A Community-driven Sustainable Development System

PURA AS A PRIVATE–PUBLIC–COMMUNITY PARTNERSHIP MODEL (PPCP)

Sustainable development systems for world prosperity and national development would have to be inherently community-centric. The community plays an important part in implementing a PURA initiative. PURA's vision is based on a public–private model with a crucial role for the community, which then evolves into a private–public–community partnership model.

The vital contribution of the community can be realized in many different areas. In fact, it would not be an overstatement to say that it is a necessary condition for the success of PURA at the ground level. The community's participation and ready acceptance of the transformation would lead to the application of knowledge; a bigger role for panchayati raj institutions; enterprise creation; cooperatives; collective environmental consciousness; and outcome-oriented approach to all the initiatives.

The economic, social and cultural transformation that PURA strives to bring about will be achieved only if an active part is taken at the household level, and the sharing of the benefits and the responsibilities is envisaged and implemented. The complete realization of a sustainable development model rests on the premise of empowering people and hence, the outcome of a development system—like PURA—would ultimately rest on the extent to which the system itself, in the long run, is managed by the community.

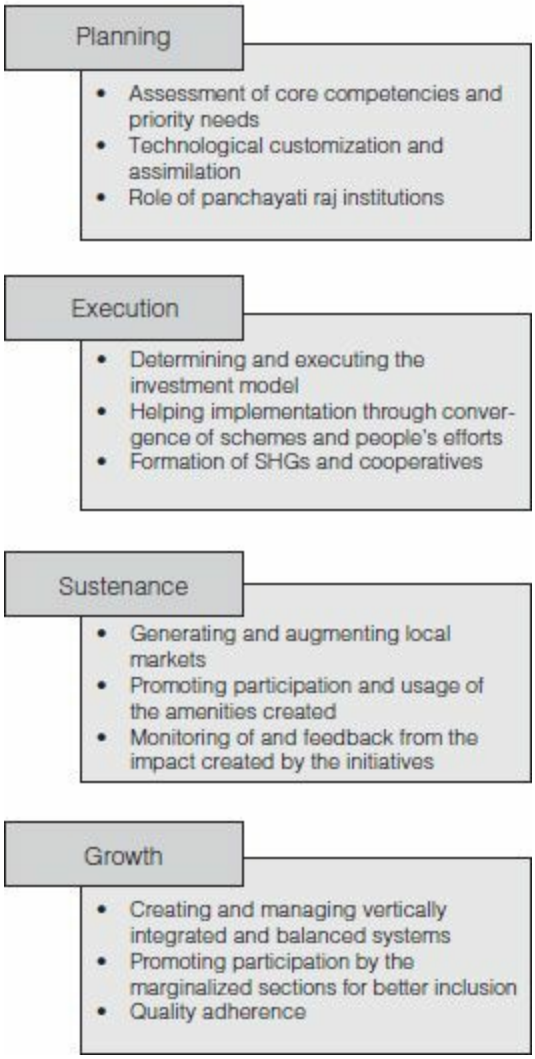

FIGURE 7.1: Four-fold participation by the community

THE ROLE OF COMMUNITY ACTION

As already stated, the community has different roles to play which start from the planning stage itself, and keep increasing over time. Before implementing any development model, the community has to be made a partner in the process, beginning with an assessment of the strengths and weaknesses of the target area itself. This would generate the trust and the participation of the community members.

The community members would also play an important role in executing the initiatives and, through their empowerment, encourage local innovators and entrepreneurs. Similarly, the action of the community at large would activate markets, maintain quality standards, initiate social audits and promote vertically integrated and value-addition enterprises, which would help avoid inefficiency and losses.

The key to successful implementation is that the community has to be seen not just as mere consumers of the benefits realized, but also as knowledge-empowered implementers of the initiative itself.

WHAT MAKES COMMUNITY PARTICIPATION WORK?

