Milk Sector, Vegetables and development of rural infrastructure.

### Testing of Hypothesis :

The figures of employment generation and progress of co-operative movement ( Table No. 1,2 and 3) indicates wide net work and progress of co-operative movement. Over the period Co-operatives have contributed considerably to the institutional frame work in the rural areas.

**Concluding Remarks :-** Performance and impact of co-operatives, since 1904, the co-operatives in India have traded a long path. They have performed well in rural development. There are many institutional, economical, social political, educational, organizational and managerial factors that affect the performance of Co-operatives. Performance of Co-operatives in relation to realization of the objectives of rural development present a mixed picture. They have contributed significantly to the growth at institutional infrastructure in rural areas.

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