



Cooperative Development and Education in India: A Study of Institutional Growth, Capacity Building and Socio-Economic Impact

Dr. Updesh Chhimwal¹, Lokesh Kumar²

1. Assistant Professor (English), Government Raza P.G. College Rampur, Uttar Pradesh.

2. Assistant Professor (Mathematics), Government Raza P.G. College Rampur, Uttar Pradesh.

(Corresponding Author: lokeshkumarnbd@gmail.com)

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Abstract

The cooperative movement in India has emerged as a significant institutional mechanism for promoting inclusive economic development, social equity, and democratic participation. Cooperatives play a vital role in sectors such as agriculture, dairy, credit, housing, and fisheries, particularly benefiting small producers, marginal farmers, and economically weaker sections. This research paper examines the relationship between cooperative development and cooperative education in India, emphasizing how education and training influence governance, efficiency, and sustainability of cooperatives. The study adopts a mixed-methods approach, combining qualitative analysis of policy documents, institutional reports, and cooperative education frameworks with quantitative survey data collected from cooperative members across selected Indian states. The findings reveal that cooperative education significantly enhances member participation, leadership quality, financial transparency, and operational performance. However, challenges such as inadequate training infrastructure, uneven access to education, and limited integration of modern management practices persist. The study highlights the need for institutionalized and continuous cooperative education, supported by government agencies, cooperative federations, and academic institutions. By linking education with cooperative development outcomes, this paper contributes to the existing literature and offers policy recommendations aimed at strengthening the cooperative sector in India. Strengthening cooperative education is essential for ensuring sustainable development, empowering members, and reinforcing the democratic ethos of cooperatives in a rapidly changing socio-economic environment.

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1. Introduction and Background: The cooperative movement in India represents one of the most enduring and widespread forms of collective economic organization. Rooted in principles of mutual aid, democratic governance, and equitable distribution of benefits, cooperatives have historically served as instruments of socio-economic transformation, particularly in rural and agrarian regions. The formal cooperative movement in India began with the enactment of the Cooperative Credit Societies Act of 1904, introduced during the colonial period to address rural indebtedness and exploitative lending practices (Bedi & Singh, 2018). Since independence, cooperatives have expanded across diverse sectors, including agriculture, dairy, sugar, fisheries,

housing, handlooms, and banking. India's cooperative sector today encompasses over 8.5 lakh cooperative societies with a membership exceeding 290 million, making it one of the largest cooperative movements globally (Government of India, 2021). Cooperatives such as AMUL in the dairy sector and Primary Agricultural Credit Societies (PACS) in rural finance demonstrate the transformative potential of collective enterprise when supported by sound institutional frameworks and member participation.

Despite their scale and reach, many cooperatives in India struggle with issues such as weak governance, political interference, poor financial management, and low member awareness. These challenges often stem from inadequate education and training of cooperative members, leaders, and employees. Cooperative education, therefore, plays a crucial role in strengthening the institutional capacity of cooperatives and ensuring their sustainability. Cooperative education refers to the systematic process of imparting knowledge about cooperative principles, values, laws, management practices, and democratic functioning. It includes formal education programs, training workshops, extension activities, and awareness campaigns aimed at empowering members and leaders. International cooperative principles, particularly the fifth principle—"Education, Training, and Information"—underscore the importance of education as a foundation for cooperative success (International Cooperative Alliance [ICA], 2020).

This research paper explores the interrelationship between cooperative development and education in India. It examines how education contributes to improved governance, member participation, and economic performance, while also identifying gaps and challenges in the current cooperative education framework.

2. Materials and Methods: The study adopts a mixed-methods research design, integrating qualitative and quantitative approaches to provide a comprehensive understanding of cooperative development and education in India. This approach enables triangulation of data and enhances the reliability of findings.

2.1. Research Design: The study adopts a "mixed-methods research design", integrating qualitative and quantitative approaches to provide a comprehensive understanding of cooperative development and education in India. This approach enables triangulation of data and enhances the reliability of findings.

2.2. Data Sources: Primary data were collected through a structured questionnaire administered to 400 cooperative members across five Indian states: Gujarat, Maharashtra, Uttar Pradesh, Tamil Nadu, and West Bengal. These states were selected to represent regional diversity and varying levels of cooperative development. The questionnaire focused on: Awareness of cooperative principles and laws; Participation in cooperative education and training programs; Member involvement in governance and decision-making; Perceived impact of education on cooperative performance. Whereas Secondary data were obtained from: Government reports and policy documents; Publications of the National Cooperative Union of India (NCUI); Reports from the Ministry of Cooperation; Government of India

Academic journals, books, and conference proceedings.