One observation, commonly made across the world, is the lack of enthusiasm from the intended

'beneficiaries' of either a government scheme or a private initiative. Such apparent 'indifference' may exhibit itself through either a lack of interest or the total rejection of an initiative.

Such observations are counter-intuitive. It is difficult to find a reason why an impoverished person or group would not want to put in an effort to pull their family out of the vicious circle of poverty or the low-capacity trap.

During my visit to Sandeshkhali in the Sunderban region of West Bengal, the village women described a problem occurring in multi-institution financing. Under a government-sponsored scheme for the development of rural enterprises, women entrepreneurs were to receive a 50 per cent seed fund through government grants and the rest through bank loans at subsidized rates. After their training, the women would eagerly apply for seed funds for starting their own business. The bank would sanction the loan almost immediately, thus starting an accumulation of the interest.

However, due to the lack of a single point for dispensing the funds, the other 50 per cent to be received through grants would take far more time—often years—stalling the entire enterprise. This was financially crippling for the aspiring entrepreneurs since they were being charged interest on the bank loan which, by itself, was insufficient to start the enterprise. By the time the grant fund arrived, the accumulated interest would make the enterprise unfeasible. Thus, due to unsynchronized efforts, lack of proper training and diffused investments, the community-enterprise creation model would end in failure and ruin the hopes of the women entrepreneurs.

In order to understand this social phenomenon, one needs to investigate more deeply into the main and common reasons that could make community participation work.

A NEED FOR PROPER INCENTIVES

One of the commonest reasons for a community not to participate is a lack of proper incentives, both long-and short-term. It is important to understand the need for both. The absence of clearly defined long-term incentives, that are sustainable, would eventually lead to an uncontrolled 'run' in the short term, ending in failure over a period of time or over a larger audience. At the same time, given the limited risk-taking ability—especially of the economically distressed—it is necessary for any initiative to yield gains in a short time frame. Hence, for any community to be truly motivated to participate, the incentive must be commensurate with the risks and the efforts.

MATCHING REWARD–NEED–EFFORT

Another crucial factor for ensuring participation is matching the real need with the stipulated reward, or the perceived effort with a surety of returns. At a time when most nations—especially India—are so disparate in economic and social conditions, it is important to develop a clear understanding of the needs of a local region before deciding on incentives and schemes.

ESTABLISHING PROPER COMMUNICATION

Even the best initiative may end up being rejected by the participants if there has been a lack of adequate communication with them. The dissonance between 'what was meant' and 'what was understood' may lead to an unintended, inaccurate interpretation. Equally important is the credibility of the source from which the communication comes.

'The problem with communication … is the illusion that it has been accomplished.'

—George Bernard Shaw

CREATING STREAMLINED AND SIMPLIFIED PROCEDURES

Even if the initiative is well understood and trusted, there can be a setback when it comes to taking the first step forward to participate. It has often been observed that processes are far too complicated and the overheads so taxing that it becomes impossible for a fresh rural entrepreneur or trainee to complete the necessary formalities. This problem has to be overcome by enlisting experienced and expert local development consultants who can absorb the non-essential 'process pains' and help the community members apply their efforts to the core activities.

OVERCOMING LACK OF TRUST

The initiatives are often met with doubt regarding the effectiveness and, sometimes, even the intention. The reason is largely the past history of performance and the perceptions which have been formed over the years. Thus, even a well-intentioned and meticulously planned initiative fails due to the lack of trust incurred by its predecessors. A feeling of trust needs to be carefully nurtured through continued communication and the proven examples of community-owned models.

~

BAREFOOT DOCTORS: THE COMMUNITY-OWNED NATIONAL HEALTH-CARE MOVEMENT IN CHINA

'Barefoot Doctors' is a part of the Chinese Rural Health Care Movement which began in the 1950s and gathered momentum after 1968. The barefoot doctors were essentially farmers who were given about six months of basic medical and paramedical training in a hospital and then sent back to their villages to farm and also to provide basic medical care to the people. Their training focused largely on preventive health care, prevention of epidemics and diseases specifically pertaining to their region.

