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Critical study on the role of cooperatives in tribal development of Himachal Pradesh

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Abstract

The cooperative movement has played a pivotal role in advancing the socio-economic development of tribal communities in Himachal Pradesh, who have long faced challenges arising from difficult terrain, geographical isolation, and limited access to essential resources. This study critically examines how cooperatives contribute to tribal development by supporting livelihood generation, enhancing financial inclusion, strengthening agricultural and horticultural practices, and promoting social empowerment. Special focus is placed on cooperatives functioning in sectors such as horticulture, dairy, handicrafts, and credit services, as these have significantly enhanced sustainable income opportunities and improved self-reliance among tribal households.

The analysis also identifies persistent challenges faced by these cooperatives, including inadequate infrastructure, weak managerial capacities, low levels of awareness, and continued dependence on external agencies. By evaluating both the successes and constraints of cooperative initiatives, the study underscores their transformative potential as instruments of inclusive and community-driven development. It further highlights the importance of targeted policy support, enhanced capacity-building initiatives, and stronger institutional frameworks to ensure the long-term effectiveness and resilience of cooperatives in promoting tribal development in Himachal Pradesh.

Keywords: Cooperatives, Tribal Area, employment, cooperative

1. Introduction

"The word cooperation (with a small c) has been employed so much in recent years to denote almost any fashion of working together as to lose its precise meaning together... what is the difference between cooperation and Cooperation (with a big *C)? Both denote working together association of common ends, but, whereas cooperation stands for combined working under any or with no stipulated conditions. Cooperation does stand for a definite method or technique of working together. The difference which marks cooperation off from Cooperation consists in the fact that Cooperation is working together according to certain conditions or principles which the participants agree to abide". It was said by a famous cooperator, W.P. Walkins.

Cooperation touches every sphere of human life—political, religious, economic, and cultural—and functions as a vital foundation of modern society. In communities where cooperative practices are strong, farmers, small entrepreneurs, and workers enjoy an improved standard of living. When genuinely embraced by its members, cooperation can prevent monopolies and the concentration of power, control harmful inflation and economic downturns, and protect society from various exploitative systems¹.

The definition of Professor Lambert is supported by cooperative leaders throughout the world. According to him: "a cooperative society is an enterprise formed and directed by an association of users, applying within itself the rule of democracy and directly intended to serve both its own members and the community as a whole²".

According to Henrick, it is, "the act of poor persons voluntarily united for utilizing reciprocally their own forces, resources or both, under their mutual management to their common profit and loss"³.

The Himachal Pradesh lit the bonfire of co-operative movement in the country, when first co-operative society was established in Panjavar village of Una District in 1892 twelve years before the enactment of Co-operative Societies Act in 1904. In 1948 the Pradesh inherited 663 cooperative societies but the number of cooperative societies has increased from 3677 in 1975 to 4426 in 2007-08 which shows an increase of 20.36%. The cooperative movement in Himachal Pradesh has assumed pivotal and additional role particularly after the fifth plan when the emphasis has shifted towards betterment of weaker sections of the society. In the modern concept, cooperative are established to perform specific functions, cooperative societies may be found at local, regional, national and international level where a distinction

is made among them on the basis of the extent of area they cover. We come across co-operative societies in the primary, secondary and tertiary sectors. Within the primary sectors, there are co-operatives for farming, marketing, processing, fishing, dairying etc. Co-operative in the secondary sector contains industrial co-operative and in the tertiary sector, we have co-operative banking. Apart from these, there are consumers cooperative, housing cooperatives, co-operative societies for displaced persons etc. But though these co-operatives have diversified goals, they all work in a similar manner. (Arjun, Shyam & Dinesh, 2015)4.

2 Review of Literature

Hoyt (2011) The study concludes that cooperatives serve as an effective model for reducing poverty and strengthening community development by pooling local resources, promoting leadership, and fostering economic self-reliance. They empower disadvantaged groups, enhance local ownership and control, and contribute to addressing community needs such as healthcare access, sustainable agriculture, and renewable energy initiatives.

