

# Impact of Cooperative Societies on Employment and Socio-Economic Development: Insights from Kerala

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**Abstract:** *Undeniably, Poverty is a major global issue. There are many factors leading to this situation. In fact, unemployment is seen to contribute to this poverty problem. Cooperative societies are one of the effective techniques that can be used to eradicate poverty. cooperatives could become sources of self – reliance for the senior citizens, entrepreneurship for the energetic and educated youth and differently abled thus cooperatives promoted self-help and collectively self-reliance. cooperative societies can make use of the potential of this sector by establishing various initiatives without any outside funding. This study explores the role of cooperative societies in addressing unemployment and socio-economic challenges in Kerala. By examining various initiatives, the paper demonstrates how cooperatives can be instrumental in creating employment opportunities and promoting socio-economic development, especially in regions rich in educated human resources like Kerala.*

**Keywords:** cooperative societies, cooperative initiatives, unemployment, entrepreneurship, self-reliance

## 1. Introduction

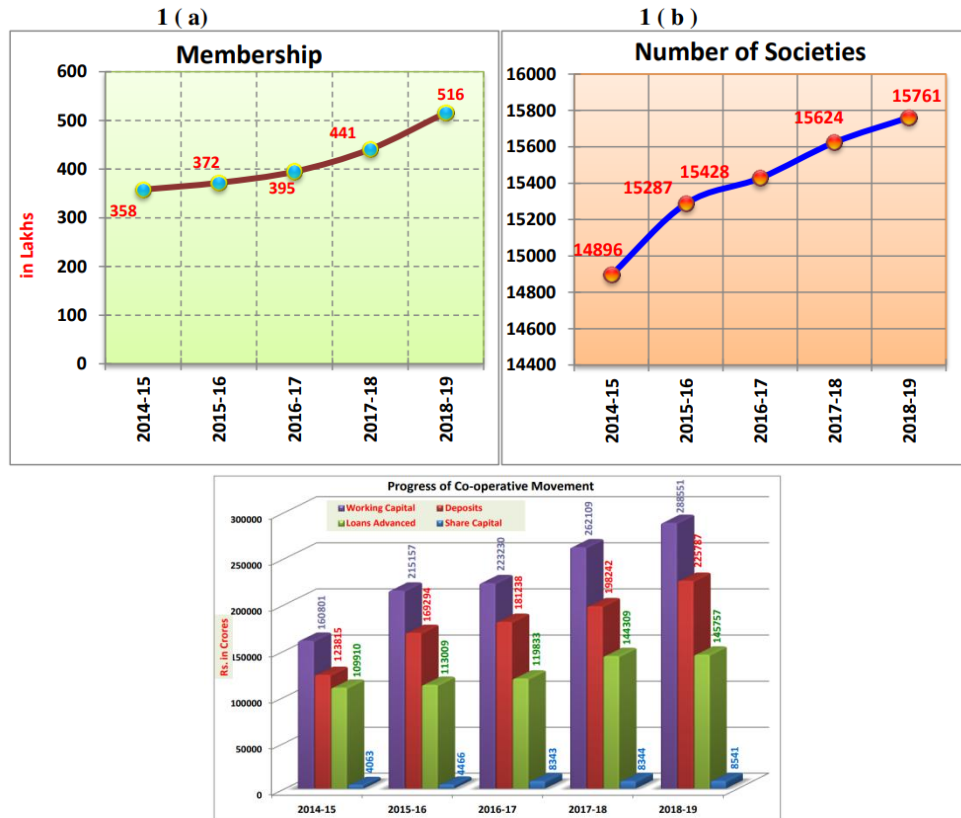
In this era of unemployment, co-operatives can play an important role. Its potential was identified earlier, which is clear from the words of our first Prime Minister of India, Sri. Jawahar Lal Nehru, [Jawaharlal Nehru quoted in his speech at the Third Indian Cooperative Congress in 1958 published in Congress Forum, Journal of the Congress Forum for Socialist Action, Inaugural Issue, Volume-1 No-1 August 15, 1962] “But my outlook at present is not the outlook of spreading the cooperative movement gradually, progressively, as it has done. My outlook is to convulse

India with the Cooperative Movement or rather with cooperation to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of India. Therefore, the whole future of India really depends on the success of this approach of ours to these vast numbers, hundreds of millions of people” He calls for establishing at least one co-operative society for two or three villages. However actual figures are far exceeded these expectations.

### Status of co-operative societies in Kerala (2014-2019)

CHART-1 (a)	2014-15	2015-16	2016-17	2017-18	2018-19
Number of Societies (Actual)	14896	15287	15428	15624	15761
CHART-1 (b)	2014-15	2015-16	2016-17	2017-18	2018-19
Membership (in lakhs)	358	372	395	441	516
CHART-1 (c)	2014-15	2015-16	2016-17	2017-18	2018-19
Share Capital (Rs. in crores)	4063	4466	8343	8344	8541
Deposits (Rs. in crores)	123815	169294	181238	198242	225787
Loans Advanced (Rs. in crores)	109910	113009	119833	144309	145757
Working Capital (Rs. in crores)	160801	215157	223230	262109	288551

Source: Statistical Handbook 2018-19 Prepared by: STATISTICS WING Office of the Registrar of Co-operative Societies, Kerala



The cooperatives approach can create employment in different ways, such as organized self-employment, cooperatives as wages employers, cooperatives as promoters of independent self-employment. In addition, various initiatives of cooperatives produce spill-over effects that create job in other enterprises. In Kerala, there is convincing evidence in the form of various successful innovative initiatives of co-operative societies.