Each barefoot doctor was provided with a set of forty to fifty Western and Chinese medicines for dispensing as required. They provided for immunizations, childbirth and improvement of sanitation. Each barefoot doctor had the option of training local youths as village health aides, who would work on a specific type of disease. Typically, a barefoot doctor would dedicate about half of his or her time to agriculture and the other half in providing health care.

The barefoot doctors were paid out of a collective welfare fund from the local farmers' contributions. They earned about half as much as a fully trained doctor. They provided health care to the people at the grass-roots level. They would attend to about fifteen patients a day, and make 150 home visits a month. In about 75–90 per cent of the cases, the problems would be solved locally, and for the remaining, the patients would be referred to a hospital.

This mission, under a rural cooperative medical system, at its peak, covered about 90 per cent of China's villages. The barefoot doctors were at the forefront of the Chinese rural health-care mission till the 1980s. The impact of this movement was reflected in the health-care system of the nation and

set the foundation for a healthy and economically progressive society.

During the era of the barefoot doctors, the average life expectancy in China almost doubled, from 35 years in 1965 to 68.9 in the early 1980s. The IMR fell, from 200 at the start of 1950, to below 30 per 1,000 live births in the early 1980s.

The success of the barefoot doctors in the health-care system is attributed largely to the fact that the movement was essentially a community-owned, community-trained and community-benefiting model. The fact that they were essentially farmers made them more approachable and fostered a feeling of trust. Since they lived in the same village, they were also available for consultation 24x7 and, therefore, were further relied on by the people.

Post-1980s, the barefoot doctors were permitted to take a medical licensing examination and, subject to it, they were reorganized as village doctors, health-care workers and licensed assistant doctors. Today, China's villages have more than 880,000 rural doctors, about 110,000 licensed assistant doctors and 50,000 health workers.

~

CHILD JOURNALISTS: CREATING A VOICE FOR THE COMMUNITY

On the last Sunday of each month, an enthusiastic editorial team of twelve assembles in the Sohagpur Block of Hoshangabad district in central India to carefully select articles submitted by their journalists for their monthly newspaper which goes to five out of the total seven blocks in the district. The unique feature is that the editorial team and the journalists are all children, between the ages of eleven to fifteen, attending government schools in about twenty-five villages. The journalist team of 250 children—out of whom 130 are girls—publish a local newspaper, *Bacchon ki Pahel* (Children's Initiative), which caters to the local rural readers. It is an initiative started in 2006 and run by Dalit Sangh, an NGO, and UNICEF.

The child journalists of *Bacchon ki Pahel* raise issues of significance concerning the local and surrounding areas. They interview government officials and village council members, analyse local issues and put forth demands for better development.

Typical news articles include observations on the condition of schools and the Mid-day Meal Scheme; researched work on the potential dangers of chewing tobacco or smoking and other health issues; the preservation of local languages; and even analyses on modern issues of global significance, such as genetically modified foods and their impact. The newspaper is almost totally brought out by the children who have been trained in the skills of writing and journalism. Dr Gopal Narayan Aavte, editor of the newspaper, commented: '… children show immense enthusiasm in bringing out the truth for the community. Ninety-five per cent of the work is entirely managed by the children's group, most of them coming from underprivileged communities. They are sharp in their questions and accurate in their reporting.'

The newspaper acts as a local voice through the literary work of the children; it displays the visible and immediate impact of education especially on the girl child; and it is an effective tool for assessing the literary skills being developed in the government schools in rural areas. With limited investment, the number of journalists and the coverage have increased exponentially, and a wider

array of topics is now being covered.

When I was in Bhopal, I met with some of the young reporters on 14 November 2010 at Raj Bhavan, where I interacted with them and listened to their ideas and issues. They showed me many different editions of the newspaper, which were all unique. In each edition, these young, dynamic and fearless reporters touch upon issues of local concern; the state of the schools and the village community areas; they highlight the latest trends in technology and science; and they interview local officials, including the district magistrate, about the progress on local developmental activities. One unique column that they carry in each edition is on the preservation of traditional tribal words. The October 2010 edition they brought with them had a list of words from vanishing tribal languages.

