

# Historical Background of The Overview in The Co-Operatives

**Dr. Umesha K M**

Guest Lecturer, Maharaja's College, Mysuru

## **Abstract:**

This contributed to their success and spread to other co-operatives around the world. But profoundly transformed the traditional producer/ consumer relationship and created a pathway for small and large-scale communities based economic and social development. Originally founded by co-operative organizations from 12 countries, today over 200 national co-operative organizations representing 92 nations belong to the ICA: the apex organization of all national co-operative movements. Henry David Thoreau the pioneering Boston reformer was preparing to build a cabin on Walden Pond, Robert Owen (1771–1858) was a social reformer and a pioneer of the cooperative movement. Rochdale Society of Equitable Pioneers, (RCEP) founded in 1844, is usually considered the first successful cooperative enterprise, Another milestone in the continued expansion of the co-operative movement came only 51 years later with the establishment of the International Co-operative Alliance (ICA) in 1895. Co-operative Movement acquired structure and shape with the British enactment of the Cooperative Credit Societies Act, 1904. The research study revealed that the fishery co-operative societies.

**Keyword:** Co-operatives, Societies Act, Organizations, Communities, Pioneers

## **Introduction**

The Co-operative Societies had existed previously; the successful establishment of the co-operative in Rochdale marks the beginning of the Modern Co-operative Era. This contributed to their success and spread to other co-operatives around the world. But profoundly transformed the traditional producer/ consumer relationship and created a pathway for small and large-scale communities based economic and social development.

Originally founded by co-operative organizations from 12 countries, today over 200 national co-operative organizations representing 92 nations belong to the ICA: the apex organization of all national co-operative movements. Cooperation dates back as far as when human beings have been organizing themselves for mutual benefit.

In 1844, as Henry David Thoreau the pioneering Boston reformer was preparing to build a cabin on Walden Pond, and the industrial revolution began to urbanize the western world, 28 workers in Rochdale in England formed the first successful co-operative.

Robert Owen (1771–1858) was a social reformer and a pioneer of the cooperative movement. In 1761, the Fenwick Weavers' Society was formed in Fenwick, East Ayrshire, and Scotland to sell discounted oatmeal to local workers.

The Rochdale Society of Equitable Pioneers, (RCEP) founded in 1844, is usually considered the first successful cooperative enterprise, used as a model for moderncoops, following the Rochdale Principles". The agricultural credit advanced through cooperatives recorded a sizeable increase from a meager Rs.214.35 crore in 1960-61 to Rs.86185 crores in 2011-12 with about 17 per cent share in total institutional agricultural credit.

The place of co-operatives in Indian economy and its role in social and economic affairs has added a new dimension with the beginning of the planning. The research study revealed that the fishery co-operative societies play a decisive role in the promoting inland fisheries in Karnataka and Mysuru district.

**Objective:** To study of Overview in the Co-operatives

### **The Rochdale Pioneers Society(1844)**

In 1844, as Henry David Thoreau the pioneering Boston reformer was preparing to build a cabin on Walden Pond, and the industrial revolution began to urbanize the western world, 28 workers in Rochdale in England formed the first successful co-operative. These weavers, shoemakers, cabinetmakers, tailors, printers, hatters, and engineers wrote down a set of principles to operate their food co-operative, which contributed to their success and spread to other co-operatives around the world. Although Co-operative Societies had existed previously, the successful establishment of the co-operative in Rochdale marks the beginning of the Modern Co-operative Era. The ideas of the Rochdale Pioneers were simple, but profoundly transformed the traditional producer/ consumer relationship and created a pathway for small and large-scale communities based economic and social development. Today, more than 150 years later, this heritage continues to affect the lives of millions of working people worldwide.

### **The International Co-operative Alliance(1895)**

Another milestone in the continued expansion of the co-operative movement came only 51 years later with the establishment of the International Co-operative Alliance (ICA) in 1895. Originally founded by co-operative organizations from 12 countries, today over 200 national co-operative organizations representing 92 nations belong to the ICA: the apex organization of all national co-operative movements. The ICA aims to promote co-operative development and trade worldwide and boasts an individual membership of more than 750 million people.

