

## Cooperatives- A Way to Socio-Economic Self Sufficiency

**Mahesh Kadam<sup>1</sup>, Amit Borkar<sup>2</sup> and Pravin Jadhav<sup>3</sup>**

<sup>1</sup>Associate Professor, <sup>2</sup>Assistant Professor, Vaikunth Mehta National Institute of Cooperative Management, (VAMNICOM), Pune

<sup>3</sup>Associate Professor, Institute of Infrastructure Technology Research and Management (IITRAM) Ahmadabad, Gujarat, India

### SUMMARY

Cooperatives are businesses owned and operated by the people who use their diverse managerial abilities, skills and services in realizing common economic interest by producing, marketing and promoting various farm commodities, consumer products and services for both themselves and society at large. They are guided by the ideas and principles of cooperation, which leads to self-help and mutual aid, in which people work together to accomplish shared social, cultural, and economic objectives on the presumption of equality of opportunity and outcome. Cooperative businesses have existed for centuries and have played a crucial role in the development of various sectors, including agriculture, industry, and services. Cooperatives are an important part of the global economy, providing a range of products and services to meet the needs of consumers. These cooperative enterprises are owned and governed by democratic principles with voluntary and open memberships irrespective of individual's socio-economic profile which is controlled by their members, who share profits and benefits of the business. In recent years, there has been an increased focus on the role of cooperatives in fostering sustainable development and contributing to the growth of the economy. This paper explores the various products and services that cooperative societies import from abroad, and how they can play a role in minimizing the import bill. It will also examine the role of cooperatives in different sectors such as oilseed, energy creation, manufacturing, natural farming, and waste management. Additionally, it discusses the potential of cooperatives in promoting rural income, digital payments, healthy competition, training and development. Lastly, it touches upon the importance of cooperatives in promoting good practices and branding, with a focus on the cooperative industry.

### INTRODUCTION

The concept of cooperation dates back to the early human civilizations, where people would work together to achieve common goals such as hunting and gathering food. However, the modern cooperative movement can be traced back to the 19th century, during the Industrial Revolution in Europe. The rapid growth of factories and industries led to harsh working conditions and exploitation of workers. In response to this, workers came together to form cooperatives to improve their working conditions and gain more control over their livelihoods. One of the earliest examples of cooperatives in the agricultural sector is the 'Rochdale Society of Equitable Pioneers', which was founded in 1844 in England. It was one of the first consumer's cooperatives and was one of the very first to offer a 'patronage dividend', laying the foundation for the modern cooperative movement. The society was formed by a group of weavers who were struggling to make a living due to the high prices of essential goods. They came together to buy goods in bulk and sell them at a fair price, thus eliminating the middlemen and ensuring fair profits for themselves. This model of cooperative buying and selling, known as the Rochdale Principles, became the foundation for modern cooperatives. Cooperatives have a significant impact on the overall economy. According to a study by the International Labour Organization, cooperatives employ more than 279 million people worldwide and generate over 10% of the world's GDP. In addition, they promote economic democracy, as they operate on the principle of 'one member, one vote,' regardless of the member's financial contribution. This model of democratic ownership and control has proven to be resilient, even during economic crises, as cooperatives prioritize the well-being of their members over profits.

### 1. List of Products and Services Imported by Cooperatives:

To ensure a steady supply of goods and services for their members when domestic production may not be sufficient to meet the demand, Cooperatives import a wide range of products and services to meet the demands of their members and customers. Some of the common products imported by cooperatives include food products,

agricultural inputs, machinery and equipment, consumer goods, and raw materials for manufacturing and services like transportation, logistics, marketing, and financial services.

## **2. Role of Cooperatives in Minimizing the Import Bill:**

Cooperatives can play a crucial role in minimizing the import bill by promoting domestic production and reducing the reliance on imports. This can be achieved through various means such as promoting local sourcing of raw materials, supporting small-scale producers, and encouraging the use of alternative energy sources. By doing so, cooperatives can contribute to the growth of the local economy and reduce the country's dependence on imported goods and services.

## **3. Role of Cooperatives in the Oilseed Ecosystem:**

Cooperatives can play a significant role in this ecosystem by promoting the cultivation of oilseeds, providing access to credit and inputs, and facilitating market linkages for small-scale producers. It will foster the diversification of the farming. Cooperatives can also invest in processing facilities to add value to the oilseed products viz; alternative energy and biodiesel. This can help to create employment opportunities and generate additional income for the members.

