



## Role of Cooperatives in Rural Development

### KEYWORDS

Rural Area, Development, Cooperatives, Improvements

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**ABSTRACT** Rural development is the process of improving the quality of life and economic wellbeing of people living in rural areas. Education, physical infrastructure, and social infrastructure all play an important role in developing rural regions. Development of the rural economy is one of the most important factors for the growth of the Indian economy. The Government has planned several programmes for the social and economic improvement of rural India. Rural development programme plays an important part in the development of rural business and economy. This study examines the role of cooperatives in rural development and it is evident that cooperatives play major role in rural development

### Introduction:

Poverty, food security, unemployment, quality education, and lack of other basic infrastructures are the common problems of rural India. Education, physical infrastructure, social infrastructure and political power and economic power play important role in developing rural regions. Rural development in India is one of the most important factors for the growth of Indian economy. Rural development implies the economic betterment of people as well as social transformation in the rural areas. Rural development is the process of improving the quality of life and economic wellbeing of people living in rural areas. It plays an important part in the development of rural business and economy. According to ministry of rural development health, education, drinking water, housing and road are important to improve the quality of life in rural areas. Government play an important role in the development of rural business and economy through its rural development programmes. A wide range of government programmes has been undertaken so far, to alleviate rural poverty and ensure improved quality of life for the rural population. The problems of rural area remain as it is even after implementing the rural development programmes. Bhavsar (2012), Chopra, N. (2012), and Das et. al (2006), opine that cooperatives have immense potential to deliver goods and services in areas where both the state and the private sector have failed. This study examines the role of cooperatives in rural development and the finds that cooperatives play major role in employment generation, poverty alleviation, improved quality of life and improvement in socio- economic conditions of the rural people.

Reminder of the paper is organized as follows. Methodology of the study is presented in section 2. Rural development is presented in section 3. Section 4 presents the role cooperatives in rural development, section 5 presents discussion, and conclusions are presented in section 6.

### 2. Methodology of the study

This study provides conceptual analysis of rural development and the dimensions of rural development. Further this study examines the role of cooperatives in rural development presented in the previous studies.

### 3. Rural Development

Rural development programmes are designed to improve the socio – economic conditions and rural infrastructure in the rural area. It is a comprehensive and multidimensional concept and includes the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities, and above all, human resources in rural areas (Jha and Nar-esh, 2008). Government and other participants implements different programmes to improve social, economic, political conditions and employment opportunities in the rural areas.

Lalnilawma (2009), finds that the objectives of employment assurance scheme were achieved to the extent of employment generation and creation of community assets. Further he reveals that most of the community assets created under the scheme were reported to be of great benefits to the rural communities. Dev (2004), opines that investment, technology and appropriate institutions are needed to make rural development more broad based and balanced. Cooperatives can play important role in the development of rural area.

### 4. Role of Cooperatives in Rural Development

The results of the previous studies reveal that cooperatives play important role in the development of rural area. The findings of the previous literature are presented below.

Galab and Rao (2003), opine that participation in SHGs has improved the access of women to credit and helped women in reducing their dependence on moneylenders. They also opine that the improved quality income and quality of employment indicate the incomes of the poor have increased and as a result the intensity of poverty among the poor has come down. They also report that inter generational transmission of poverty of women has reduced by acquiring non land assets, health, nutrition and improved education status of children. Birchall (2003) opine that the major functions of the cooperative are to provide a forum for discussion, to mobilize local resources, to build up bargaining power, to widen the options for income-generating activities, and to enhance local control over factors of production. Brennan and Luloff (2005), reveals that cooperatives produce unique, culturally reflective items that could be a valuable tool for extension and other change agents in their efforts to enhance rural community and economic wellbeing. They also find that cooperatives create employment opportunities, reliable income, and increased trade. They also opine that cooperatives could be a valuable model for locally based economic development and it would provide a valuable tool for protecting and preserving the character and uniqueness of rural communities. Das et. al (2006) opine that meaningful reforms in the cooperative should ensure higher standard of living for the village people and production for mass consumption. They also opine that cooperatives have inherent advantages in tackling the problems of poverty alleviation, food security and employment generation. UN (2007) reveals that cooperatives, as self-help and member owned enterprises, have proven to be effective in generating employment opportunities and decent work in economic sectors and areas, and their activities complement government and other private sector initiatives for job creation. Further UN opines that cooperatives create employment opportunities for marginalized people, who might otherwise remain unproductive and underserved by other businesses. UN also reveals that financial cooperatives enable micro entrepreneurs, mainly women, to be self-employed and contributed to the long-

term productive capacities of individuals through the training, education, health and other social services they provide. Panda (2008) opines that through the microfinance revolution, rural villagers of Orissa have undergone a remarkable social upliftment and value and acceptance of women has also increased substantially. Reddy and Reddy (2008) reveal that the promotion of the SHG urban movement have worked to improve the lives of poor women by enhancing their ability to bargain, manage their own institutions independently and gain access to better livelihood opportunities. Further they opine that SHG has increased their financial security and in so doing, has enabled many women to come out of poverty creating stability not only in their own lives but also for those within their communities. Aniefiok (2009) reveals that women NGOs cater for a broad spectrum of rural women. Further he reveals that women NGOs were affect beneficiaries' socio-economic statuses through increased income generation, health awareness and acquisition of food processing skills. Chambo (2009), finds that agricultural co-operatives are important organizations for sustaining food security and rural development in Africa. Ingle (2010), opines that it is the primary duty of the government to ensure that its citizens have easy access to cooperative credit considering the low living standards of common man, incomplete and imperfect markets, and other socio political considerations. Chikaire et.al. (2011) noted that co-operatives play active role in the provision of basic amenities and social services to boost the life of rural populace. They also opine that in general co-operative societies are an appropriate avenue for rural development. Further they opine that effectively managed co-operative will succeed where other bodies/strategies failed in rural development. They also identified major constraints to co-operative society, which include lack of technical support and credit facilities, government negligence, inconsistent policies etc. U N (2011), reveals that the UN has long recognized the importance of the cooperatives movement as an important

partner in the implementation of the United Nations Development Agenda. Specifically, the UN recognized the role and contributions of cooperatives towards achieving the goals of poverty eradication, employment creation and social integration. Bhavsar (2012), and Chopra, N. (2012), opine that the cooperatives have inherent advantages in tackling the problems of poverty alleviation, food security and employment generation.

## 5. Discussion

The findings of the prior study reveal that cooperatives play crucial role in rural development. Cooperatives created employment opportunisms and provided micro finance for the development of the rural area. It also provided an opportunity for socialisation and participation in public life. Researchers also recognised the contributions of cooperatives towards achieving the goals of poverty eradication, employment creation, food security and social integration. Further effectively managed co-operative succeed in rural development where other bodies and strategies failed.

## 6. Conclusion

Rural development is a major challenge before the government in the era of economic development. Both central and state government implement several programmes for the development of rural area. Cooperatives joined their hands in the rural development process along with the governments and other agencies. Previous studies identified the significant contributions of cooperatives in rural development. The findings of previous research reveal that cooperatives successfully addressed the problems of the rural poor. Further, cooperatives play major role in employment generation, poverty alleviation, improved quality of life and improvement in socio-economic conditions of the rural people. Cooperatives succeeded in achieving the goals of poverty eradication, employment creation, food security and social integration.

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