

# Coop Movement



Cooperatives have emphatically played an imperative role in the rural areas of the country. In few areas it has been a phenomenal success. It has even created more undercurrents, sometimes more than even private corporate. **V Mukunda Das** evaluates its role



There were so many historically important steps that were taken to establish cooperatives in rural areas, since independence, in India. The basic purpose was to develop a democratic structure where participants and members decide the nature and scope of activities of the business or organisation. Since there is so much research on cooperatives in India, this article proposes to throw some light on the evaluation of cooperatives as an organisation in different activities and how it

has succeeded in certain activities more than private corporates and how it did not succeed in others, though the structure and role of all these coops did not differ much. As a person who had a chance to evaluate cooperative organisations in rural areas during the last three decades, it is pertinent to highlight the aspects which made cooperatives succeed as an organization. Success is not defined as the sustained existence of a cooperative for 'name sake' but based on the economic and social contribution to the members, stakeholders and the rural livelihood systems of relatively lower economic segments of rural India.



### FLOURISHING MODEL

The efforts of late Dr V Kurien in forming dairy cooperatives in Gujarat, to start with, and to extend it all over rural India, later, bring lessons about the successful, sustained existence of such cooperatives. A study on the dairy cooperatives, which have completed more than three decades, show certain patterns and indicators which has manifested implications for poverty alleviation, economic inequality reduction and positive social change.

The lifecycle of dairy cooperatives, which has completed decades of successful existence, highlights certain necessary and sufficient conditions for this success. It may be remembered that the Gujarat Cooperative Milk Marketing Federation (the Amul Brand) has crossed Rs. 18,000 Crores sales turnover during 2013-14. Further, there are more than 17,000 village level milk producer cooperatives under the Gujarat Cooperative Milk Marketing Federation (GCMMF). The most important requirement for success from GCMMF experience is to collect all surplus milk of producers and process it into products on the one hand and sell it as liquid milk, on the other. In other words, the sustained, stable marketing of these products show that the essential step for success is the marketing vision. The realization of the ultimate goal of any cooperative on a sustained basis was the secret of their success. In the case of milk producer cooperatives in Gujarat, it was the Marketing Vision which made it a success, even by corporate standards. When GCMMF sells one rupee

worth of milk/ milk products, the return to the milk producer in Gujarat villages is much more than 85 per cent of the rupee sales – more than the amount one gets from shareholding in corporate, generally.

The impact of dairy cooperatives on rural livelihood systems and on overall rural development is something which is worth studying. The interesting part of those cooperatives which started more than three decades ago is that the current milk producers and members of these coops are the fourth generation of their families from the time they first became members of milk producer cooperatives.

### ADDING ESTEEM TO LIFE

Let us see the vertical economic mobility of the participating households first. From a situation of 'hand to mouth' existence, they have improved their habitats to



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pucca houses, increased their spending on consumer durables and non-durables, as also changed their consumption pattern in food related items. Studies have shown that even the nutritional intake of the members of the producer families also went up over the years, adding to their quality of life. If you add up the total contribution of any existing dairy cooperative which has lasted for more than three decades, its contribution to national income is substantial. An interesting dimension of this contribution to the national income is also the reduction in inequality of income and high degree of welfare, in



the economic sense, brought about by these institutions - That too without any negative consequences to the economy and ecology or the environment in which they initiated milk production activities. Further, areas, where milk producer cooperatives having higher density of animal population per thousand households, have substantially contributed to 'green farming' or organic farming' because of the larger availability of manure (cow dung).

#### TOWARDS SOCIAL CHANGE

The next interesting impact of these coops

is on social change. Studies across India, of successful dairy cooperatives in rural areas, show that even in 70's (the first set of milk cooperatives called 'Anand Pattern' came in the early 60's), the social fabric was polarised on caste lines. There were resistance to allow producers from 'certain caste' background to pour milk and stand along with 'so called' higher castes in the single queue. The economic self-reliance and independence of the so called 'lower castes' reduced the polarisation on caste basis and paved the way for social change in a positive sense. The picture now is the acceptance of milk and the recognition of milk producer beyond the caste matrix.

Studies done by the author have shown that at least 90 per cent of the families who joined dairy cooperatives, since the inception of the cooperatives, had only one milking animal. The situation, subsequently, show that all these families had more than one animal; some even holding more than a dozen among some 4th generation producer members.

#### TAKING A CUE

When it comes to the role of successful dairy cooperatives in poverty alleviation, not only in Gujarat, but in other parts of India also, it has contributed substantially in lifting such households much above the poverty line over a period of three / four years since joining the cooperatives.

The purpose of the discussions is to throw light on the need for initiating and building 'Anand Pattern Model' of dairy cooperatives in other sectors too. If other cooperatives can also share 80 per cent of the final sales to the members and producer members, then India, as a nation with millions of poor, will gain substantially. ■

*(The writer is a renowned expert on rural issues and is currently the director of Chandragupt Institute of Management Patna)*