

# History of cooperative society essay sample

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A cooperative (“coop”), co-operative (“co-op”), or coöperative (“coöp”) is an autonomous association of persons who voluntarily cooperate for their mutual, social, economic, and cultural benefit.[1] Cooperatives include non-profit community organizations and businesses that are owned and managed by the people who use its services (a consumer cooperative) or by the people who work there (a worker cooperative) or by the people who live there (a housing cooperative). Origins

Main article: History of the cooperative movement

Cooperation dates back as far as human beings have been organizing for mutual benefit. Tribes were organized as cooperative structures, allocating jobs and resources among each other, 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 Viamala in 1472.[3]Pre-industrial Europe is home to the first cooperatives from an industrial context.[citation needed] In 1761, the Fenwick Weavers' Society was formed in Fenwick, East Ayrshire, Scotland to sell discounted oatmeal to local workers.[4] 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 co-op ideas through writing and lecture.

Cooperative communities were set up in Glasgow, Indiana and Hampshire, although ultimately unsuccessful. In 1828, William King set up a newspaper, *The Cooperator*, to promote Owen's thinking, having already set up a co-operative store in Brighton.[citation needed] The Rochdale Society of Equitable Pioneers, founded in 1844, is usually considered the first successful cooperative enterprise, used as a model for modern co-ops, 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 1,000 cooperative societies in the United Kingdom.[citation needed] Other events such as the founding of a friendly society by the Tolpuddle Martyrs in 1832 were key occasions in the creation of organized labor and consumer movements.[citation needed] Organizational and ideological roots

The roots of the cooperative movement can be traced to multiple influences and extend worldwide. In the Anglosphere, post-feudal forms of cooperation between workers and owners, that are expressed today as "profit-sharing" and "surplus sharing" arrangements, existed as far back as 1795.[8] The key ideological influence on the Anglosphere branch of the cooperative movement, however, was a rejection of the charity principles that underpinned welfare reforms when the British government radically revised its Poor Laws in 1834. As both state and church institutions began to routinely distinguish between the 'deserving' and 'undeserving' poor, a movement of friendly societies grew throughout the British Empire based on the principle of mutuality, committed to self-help in the welfare of working people.[citation needed] Friendly Societies established forums through which

one member, one vote was practiced in organisation decision-making. The principles challenged the idea that a person should be an owner of property before being granted a political voice.[5]

Throughout the second half of the nineteenth century (and then repeatedly every 20 years or so) there has been a surge in the number of cooperative organisations, both in commercial practice and civil society, operating to advance democracy and universal suffrage as a political principle.[9] Friendly Societies and consumer cooperatives became the dominant form of organization amongst working people in Anglosphere industrial societies prior to the rise of trade unions and industrial factories. Weinbren reports that by the end of the 19th century, over 80% of British working age men and 90% of Australian working age men were members of one or more Friendly Society.[10] From the mid-nineteenth century, mutual organisations embraced these ideas in economic enterprises, firstly amongst tradespeople, and later in cooperative stores, educational institutes, financial institutions and industrial enterprises. The common thread (enacted in different ways, and subject to the constraints of various systems of national law) is the principle that an enterprise or association should be owned and controlled by the people it serves, and share any surpluses on the basis of each members' cooperative contribution (as a producer, labourer or consumer) rather than their capacity to invest financial capital.[11]

The cooperative movement has been fueled globally by ideas of economic democracy. Economic democracy is a socioeconomic philosophy that suggests an expansion of decision-making power from a small minority of corporate shareholders to a larger majority of public stakeholders. There are <https://assignbuster.com/history-of-cooperative-society-essay-sample/>

many different approaches to thinking about and building economic democracy. Both Marxism and anarchism, for example, have been influenced by utopian socialism, which was based on voluntary cooperation, without recognition of class conflict. Anarchists are committed to libertarian socialism and they have focused on local organization, including locally managed cooperatives, linked through confederations of unions, cooperatives and communities. Marxists, who as socialists have likewise held and worked for the goal of democratizing productive and reproductive relationships, often placed a greater strategic emphasis on confronting the larger scales of human organization.

As they viewed the capitalist class to be politically, militarily and culturally mobilized for the purpose of maintaining an exploitable working class, they fought in the early 20th century to appropriate from the capitalist class the society's collective political capacity in the form of the state, either through democratic socialism, or through what came to be known as Leninism.

Though they regard the state as an unnecessarily oppressive institution, Marxists considered appropriating national and international-scale capitalist institutions and resources (such as the state) to be an important first pillar in creating conditions favorable to solidaristic economies.[12][13] With the declining influence of the USSR after the 1960s, socialist strategies pluralized, though economic democratizers have not as yet established a fundamental challenge to the hegemony of global neoliberal capitalism.

