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### **Co-operatives and Upliftment of Women: A Study of Select Co-operative Societies in India**

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#### **ABSTRACT:**

Co-operative is a group of people acting together to achieve common requirements of its members, sharing ownership and making decisions democratically. A cooperative society is initiating among the weak for joint trading, which describes producers and consumers not as possessors nor as individuals or role occupants but as social beings pooling their resources in a mutually beneficial way. This institution is equipped with necessary attributes to compete in global economy. The community gets an upward mobility due to economic upliftment. The Co-operative society works as balancing power between profit motive and welfarism. This process results into empowerment of the people which reduces the level of poverty and exclusion. The contribution of cooperatives in terms of job-creation and social upliftment is immense. This paper, based on review of secondary literature, seeks to examine the role of co-operative society in uplifting rural women through select case studies.

**KEYWORDS:** *Cooperatives, upward mobility, economic upliftment, poverty, global economy.*

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## **INTRODUCTION:**

A co-operative is a group of people work together to achieve common requirements of its members, sharing ownership and making decisions democratically. The earliest record of a co-operative comes from Fenwick, Scotland. During the early part of 1800s, Robert Owen (1771-1858), who had known poverty in his early life, tried to establish co-operative communities in New Lanark in Scotland and New Harmony in the United States<sup>1</sup>. In May 1, 1828, Dr. William King (1786-1865) founded a monthly periodical, who favoured the foundation of new utopian co-operative communities<sup>1</sup>. He saw the benefits of applying Owens's co-operative ideals to local economic activity. He urged the formation of small local co-operative shops to tackle the poverty and distress<sup>1</sup>. He concentrated on the importance of food trading because almost all food and drink was heavily adulterated with cheap additives to bulk it out. Fay (1952) considers a cooperative society as originating among the weak for joint trading. In his view, a cooperative society describes producers and consumers not as possessors nor as individuals or role occupants but as social beings pooling their resources in a mutually beneficial way<sup>2</sup>. Today, the Co-operative Principles are successfully applied throughout the world to a vast array of co-operative enterprises, farming co-operatives, fishing co-operatives, credit unions, retail co-operatives, manufacturing co-operatives, even co-operatives providing internet access services. They are credit cooperative societies, consumers' cooperative societies and producers' cooperative societies. Now-a-days cooperative farming and housing cooperative are also very famous in India. The era of 1990s ushered in gender equality which was promoted by international cooperative movement. In 1995, the resolution called "Gender Equality in Cooperatives" was passed by the International Cooperative Alliance (ICA)<sup>3</sup>. The training materials on gender and cooperatives was developed by the ICA for promotion of leadership traits among women<sup>3</sup>. The working women get changes in their attitude due to promotion of healthcare through these organizations<sup>3</sup>. The cooperative-initiated care provision in various cultural contexts in Africa has gained visibility and increased services which uplifted the level of social fabric. In India, the Self-Employed Women's Association (SEWA) runs various welfare programmes for empowerment of women. Gandhiji projected that India lives in villages. His vision of development was rural-oriented development and discarded big industries which exploit people for profit. His main focus was on cooperatives and cottage industries for rural development<sup>4</sup>. His idea of development was different from industrial development and economic growth. His idea of development was rural oriented development based on cottage industry, physical labour considered superior than mechanical labour, decentralization of power, social justice and trusteeship-which provides a mean of transforming the present capitalist order of society into egalitarian society<sup>4</sup>. Therefore, it seems, he saw a great virtue in cooperation as an instrument of rural development<sup>5</sup> Cooperatives are considered as significant tools to adopt participatory approach and it gives impetus for economic empowerment of women<sup>5</sup>. Cooperatives are self-governing organisations based on certain rules and regulations and democratic principles<sup>5</sup>.

## **ORIGIN OF CO-OPERATIVE SOCIETIES IN INDIA:**

The Cooperative movement is introduced as a state policy and related to agricultural sector of India<sup>6</sup>. The movement gave a fresh impetus with the enactment of another Cooperative Societies Act in 1912. The New Act gave a fresh impetus to the growth of cooperative movement. In 1914, Maclagan studied the progress of movement. He outlined that utmost care should be exercised in the formation of

society<sup>6</sup>. The great depression of 1930s added a great depression in the functionality of the cooperative societies. It called for a major revision in structures and functions of Agricultural and Credit Cooperative societies. Under the chairmanship of Shree R. G. Saraiya, a committee drew-up the plan for cooperative development. Furthermore, the Ministry of Community Development and Cooperation appointed a committee in 1962 to examine existing arrangement for the supply of debts for farmers and ensure effective execution of policy. Again during fourth five-year plan, the stable growth has been keynote of the cooperative movement<sup>6</sup>. In 1937, the RBI emphasized over organizing multi-purpose cooperative societies. The objective of the National Policy in India is to facilitate all-round growth of cooperatives and to work as guiding force for the states towards successful cooperatives<sup>7</sup>.