## 2. Review of Literature

G. Mitu Gulati, T. M Thomas Issac, William. A. Kiein (2002) They conducted a case study of DINESH BEEDI, a very successful, large worker cooperative in south India, which worked well for a long time. They identified the importance of workplace culture and other informal mechanisms for maximising cooperative productivity. They also tried to find the ratio of unique circumstances and cooperative nature in the success of a cooperative. They concluded that continuous success of KDB Worker cooperative depends on the unique set of circumstances, which cannot be generalised.

Ramesh (2006) His article gives a detailed history of Kerala Dinesh Beedi Cooperative. He explained the whole story of KDB's the golden era, crisis it faced and its revival. His study reveals that team spirit and worker solidarity were stronger than political rivalry.

Boney Bose (2018) published a paper titled "the role played by VICIB in women empowerment and economic development in Kottayam district, Kerala" in international journal for Research in Engineering application and Management. In his study, he found that the arrival of VICIB made a drastic development both socially and

economically in kodumpidy area. Women and poor farmers are the most benefited group because of the establishment of Sandhya Development Society and VICIB. VICIB save them from debt traps and money lenders. He concluded that VICIB is playing a leading role in women empowerment and economic development of Kodumpidy area.

## 3. Research Methodology

The current study uses both primary as well as secondary data in order to fulfill the research objectives.

- Primary data collected by conducting personal interview with the officials of VICIB Homely, Vanitha Selfie and Malabar Meat initiatives.
- Secondary data collected from the official websites of these selected initiatives and from news about these initiatives published in the newspapers.

## Discussions and Findings

### VANITHA SELFIE

Initiative of Service Co-operative Bank, Kanjikuzhi Kanjikuzhi service co-operative bank of Alappuzha district brought forward the idea of vanitha selfie. The venture was inaugurated by ADGP B Sandhya back in 2017, since then the group has proven itself by successfully managing over 500 events. The group currently has over 200 members, constituted by housewives, students, MNREGP labourers and wage laborers including women climbing coconut sapling with modern tools from Kanjikuzhi village. Sudarshanabhai teacher, a member of the state faculty of Kudumbasree is also accompanying them by leading the program. The name, Vanitha selfie, derived from the thoughts of the bank president adv. M. Santhoshkumar. When the venture commences, uniform and necessary equipment are purchased through a bank loan. They are

immensely satisfied that they have been able to repay the loans they have taken care of and are able to meet their many needs and to have a place in society.

Apart from catering services, all the things related to wedding such as preparation, printing and distribution of wedding cards, make up of bride, wedding pandal, reception ceremony decorations etc. will be provided. The group is actively working during off seasons also. The vegetables that have been cut and packed and various packed masalas also distributed at the collectorate two days a week.

#### MALABAR MEAT

Initiative of Brahmagiri Development Society

Malabar meat is a revolutionary initiative of Brahmagiri Development Society which focus on processing high quality buffalo meat, mutton, rabbit and poultry products and all these products are marketed through outlets in the brand name, *Malabar Meat*.<sup>1</sup> In total 302 Gramasree SHGs have been registered under Brahmagiri Development Society in 5 zones of Mananthavadi, Kalpetta, Poothadi, Pulppalli and Sulthan Bathery. Among them more than 80 SHGs are performing well. It is for the first time in the state Self Help Groups for Dairy farmers were formed. The cumulative investment of these groups is Rs.45 lakhs. These SHGs have taken up various socio – economic programmes in the rural villages of Wayanad district. An amount of Rs.7 Lakhs was provided as revolving fund for 38 SHGs.

#### VICIB HOMELY

Initiative of Sandhya Development Society

VICIB HOMELY is a unique Direct selling System initiated and developed by Sandhya Development Society. VICIB Homely creates a platform for people to attain their financial goals. Those who are willing to work smart has a great opportunity to attain their financial freedom. A person has the opportunity to earn money both through the sales of the products and through referring others to the direct selling system. Thus, the basic objective of VICIB HOMELY is to ensure best quality products to the society at a reasonable price and source of income through Direct Selling. On January 7, 2021 VICIB HOMELY Pvt Ltd. Has incorporated as an unlisted private company.

VICIB HOMELY has 239 Branches till date and has a work force of 500 plus employees spreading in head office and various branches.

#### Stock Centers of VICIB Homely

S No.	District	No. of Stock Centers
1	Alappuzha	16
2	Ernakulam	16
3	Idukki	26
4	Kannur	7
5	Kasargod	2
6	Kollam	21
7	Kottayam	96
8	Kozhikkode	6
9	Malappuram	5
10	Palakkad	1

<sup>1</sup> Statistical data in relation to Malabar Meat taken from the official website of Brahmagiri Development Society, [Malabar Meat – Brahmagiri Development Society \[BDS\]](#).

11	Pathanamthitta	19
12	Thrissur	11
13	Thiruvananthapuram	10
14	Wayanad	3
	TOTAL	239

Source: [www.Vicibhomelyindia.com](http://www.Vicibhomelyindia.com)

#### 4. Conclusion

It is evident that through cooperatives, it is possible to attain remarkable achievement in the socio-economic development of the country. Statistics discloses that the unemployment rate of India shows an upward trend. The unutilised capacity of rural people can be utilised at its full extent through these innovative initiatives of cooperatives. It is notable that all the financial as well as technical requirements of such initiatives are fulfilled by such initiatives itself, without any outside support, especially from the part of government. Only thing needed is to identify and flourish such initiatives which can act as a panacea to employment generation and socio-economic development.

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