Tesfay et.al (2013) The study found that most women joined multipurpose cooperatives to access financial resources and strengthen their bargaining power, leading to modest gains in income, livestock assets, and decision-making autonomy. However, their active participation in major cooperative activities remained limited. The researchers recommended targeted training and stronger support from government and NGOs to enhance women's empowerment and gender equality within cooperatives.

Karim (2013) The study highlights that due to issues like heavy government dependence, low investment, unemployment, and weak state enterprises, cooperatives can play a vital role in job creation, capital formation, and economic stability in the S&B Province. It identifies strong potential for cooperatives across sectors such as agriculture, industry, mining, services, housing, and various multipurpose activities including credit, transport, livestock, fisheries, and food processing.

Patra et.al (2013) The study shows that credit cooperatives, especially PACS, play a crucial role in supporting agriculture and rural development in Odisha, as confirmed through a survey of cultivator-borrower households. However, cooperatives are increasingly challenged by globalization, market transitions, and rural out-migration. The study recommends that cooperatives adapt, reinvent, and realign themselves to remain effective rural institutions in a changing economic environment.

Gweyi et.al (2013) The study found that agricultural cooperatives in Kericho County significantly contribute to rural development by generating employment, offering credit and financial support, and enhancing awareness and confidence among local communities. They also play an important role in environmental protection by educating members on environmental degradation and undertaking rehabilitation initiatives.

Hosseinisafa et.al (2014) The study emphasizes the essential role of agricultural cooperatives in addressing rural economic challenges and highlights how investment funds like the SFIDA fund in North Khorasan have improved liquidity management, input supply, and market regulation. It recommends adopting Article 17 to boost agricultural productivity and notes that NGOs can significantly support sustainable rural development by creating jobs and strengthening income generation.

Bidokhti et.al (2015) The study highlights that rural cooperatives play a vital role in improving income and investment in Iran's handicraft sector, especially hand-woven carpets, by enhancing quality, ensuring better materials, establishing trademarks, and reducing middlemen. These cooperatives have contributed to diversifying the economy and strengthening artisans' livelihoods. The study recommends greater government support and investment to expand production and reduce unemployment in the handicraft industry.

Research Methodology

Objectives

- To evaluate the performance of cooperatives in the development of Tribal's on the basis of certain selected indicators.
- To know the perception of employees and committee members towards the role accomplished by cooperatives in the development of tribal's.

Scope and Methodology:

The study is focused to critically examine the role of cooperatives in tribals' developments in Himachal Pradesh. In order to accomplish the goals of this study, we make use of both secondary and primary sources of information for analysis and descriptive tools of research analysis like mean, standard deviation and chi-square test have been applied for research analyses.

II Results and Discussion

In accordance to the objectives of the research, the data analyzed and interpretations are as under

Table No.1
Satisfaction with Employment Generation

Sr. No.	Nature of Response	Management Response	Percentage
1.	To Great Extent	8	13.33
2.	To Moderate Extent	14	23.33
3.	To Some Extent	28	46.67
4.	Not at All	10	16.67
	Total	60	100
$\chi^2 = 14.66$ $p < .05$			

Source: Primary Data Collection

The fact that 46.67 percent of respondents stated that societies are helping in some way to the production of jobs in tribal regions is something that should be recognized. There were sixty people who participated in the survey. In addition, it is clear from the table that 23.33 percent of the respondents reported a level of satisfaction that was somewhere between moderate and high with the job opportunities that were created by cooperatives. The percentage of people who are satisfied to a significant degree is 13.33 percent, whereas 16.67 percent of people believe that societies do not contribute to the development of work opportunities. Studies conducted by Thakur and Thakur (1986), Lai and Gupta (1992), Prasad and Suresh (1997), Pathania (1997), and Vernia (1999) all provide more evidence that supports the fact that the aforementioned statement is accurate. In the year 2000, Mishra, Prasad, Baluswami, and Wilson published their findings. There is a considerable difference in the opinions of respondents about the subject of job creation via cooperatives, as shown by the value of chi-square that was determined. It is thus possible to draw the conclusion that the greatest number of respondents are found to be pleased, at least to some degree, with respect to the development of work opportunities via cooperatives in tribal regions.