INDIAN HISTORY

The history of co-operative movement in India is broadly divided into two phases. That means co-operative movement has passed into two phases. They are- 1) Co -operative movement in pre-independence era.

2) Co-operative movement in post-independence era.

These two phases are briefly discussed below:

i) Co-operative Movement in pre-independence era:

The pages of Indian history cite many evidences of co-operative activities from earliest times. However, the first recorded activity began in 1904 when this movement was officially set up by the British Government. Before that in the year 1892, Derrick Nicholson, tried to find out ways and means to establish institutions so as to help the agricultural sector. He gave the suggestions for setting of co-operative societies. Within that decade, India faced a terrible famine in 1899. The Government appointed the Second Famine Commission 1901 to suggest measures for the victims. The commission recommended for a number of development activities and setting up of new institution. The most important among them was the strong recommendation for organisation of co-operative societies. The Government had accepted many of the recommendations and in 1904 “ co operative societies Act” were passed. The aim was to help the rural farmers and artisans by providing short term and long term loans. These credit societies were organised on the basis of two models, one for rural area and other for urban area. For the former these were organised on Reinfusion Model while for the latter it was Schulze Delitzsch Bank Model.

Due to this Act a number of Co-operative Societies grew up in rural area, but they could not function effectively. The major defects were. i) There was no <https://assignbuster.com/history-of-cooperative-society-essay-sample/>

provision for setting up of Non credit Co-operative Societies in rural area. ii) No special Central agency was created for financing and supervising the activities of these societies. iii) The division of the Credit Co-operative Societies into two types rural and urban stood as a barrier since no specific arrangements could be done for either due to the overlapping nature of such classification. The year 1928 saw a world wide economic depression. The prices of agricultural commodities fell down to a great extent and unemployment along with other economic crisis grew up. The creditors had no way to repay the loan. This brought many co-operative societies in to a stand still position. In year 1933, the Reserve Bank of India was set up. The bank took some initiative to recognise the co-operative movement. It had a separate department for a co-operative credit.

It helped to keep the movement alive which was gradually decaying. In 1937, the popular Congress Government came to power in several states. The popular leaders took much more initiative in organising and extending this movement. But much progress could not do due to outbreak of Second World War. During this time, the ministry resigned. It was left in the hands of British Government again. But the war itself gave a boost to co-operative societies. The war brought a sudden increase in the prices of agricultural products and other food grains. The rural farmer got extra economic gains. Non credit societies grew up. The working capital of co-operative societies also increased. The number of different credit and non credit co-operatives increased rapidly. The co-operative movement gathered momentum. The all India Co-operative planning Committee in 1945 also worked a lot in this direction. ii) Co-operative movement in Post independence Era:

After independence for the first 3 years i. e. up to no significant development could be made. It was mainly due to the problem created by partition and absence of concrete programme for national re-organisation. However, the leaders of free India could the importance of co-operative movement for a successful democracy importance was given to strengthen co-operative structure of country and various provisions were made through different Five Year Plan. The co-operative movement completed its 50 years dump the first plan. The Golden Jubilee was celebrated throughout the country with much excitement. This made the people feel the importance of such a movement. Attention was given to utilise the credit in productive activities. The First Plan also recommended for training of personnel's and setting up of Co-operative Marketing Societies. The Second Plan laid down proposals for extending co operative activity into various fields. It gave special emphasis on the warehousing co operatives at the State and Central level.

The Third Plan brought still new areas under Co operative societies. The co operative society for sugarcane, cotton, spinning, milk supply was proposed. Some concrete steps were taken to train the personnel's. The co operative training College at Pune and many regional centers were established to train the workers. The Fourth Plan emphasised for consolidation of co operative system. The new programme for high yielding crops was started. Different credit societies were organised to serve these programmes. The Fifth Plan made special provisions for improvement of Central Banks and no viable primary agricultural societies, re organising marketing as well as consumer societies. It also recommended for establishment of Farmer's Service Societies.



The Sixth Plan laid down a point programme for co-operative societies. It aimed at transforming the primary village societies to multipurpose societies. i) To reconstruct the policies and of co-operative so that it can bring about economic development of people. ii) To extend co-operative activities to the fields of food processing, poultry farming, dairy farming, fishery and many other related fields. iii) To give necessary training and guidance for developing skilled the efficient personnel's. The Seventh Plan has also given more importance on the growth and expansion of co operative societies to ensure public participation to achieve its main objective i. e. the movement towards social justice has to be faster and there must be a sharper focus on employment and poverty alleviation.