When the cooperative movement is seen a dismay or failure in different areas, some success story gives us a pride where women are really doing good work for creating employment and generating income through involving themselves in social service and participating in decision making in their own affairs.

## **METHODOLOGY:**

The paper examined success stories of Women's cooperative societies in empowering women. It highlights specially the stories of two Women's cooperatives, namely *Shri Mahila Griha Udyog Lijjat Papad, Mumbai* and *Handloom Weavers' Cooperative Societies, Manipur*. It exhibits their achievements in generating employment, reducing poverty and initiating social care activities. The research study through certain successful case studies and narratives put a light to the reality of their situation.

## **RESULTS & DISCUSSION:**

### ***Case Studies:***

#### ***Case Study no. 1: Shri Mahila Griha Udyog Lijjat Papad:-***

Shri Mahila Griha Udyog Lijjat Papad, is an Indian women's cooperative involved in manufacturing of various fast-moving consumer goods<sup>8,9</sup>. Initially, these women borrowed Rs. 80 from Chhaganlal Karamsi Parekh, who belonged to the Servants of India Society. The loss laden papad making business was undertaken by these women and with financial support from Chhaganlal Parekh, these women promoted the business through selling papad at affordable rates. Chhaganlal Parekh assisted these women in managing their finances and suggested for quality upgradation of the product. Several younger women joined the business and started developing enterprises. These women also bought various equipments like cupboards, utensils, stoves for development of business. Their business has witnessed several ups and downs in various phases of development. During rainy seasons, the business of papad making had to be stopped. This Cooperative society got various publicity through printing in various vernacular newspapers<sup>8,9</sup>. Later on, the membership of this cooperative society increased and nearly 100 to 150 women had joined this cooperative society. The cooperative society experienced various upheavels due to interference from general secretary of trade union. L.C. Joshi was hired by this cooperative society to provide consultancy for bringing sustainability. In 1985, Shantilal Shah took over the branch at Jabalpur through the help of one of the employees of this cooperative society<sup>8,9</sup>. This cooperative society has undergone various pressures and changes in its period of evolution during 1980s. This cooperative society ventured into soap making business also in 1988 which

had an annual sales of Rs. 500 million which accounted for 17 percent of total turnover in 1998. In March, 1996, Mumbai saw 50th branch of Lijjat papad<sup>8,9</sup>. This Cooperative society started to venture into various trade fairs and several exhibitions which improved its sales and got popular with brand name "Lijjat" among people<sup>10</sup>. The Khadi Village Industries Commission (KVIC) awarded the Lijjat papad as "Best Village Industries Institution" between 1998 and 2001. In 2002, the women members were awarded the Businesswomen of the Year award. It was the period when the president of Lijjat Papad requested for tax exemption on detergent sections of Lijjat papad<sup>10</sup>. The Cooperative Society had experienced a turnover of nearly Rs. 3 billion and exports of Rs. 100 million in 2002. There were employed nearly 42000 people in 62 divisions all across the nation. In Jammu and Kashmir, the operation of Lijjat papad got boost in 2002 with an enrolment of over 150 members. In 2003, Lijjat received the "Best Village Industry Institution"<sup>11</sup>. In 2005, this Cooperative society received PHDCCI Brand Equity Award. When a new branch of Lijjat opens, a neighbouring Lijjat branch helps it by guiding and training new members.

One of the significant products of Lijjat is Papad, Masala, Vadi, Gehu Atta (Wheat flour), Bakery products, Chapati, Detergent Powder, Detergent Cake (Tikia), SASA Liquid Detergent<sup>12</sup>. This cooperative society is considered to be hallmark of women empowerment. It has promoted computer education and various skill training for downtrodden women. On 18th June, 1999, the literacy classes were started for sister members of this cooperative society at Girgaum<sup>11</sup>. The managing committee promoted classes for various members. In 1984, the Lijjat papad was featured at UNESCO-sponsored international workshop held at NITIE, Powai<sup>10</sup>. The women members of Lijjat papad have contributed in various social activities like distributing nutritious food for destitute and poor children<sup>11</sup>. The women members of Lijjat papad had helped in undertaking rehabilitation of Chincholi, the village affected by earthquake. The institution also assisted through monitoring of construction of 58 houses for various villagers. One of remarkable contributions of these members has been a donation of nearly Rs. 4.8 million during 2001 earthquake of Gujarat. Nearly 40 houses were built for rehabilitation of people of Bhujpur in Kutch district<sup>11</sup>.

### ***Case Study no. 2: Handloom Weavers' Cooperative Society of Manipur:-***

Another organization which is quite prominent, has been Handloom Weavers' Cooperative Society of Manipur. In Manipur, women members of society are highly engaged in weaving industry. The age-old tradition of weaving has been quite popular in Manipur which represents its rich and diverse culture<sup>13</sup>.