## **4. Role of Cooperatives in Energy Creation through Ethanol from Sugar:**

Many cooperatives in the sugar industry have diversified their operations to include the production of ethanol, a biofuel that can be used as an alternative to gasoline. This has not only reduced the import bill for countries but has also helped to reduce carbon emissions and promote sustainable energy practices.

## **5. Manufacturing Revitalization through Cooperatives:**

Cooperatives can also play a vital role in revitalizing the manufacturing sector by promoting local production and creating employment opportunities. They can achieve this by investing in modern technology, providing access to finance and training, and collaborating with other businesses to establish value chains.

## **6. Natural Farming and Cooperatives:**

Natural farming, also known as organic farming, is a sustainable agricultural practice that promotes the use of natural inputs and techniques to grow crops. Cooperatives can play a significant role in promoting this method of farming by providing access to training and inputs, establishing organic certification programs, and creating market linkages for organic produce.

## **7. Energy Creation through Solar Cooperatives:**

Cooperatives can contribute to the development of the renewable energy sector and reduce the country's dependence on imported energy sources.

## **8. Waste to Wealth and Import Bill Contribution through Cooperatives:**

By creating a circular economy, cooperatives can contribute to the growth of the economy and reduce the import bill by reducing expenditure on exotic waste management investments.

## **9. Global Branding in Millets through Cooperatives:**

By establishing a global brand for millets, cooperatives can increase their market share and reduce the importation of other grains.

## **10. Rural Income through Cooperative Digital Payments:**

Cooperatives by providing training, access to digital platforms, and creating awareness about the benefits of digital payments can promote financial inclusion but also reduces the cost of cash transactions and contributes to the growth of the digital economy.

## **11. Soil Testing as Benefits and Dividends through Cooperatives:**

Cooperatives can provide soil testing services to their members, which can be included as part of the membership benefits or distributed as dividends.

**12. Women and Youth Cooperatives:**

In many countries, women and youth are disproportionately affected by poverty, and cooperatives can help to address this issue by creating inclusive and diverse businesses.

**13. Exceptional District Performance in Cooperative Ecosystem:**

One way to promote healthy competition in the cooperative ecosystem is by recognizing and rewarding exceptional district performances. This can motivate other districts to improve their operations and contribute to the overall growth of the sector.

**14. Training, Module Development and Skill Development:**

Cooperatives can improve the overall capacity of their members and contribute to the growth of the various sectors by contributing in human resource development.

**15. Honey Sector**

As cooperative society has potential to diversify its business, the beekeeping, an agricultural activity, can be practiced by farmers and landless labourers in rural areas as part of the Integrated Farming System (IFS) by forming cooperative societies. Its benefits include improved crop pollination, resulting in increased income for farmers and beekeepers through higher yields.

**16. Food Security**

As cooperative contribute can guarantee food security of the nation by improved farm productivity, restored soil fertility, creating employment opportunities, and enhanced the farm-level economy this can result into promotion of improved agricultural technologies, distribution of essential resources, and focus on capacity building and local initiatives.

**17. Good Practices on Cooperative Online Portal:**

Lastly, cooperatives can promote good practices by creating online portals or platforms where they can share information, resources, and best practices with other cooperatives. This can help to create a supportive and collaborative environment and promote innovation and growth in the sector.

**CONCLUSION:**

Cooperatives play a vital role in the global economy, providing a range of products and services to meet the needs of consumers; can also contribute to minimizing the import bill by promoting domestic production and investing in alternative energy sources. Cooperatives can also promote rural income, digital payments, healthy business competition, and training and development. Lastly, cooperatives can promote good practices and branding, with a focus on the honey industry, to contribute to the growth and sustainability of the global economy. In conclusion, cooperatives can promote economic democracy, empower marginalized communities, and contribute to the overall economy. As we continue to face global challenges such as economic inequality and climate change, cooperatives can be an essential tool for creating a more sustainable and equitable future.

**REFERENCES:**

- Cheney, G. (2001). Mondragon Cooperatives. *Social Policy*, 32(2), 4-9.  
<https://pib.gov.in/PressReleasePage.aspx?PRID=2003197>  
<https://www.gandhiashramsevagram.org/village-swaraj/self-sufficiency-and-cooperation.php>  
 Majee, W., & Hoyt, A. (2010). Are worker-owned cooperatives the brewing pots for social capital? *Community Development*, 41(4), 417-430.  
 Torgerson, R., Reynolds, B., & Gray, T. (1997). Presentation: Evolution of cooperative thought, theory and purpose. Conference on "Cooperatives: Their Importance in the Future of the Food and Agricultural System, Las Vegas, NV, January 16-17.