During my interaction with them, they asked me many questions, one of which I would like to share. One fourteen-year-old reporter, Gopal, asked me, 'Mr Kalam, you have told us about the right to free and compulsory education and how it would bring access to education to all the children. What I want to ask is, how can a child from a nomadic community, which keeps moving from one place to another, pursue education in a traditional school?' It was a brilliant question to which I replied that the need of the hour was to evolve mobile schools where education could follow the child. I would like all of you—IT experts and government officials—to evolve a strategy for addressing the problem highlighted by the young reporter Gopal.

This small but effective initiative is highly commendable and replicable, and it can generate a tremendous Knowledge Connectivity, using the local student strength. The model of *Bacchon ki Pahel* can go even beyond a printed newspaper. Once Electronic Connectivity reaches the villages, the same model can be extended over the Internet and community radios to reach a wider audience. It can also extend itself into a forum for ideas and information exchange across villages and regions.

The ignited mind of the youth is the most powerful resource, On the Earth, above the Earth and under the Earth.

Based on interviews conducted with the young reporters and the publication team in Bhopal.

~

NURTURING LEADERSHIP

We have already discussed the role of a leader in PURA. In all the successful cases we have seen, there has been a clearly defined and accountable chain of command running through them.

NANAJI DESHMUKH

CHITRAKOOT PURA

Nanaji Deshmukh (1916–2010) was a social reformer who brought smiles on the faces of hundreds of thousands of people in Chitrakoot. He was deeply inspired by Lokmanya Tilak, the great freedom fighter, whose nationalist ideology fired Nanaji to take up social service in the rural sector as a lifetime mission. Nanaji's love of education and knowledge was reflected in his creation of India's first Shishu Mandir (Children's School) in 1950. After spending two months with Vinoba Bhave, a contemporary of Mahatma Gandhi's, Nanaji was inspired by the success and appeal of the agricultural land reform movement started by Vinoba Bhave, and he actively participated in it.

For Nanaji, the development of the people of the Chitrakoot villages was his aim and objective. In 1969, he established the Deendayal Research Institute for organized rural development in the region, and he devoted his entire time to it. He also set up Mahatma Gandhi Chitrakoot Gramoday Vishwavidyalaya, India's first rural university, and was its first chancellor.

Nanaji understood the importance of actively involving the community in order to achieve a successfully implemented development model. Hence, the Chitrakoot PURA evolved a number of unique models to encourage people's participation. These included 'Samaj Shilpi Dampati' (discussed later in this chapter), public participative appraisal in planning and execution, and an active attempt to build a society that is conflict-free and harmonious.

Without a person who is trusted by the community to champion its cause, it is difficult to find support over a sustained period of time. The need for guidance is felt most acutely when the target is to achieve a transformation, when it is a matter of not only managing success but also managing failures and facing difficult situations.

Nurturing creative leadership—on the principle of innovative management and a belief in working and succeeding with integrity—is essential for a thriving sustainable development system.

CREATING A SUPPORTING AND SUPPLEMENTARY ECOSYSTEM

True development can be achieved only when it is multi-pronged. In most cases, the problems are due to the confluence of multiple factors, some of which may be completely independent of each other. Alleviating a single factor would achieve little in solving the issues and hence the need for an integrated approach for solving the problem, where the outcome—rather than the outlay—is the goal.

The same would be the case in an incentive-based approach for engaging the local community. For example, creating a finance structure for an entrepreneurial activity—say, that of garment finishing—would be of little benefit unless accompanied by programmes for training and marketing the final product and vice versa. Such vertical integration at the micro level is an essential step towards the creation of a supporting ecosystem which would motivate community participation.