2.3. Sampling Technique: A **stratified random sampling method** was used to ensure representation from different types of cooperatives, including agricultural, dairy, and credit cooperatives. Respondents included ordinary members, elected board members, and cooperative employees.

2.4. Data Analysis: Quantitative data were analyzed using descriptive statistics such as percentages, mean scores, and cross-tabulations. Qualitative data from policy documents and open-

ended survey responses were analyzed using thematic analysis to identify recurring patterns related to education and development outcomes.

3. Results and Findings:

3.1. Status of Cooperative Education: The findings reveal that approximately 62% of respondents had participated in at least one cooperative education or training program.

Table 1: Distribution of Respondents by Type of Cooperative		
Type of Cooperative	Number of Respondents	Percentage
Agricultural Cooperatives	160	40.0
Dairy Cooperatives	120	30.0
Credit Cooperatives	90	22.5
Other Cooperatives (Housing, Handloom, etc.)	30	7.5
Total	400	100.0

However, participation levels varied significantly across regions and types of cooperatives. Dairy cooperatives reported higher training exposure compared to agricultural credit societies. The table shows that agricultural and dairy cooperatives dominate the sample, reflecting their widespread presence and importance in India's cooperative structure.

Table 2: Participation of Members in Cooperative Education Programs		
Participation Level	Number of Respondents	Percentage
Regular Participation	148	37.0
Occasional Participation	100	25.0
Rare Participation	72	18.0
No Participation	80	20.0
Total	400	100.0

Nearly 62% of respondents reported regular or occasional participation in education programs, indicating moderate outreach but also highlighting the need to expand access.

Table 3: Impact of Cooperative Education on Member Awareness		
Awareness Indicator	Educated Members (%)	Non-Educated Members (%)
Knowledge of Cooperative Principles	78	41
Awareness of Rights and Duties	82	45
Participation in General Body Meetings	74	38
Confidence in Decision-Making	69	33

Educated members consistently demonstrate higher awareness and participation, confirming the positive role of cooperative education in strengthening democratic functioning.

Table 4: Perceived Governance Quality and Education		
Governance Indicator	High Education Exposure (%)	Low Education Exposure (%)
Transparency in Accounts	71	39
Fair Election Practices	68	35
Accountability of Management	73	42
Conflict Resolution	66	31

Cooperatives with higher education exposure show better governance outcomes, particularly in transparency and accountability.

3.2. Impact on Member Awareness and Participation: Members who had received cooperative education demonstrated significantly higher awareness of: Cooperative principles and values; Rights and responsibilities of members; Procedures for elections and decision-making; Educated members were more likely to attend general body meetings, vote in elections, and question management decisions, indicating stronger democratic participation.

3.3. Governance and Leadership Outcomes: Cooperatives with regular training programs reported: Better record-keeping and financial transparency; improved leadership skills among board members; reduced internal conflicts and disputes; Statistical analysis showed a positive correlation between frequency of education programs and perceived governance quality.

3.4. Operational and Economic Performance: Respondents from cooperatives with structured education initiatives reported: Improved efficiency in service delivery; higher member satisfaction; Better adoption of modern practices such as digital accounting and marketing; Case studies revealed that cooperatives linked with institutions like NCUI and agricultural universities were more resilient during economic shocks.

3.5. Challenges in Cooperative Education: Despite positive outcomes, several challenges were identified: Inadequate funding for education and training; Shortage of qualified trainers; Irregular and one-time training programs; Limited use of digital and online learning platforms. These constraints limit the long-term impact of cooperative education initiatives.

4. Discussion: The findings reaffirm the central role of education in cooperative development, consistent with international cooperative theory and empirical studies. Education acts as a catalyst for empowering members, strengthening democratic governance, and improving economic performance. The uneven distribution of educational opportunities, however, creates disparities in cooperative effectiveness across regions and sectors. The study highlights the need for moving beyond ad hoc training toward institutionalized, continuous learning systems. Integrating cooperative education into formal curricula, leveraging digital platforms, and fostering partnerships with academic institutions can address existing gaps.

Conclusion: This research concludes that cooperative education is a critical determinant of successful cooperative development in India. Education enhances member awareness, promotes democratic participation, strengthens governance, and improves operational efficiency. While India possesses a vast cooperative network, its potential can only be fully realized through sustained investment in education and capacity building. Policymakers should prioritize cooperative education by allocating dedicated funding, strengthening institutions like NCUI, and encouraging innovation in training delivery. Cooperative federations and leaders must view education not as an expense but as a strategic investment in sustainability. Strengthening cooperative education will ensure that cooperatives continue to serve as engines of inclusive growth, social justice, and economic democracy in India.

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