The weaving industry is not a mere economic activity but aligned with its vast culture. There is a sustainability of relationship between the industry and the culture. Owing to the cultural connotations, the weaving industry has been popular among the Meitei community. In Manipur, women have been primary stakeholders in this industry. Majority of weavers in the state are self-employed artisans who carry-out their professions through own homes. Several women members have got economic boost through this industry. In 1939, the cooperative movement was started in Manipur which was considered to be extension of Indian Cooperative Societies Act, 1912. The Cooperative movement with 350 societies having membership of 21000 increased upto 5493 societies with membership of 508748 upto 2011. In 1951-52, a new era began in the handloom industry. This cooperative society got

organized and established with an aim to help weavers through supply of raw materials such as yarn and marketing of products<sup>13</sup>.

### ***Challenges faced by Cooperative Societies:***

In Tamilnadu, there has been done study which pinpoints towards younger generations of women as attached with this cooperative society. Most of these members belong to 36-45 years of age followed by 46-55 years of age which consists of 24 percent of members.

#### ***Working for Middlemen:-***

The Cooperative society has assisted in elimination of middlemen from main economic corridor. The study in Tamilnadu also highlights presence of middlemen upto two-thirds of total workforce. The poor weavers have no other option except abiding by these middlemen. The presence of these middlemen make things worse because they are less paid due to these middlemen.

#### ***Lack of access to resources:-***

The Cooperative society has always faced lack of resources which has prevented women from carrying-out their responsibilities. Due to disparity in education, business excellence, knowledge of entrepreneurship, women are unable to carry-on their businesses. The lack of land ownership in the hands of women has also resulted into deficiency of access to resources to run the cooperative business.

#### ***Traditional role of Women:-***

The women-led cooperative society suffers from parochial nature of job also which is more patriarchal in nature. Several underdeveloped countries are of the opinion that women have to be restricted upto reproductive and domestic chores only. The male members of the society always put question on leadership roles of women in running entrepreneurship. The unequal distribution of labor puts an obstacle in realising women empowerment through cooperative society.

#### ***Lack of awareness level:-***

The development of handloom and its welfare services are part of government led packaged welfare services which are out of knowledge of most of the members. Nearly 85 percent of members are unaware of these schemes. It thus results into lowest level of motivation awareness among the weavers. Throughout the study, it is stated that there are various constraining factors behind cooperatives playing crucial role in rural development. Most of these weavers are part-time workers with less competence and professional knowledge. Even the frequency of weavers receiving government support in running of enterprise is quite minimal. Most of these weavers are having lack of benefit of economies of scale which results into lack of credit availability for them.

#### ***Lack of supply of yarn or raw materials through Cooperatives:-***

The weaving cooperative societies have also experienced the problems of suppling getting deteriorated. The reduced supply of yarn has led to reduction in functioning of cooperative societies. Most of these yarns are from West Bengal, Assam, Tamil Nadu, Maharashtra etc. a few businessmen from Manipur own the supply market for yarn which has negatively affected the diversification of production. While various weavers are skilled in creating competitive designs, yet various workers are having limited availability of yarns and getting affected by these constraints<sup>14</sup>.

### **Lack of modern machinery:-**

The constraining factors like age-old machineries and equipment are involved for production and hence they are unable to produce as desired. Modern equipment and machinery is necessary for the day.

### **CONCLUSION:**

In a nutshell, it is found-out that the role of cooperatives as an agent of rural development relating to employment and poverty reduction, using technology, credit availability has positively helped women to participate in self-employment. The Government can play a good role in helping them in more mechanized form; for example, modern machinery for handloom weaving can help these women. The poorest of the poor must strive towards making the cooperative society as an instrument of rural development. There is an urgent need for revitalisation and re-organisation of handloom weavers' cooperative Societies. The level of members' participation needs to be improved by sensitising and motivating them before enrolment. The cooperative society can play a pivotal role in developing potential of rural women in contributing towards holistic development. Through financial support from these organizations, women are able to venture into entrepreneurial activities. Through their continuous involvement in business ventures, women are able to develop confidence towards decision making. It also helps women through enhancing sharing attitude among members of their family. Through cooperative society, women get to know strategic life choices. Women not only get incapacitated to bring creativity in their business but also promote its sustainability. The women-centric cooperative society is quite successful in enhancing socio-economic status of women. The inculcation of leadership skill among women led to bridging of gap between men and women in ownership over resources. This process also helped in nurturing cultural upliftment among women. These cooperative societies empower women in far distant places to speak for their rights. The under-development of women is quite attributed to men-centric production system. The age-old system of patriarchal power relations relegates women to the status of beneficiaries only. They need to take the position of leadership through assistance of these cooperative societies so that status of women can be uplifted in the real sense.

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