### **Origin of the Co-operatives: Global Scenario**

Cooperation dates back as far as when human beings have been organizing themselves for mutual benefit. Tribes were organized as cooperative structures, allocating jobs and resources among one another; only trading with the external communities in alpine environments, trade could only be maintained in organized cooperatives to achieve a useful condition of artificial roads such as Viamalain 1472. Pre-industrial Europe is home to the first co-operative from an industrial context.

Robert Owen (1771–1858) was a social reformer and a pioneer of the cooperative movement. In 1761, the Fenwick Weavers' Society was formed in Fenwick, East Ayrshire, and Scotland to sell

discounted oatmeal to local workers. Its services expanded to include assistance with savings and loans, emigration and education. In 1810, Welsh social reformer Robert Owen, from Newtown in mid- Wales, and his partners purchased New Lanark mill from Owen's father-in-law David Dale and proceeded to introduce better labour standards including discounted retail shops where profits were passed on to his employees. Owen left New Lanark to pursue other forms of cooperative organization and develop cooperative ideas through writing and lectures. Cooperative communities were set up in Glasgow, Indiana and Hampshire, although ultimately it was unsuccessful. In 1828, William King setup a newspaper, The Cooperator, to promote Owen's thinking, having already set up a cooperative store in Brighton.

The Rochdale Society of Equitable Pioneers, (RCEP) founded in 1844, is usually considered the first successful cooperative enterprise, used as a model for modern coops, following the „Rochdale Principles“. A group of 28 weavers and other artisans in Rochdale, England set up the society to open their own store selling food items they could not otherwise afford. Within ten years there were over a thousand cooperative societies in the United Kingdom. Other events such as the founding of a friendly society by the Tolpuddle Martyrs in 1832 were significant occasions in the creation of organized labor and consumer movements.

### **Historical Background of Co-operative Movement and Co-operative Societies in India**

A Co-operative Society (CS) can be defined as an autonomous organization of persons united voluntarily to meet their socio-economic development, improve living conditions, food security, income and employment generation and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprises sector. India is an agricultural country and laid the foundation of the world's biggest co-operative movement at the global level. The needs for benefit profitability are balanced by the needs of the members and the wider interest of the community. The Co-operative Movement (CM) was established by the weaker sections of society for protecting its members from the control of profit hungry businessmen. The study has given brief details of the CM and CSs in India.

### **Co-operative Movements in India**

The Cooperative Movements in India can be studied in two phases. They are- Co-operative Movement in the Pre-Independence Era and Co-operative Movement in the Post-Independence Era.

**Co-operative Movement in the Pre-Independence Era:** The term cooperative Societies came into existence when the farmers of Poona and Ahmednagar spearheaded an agitation against the money lenders who were charging exorbitant rates of interest. Hence, the British government came forward and passed three acts- the Deccan Agriculture Relief Act (1879), the Land Improvement Loan Act (1883) and the Agriculturists Loan Act (1884).

**Co-operative Movement in Post-Independence Era:** Co-operative Movement acquired structure and shape with the British enactment of the Cooperative Credit Societies Act, 1904. In 1919. The Co-operation became a provincial subject and the provinces were authorized to make their own cooperative laws under the Montague-Chelmsford Reforms. This categorization was carried on to the Government of India Act, 1935. In 1942, Government of British India enacted the Multi-Unit Cooperative Societies Act

to cover Cooperative Societies with membership from more than one province. To facilitate the organization and functioning of the cooperative societies having jurisdiction in more than one province, the Government of India enacted Multi-Unit Co-operative Societies Act, 1942. The Act of 1942 was repealed by the enactment of Multi-State Cooperative Societies Act, 1984 which has since been replaced by the Multi State Cooperative Societies Act, 2002. In the pre-independence era, the policy of the Government by and large was of *laissez faire* towards the cooperatives and the Government did not encourage an active role for their promotion and development. After independence in the year 1947, the advent of planned economic development ushered in a new era for the cooperatives.