Table No.2
Perception regarding the employees of the cooperatives

Sr. No.	Nature of Response	+3	+2	+1	Q	-1	-2	-3
1	Honesty	16 (26.67)	14 (23.33)	10 (16.67)	8 (13.33)	2 (3.33)	6 (10)	4 (6.67)
2	Timely and good services	14 (23.33)	12 (20)	16 (26.67)	10 (16.67)	4 (6.67)	2 (3.33)	2 (3.33)
3	Friendly	10 (16.67)	8 (13.33)	22 (36.67)	12 (20)	2 (3.33)	6 (10)	–
4	Strict supervision	8 (13.33)	16 (26.67)	12 (20)	8 (13.33)	12 (20)	4 (6.67)	–
5	Trained or qualified	4 (6.67)	2 (3.33)	12 (20)	32 (53.33)	4 (6.67)	–	6 (10)
6	Fair dealing	8 (13.33)	34 (56.67)	6 (10)	4 (6.67)	2 (3.33)	6 (10)	–

Source: Primary Data Collection

Table 2 presents the management's perceptions of various aspects of employee performance, including honesty, service timeliness and quality, behavior, supervision, training and qualifications, and fairness in dealing with members. Regarding honesty, 26.67% of respondents reported being highly satisfied, 23.33% were moderately satisfied, and 16.67% were slightly satisfied, while 13.33% remained neutral. Only 6.67% expressed strong dissatisfaction with workers' honesty. This suggests that employees generally uphold ethical standards, which is essential for maintaining trust in cooperative societies.

In terms of timely and quality service delivery, 23.33% of respondents were very satisfied, 26.67% were slightly satisfied, and 20% were moderately satisfied. Another 16.67% expressed neutrality, whereas a small proportion (3.33%) reported being highly dissatisfied. However, the presence of some dissatisfaction suggests that although services are generally acceptable, there is scope for improvement in maintaining consistent service standards.

With respect to employee behavior, 36.67% of respondents were mildly satisfied, and 16.67% expressed high satisfaction. An equal proportion (20%) remained neutral. However, 10% reported being somewhat dissatisfied. This highlights the need for orientation programs or behavioral training to ensure consistent member-friendly conduct across the staff.

Management opinions on the strictness of supervision showed that 26.67% felt moderately satisfied, 13.33% were highly satisfied, and 13.33% remained neutral. Another 20% each felt either somewhat satisfied or slightly dissatisfied with the level of supervision exercised in the society. The variability in satisfaction indicates the need for a more structured and transparent monitoring system to ensure consistent oversight and employee accountability. When asked whether employees were trained and qualified, more than half the respondents (53.33%) gave a neutral response. About 20% were somewhat satisfied with the competence of staff, while 6.67% expressed high satisfaction. On the other hand, 6.67% were slightly dissatisfied, and 10% were highly dissatisfied. This indicates a need for structured training programs and professional development initiatives to enhance staff capability.

Regarding fairness in dealing with members, 56.67% of respondents were moderately satisfied. Around 10% each reported being slightly satisfied or somewhat dissatisfied. Additionally, 13.33% believed that staff were very fair in their dealings and expressed high satisfaction with this aspect. This suggests that the cooperative's employees generally maintain equitable and ethical interactions with members, reinforcing trust and transparency within the society.

Conclusion

In conclusion, the perspectives of workers and committee members collectively affirm that cooperatives play a transformative role in the socio-economic upliftment of tribal communities. By expanding access to essential services, promoting community participation, and reducing dependence on exploitative systems, cooperatives have strengthened both economic security and social cohesion in these regions. Their ability to foster ownership, empowerment, and inclusive decision-making positions them as effective instruments for bridging developmental gaps and ensuring sustainable, equitable growth in tribal areas. Overall, the cooperative movement in Himachal Pradesh has evolved from a basic system of local credit and supply societies into a comprehensive institutional framework supporting multiple sectors of the rural economy. Its expansion has not only improved access to essential services but has also enhanced community participation, economic security, and social cohesion. Today, cooperatives function as a crucial driver of rural development in the state, playing a transformative role in uplifting remote and underserved communities.

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