Third, ecosystems need to be designed according to the local demographics, culture, geography and economy. Every area has certain key stress points that demand priority and would be critical success issues when inviting large-scale participation.

~

MAGARPATTA: CREATING AN ECOSYSTEM FOR COMMUNITY-BASED ACTION

Magarpatta, a 430-acre area on the outskirts of Pune in the state of Maharashtra, is an example of how community-based action can achieve collective benefits and an advantageous situation for all. The Magarpatta land was owned by the Magar clan, a community of about 123 villagers, and came under the authority of the Pune Municipal Corporation. In the 1990s, seeing urbanization expanding and reaching their village, the Magars organized themselves and set up the Magarpatta Township Development and Construction Company, and prepared a city development plan for the area. The Magar farmers pooled their land and were made shareholders in the company in proportion to the value of their land. This plan was approved in 2000.

Today, the Magarpatta city is home to over 35,000 residents and a working population of 65,000. The city has developed a Cybercity Magarpatta IT Park which has attracted many multinational companies. Direct employment is being provided to over 60,000 professionals and indirect to an additional 20,000. The city of Magarpatta has been designed in an eco-friendly manner. About one-third of the area is reserved for parks, one of which is Aditi Park, the largest in Pune. The city is

designed in such a way that residents can walk to their offices, schools or markets. The 170 tons of biodegradable waste from the city is used for vermiculture and compost. With about 7,000 solar energy collectors installed, there is a saving of about 15 million units of electricity every year. It is the first settlement in India to receive the ISO 9001 certification.

Magarpatta is the only such project in India where farmers have come together to convert their land into an enterprise and become shareholders in the company. They agreed to use a part of the value of their land to buy flats and shops in the township, thereby ensuring a fixed flow of income and enterprise opportunities. They are full partners in the success story of Magarpatta. Over 250 entrepreneurs have emerged from the Magar community in non-agricultural ventures due to the support of the community company, which has now evolved into a project execution company and is developing other similar projects.

This community-owned company is an excellent example of the need to involve the community as a shareholder and partner in development. As we realize sustainable development models and create economic entities in the rural region, there needs to be a mechanism which can ensure a win-win situation for both the entrepreneurs and the local community, which would, in turn, ensure smooth local cooperation in setting up the unit, avoiding delays. Magarpatta is a shining example of how such a model can be realized on the ground level.

This shareholding model can be adopted in various scenarios across a wide spectrum of initiatives. A hybrid ownership model based on enterprise creation, with inherent characteristics to convert stakeholders into shareholders, would be required. Three key stakeholders and contributors come in the form of labour, land and investment as shown in the table below.

TABLE 7.1: Stakeholders in a community-owned company

Stakeholder	Description	Focus
Labour	Knowledge, skilled and semi-skilled members from the community who can be involved in the setting up and operations.	This shareholder would work primarily towards protection of the interests of the local community and would also benefit from additional jobs locally via skill augmentation.
Land	This shareholder would be an individual or organization which could contribute in the form of land or other physical assets.	The inclusion of this shareholder would ensure market-linked returns to villagers who contribute their land and equity in profit-sharing. This would ensure added trust in the developmental process.
	What is implied here is the role of the investor in the financial capital for good equipment and	The third leg of the enterprise would bring in better technology to assist the

Investment	knowledge, for better processes and market linkages for profitable sales. This may come in the form of private-sector participants. The government can also be a significant enterprise-based investor among others.	interests of the other two stakeholders and to maximize profits. It would also be the investor who brings in better equipment and opens up more markets, with the goal of improving the bottom line.

~

THE ROLE OF VISION IN GENERATING PARTICIPATION

For inviting community participation, it is important to have clearly set, objective goals for both the short and the long term. These should form the vision for a mission towards prosperity, welfare and inclusive empowerment through knowledge, employment and skill-building. The vision should have the power to spark off a dream in the community of a future with well-planned economic prosperity and of a congenial society with quality health care and education for all. The collective vision of the community should be translatable to the aspirations of the individual and the household.