### **Co-operative Societies in India**

The CM in our country have witnessed substantial growth in many diverse areas of the economy. With a network of about 6.10 lakh cooperative societies and a membership of about 249.20 million, the cooperative movement in India has emerged as one of the largest in the world. The agricultural credit advanced through cooperatives recorded a sizeable increase from a meager Rs.214.35 crore in 1960-61 to Rs.86185 crores in 2011-12 with about 17 per cent share in total institutional agricultural credit. The share of cooperatives in fertilizer distribution is 36 per cent and in sugar production nearly 39.7 per cent. The cooperatives also make procurement of wheat at 24.8 per cent. The handlooms contribute 54 per cent and 20.3 per cent of the retail fair price shops that are in the cooperative sector.

The cooperative sector provides direct and self-employment to about 17.80 million people in the country playing a significant role in improving the socio-economic conditions of the weaker sections of society through cooperatives in fisheries, labour, handloom sectors and women cooperatives. Dairy cooperatives through „White Revolution“ have enabled the country to achieve self-sufficiency in milk production. Housing cooperatives are contributing to the construction of housing units for the economically weaker sections and low-income groups at affordable rates. Through fair price shops, cooperatives are supplying essential commodities to the weaker sections of society at concessional rates. Thus, the cooperatives are contributing substantially in the nation's efforts for achieving inclusive development. It has however been experienced that in spite of considerable numerical expansion of cooperatives in different sectors of the economy in the country, their performance in qualitative terms has not been up to the desired level. Therefore, the Government of India has initiated various measures for promoting and developing the Cooperative sector in the country.

These measures include, inter-alia, framing of the National Policy on Cooperatives, enactment of a progressive legislation of the Multi-State Cooperative Societies (MSCS) Act, 2002, assistance to cooperative education and training, assistance through National Cooperative Development Corporation (NCDC) for development of cooperatives, implementation of recommendations of the Vaidyanathan Committee to strengthen rural cooperative credit structure and recent enactment of the Constitution (97<sup>th</sup> Amendment) Act, 2011 for development of CSs in the country.

### **Role of Co-operative Societies**

Co-operative societies have played a key role in the Indian economy and implemented several development schemes. They are related to voluntary or autonomous organizations of tribal people for their basic socio-economic development in rural and forest areas. It is one of the main partners of

economy; the co-operatives have greater reach to the rural India, through their huge network of credit societies in the institutional credit structure progress. Co-operatives cover almost all villages. The place of co-operatives in Indian economy and its role in social and economic affairs has added a new dimension with the beginning of the planning. India emphasized the process of planning stemmed partly from the urge of backwardness and partly from the line which gave a force to achieve social justice, equality and a decent livelihood for all citizens. The promotion of co-operative is thought of not only as an extension of state action but as a step towards the realization of the best of the co-operative extensive prosperity. The research study revealed that the fishery co-operative societies play a decisive role in the promoting inland fisheries in Karnataka and Mysuru district.

### Conclusion:

The Cooperative Movements in India can be studied in two phases. They are Co-operative Movement in the Pre-Independence Era and Co-operative Movement in the Post-Independence Era. Originally founded by co-operative organizations from 12 countries, today over 200 national co-operative organizations representing 92 nations belong to the ICA: the apex organization of all national co-operative movements. Robert Owen (1771–1858) was a social reformer and a pioneer of the cooperative movement. In 1761, the Fenwick Weavers' Society was formed in Fenwick, East Ayrshire, and Scotland to sell discounted oatmeal to local workers. Cooperation dates back as far as when human beings have been organizing themselves for mutual benefit. The cooperative sector provides direct and self-employment to about 17.80 million people in the country playing a significant role in improving the socio- economic conditions of the weaker sections of society through cooperatives in fisheries, labour, and handloom sectors and women cooperatives. The place of co-operatives in Indian economy and its role in social and economic affairs has added a new dimension with the beginning of the planning. A Co-operative Society (CS) can be defined as an autonomous organization of persons united voluntarily to meet their socio-economic development, improve living conditions, food security, income and employment generation and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprises sector. The research study revealed that the fishery co-operative societies play a decisive role in the promoting inland fisheries in Karnataka and Mysuru district.

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