ACHIEVING COMMUNITY PARTICIPATION

Getting the active involvement of the community is of paramount importance and often a key defining factor, which would be the dividing line between failure and success. As we have discussed earlier with examples, there can be numerous innovative models by which the community can be involved as an active participant in the realization of a sustainable development model. Let us further discuss two models—the Chitrakoot and the Loni PURA—which are comprehensive systems for 'people participation in development missions'.

SAMAJ SHILPI DAMPATI

Samaj Shilpi Dampati of the Chitrakoot PURA is a classic example of generating community partnership through persuasion and perseverance and in a bottom-up approach. This programme has been run by the Deendayal Research Institute (DRI) under the leadership of Nanaji Deshmukh. The DRI's vision statement observes:

> The commitment of the Deendayal Research Institute (DRI) to the implementation of the development process from the bottom to the top, formulated at the village level, necessitated sustained interaction with the villagers themselves to understand their problems and motivate them to change. However, after decades of exploitation, villagers are extremely wary of the intentions of outsiders who come to their villages claiming to want to help them.

In order to win the trust of the local people, to persuade them to take part in the process of planning and to accept the initiatives being undertaken, DRI started a unique brand of respected village-level community workers, called the Samaj Shilpi Dampati (SSDs).

An SSD is not an individual, but a couple, often newly married, their age ranging between twenty-five and thirty-five years. It is mandatory for both the spouses to be educated at least to the graduate

level, and they should have a deep commitment towards community service. The duration of an SSD programme is five years, and each SSD couple works for a cluster of five villages.

The career of a typical Samaj Shilpi Dampati, or social sculptor couple, starts with a week-long orientation and training camp organized by the DRI. Here, the soon-to-be-deployed couples are exposed to a variety of the best practices relating to a wide range of issues such as technology, various procedures, value systems and motivation. The newly recruited SSDs are then shown around the Krishi Vigyan Kendras (KVKs) run by the DRI to let them have a first-hand experience of the impact of science on the agro sector. These camps also support horizontal learning between the SSDs, as well as between the older and experienced couples and the freshly recruited ones.

After the orientation and training camp, the SSDs are taken back to the villages where they normally reside. They live in the village primary school or with a family that is supportive to the cause of social development. Their work starts with a focus on the children, their health and education. This gradually generates good mutual trust between the SSDs and the local population. As the confidence builds up, the SSDs switch to a more diverse spectrum of activities involving greater community participation, and aimed towards achieving a common objective of a self-reliant village. This includes:

- Income-generating activities and promotion of enterprises
- Environmental consciousness and helping keep the village green and clean
- Improvement in farm practices and technologies
- Education for various age groups
- Increasing social consciousness and harmony through resolution of conflicts by mutual consent
- Acting as a nodal point for DRI interventions in the village group

SSDs are highly respected in the villages and many of their daily needs are taken care of collectively by the villagers. Besides that, each couple is paid about Rs 3,000–3,500 per month as a stipend. There are regular training camps held for the SSDs across the Chitrakoot region on various subjects of social relevance. Once the five-year period is over, the SSD couple are often absorbed as regular employees in the DRI operations.

TABLE 7.2: Samaj Shilpi Dampatis

Intervention	Effect
SSDs are graduates	They generally operate in remote areas with hardly any highly educated individual living in the village, and so, their education gets them the necessary initial acceptance and respect.
They are a couple	This is an important aspect from many angles. First, the role of the woman in an SSD is of paramount importance. She soon becomes an inspiration to the female population who learn from her the importance of educating girls. Seeing her active participation, they are motivated to do the same in their homes and activities. Second, the fact that both the spouses are recruited as one unit leads to stability in the

	SSD recruitment. A couple's consistency in service over a sustained period of time is important, as frequent changes would entail re-energizing the bonds already formed with the villagers.
They live in the village where they work	Since they live in the village, they are better aware of the potential and the problems of the village and its people. They are more trusted and their services are available to the villagers at all times. They also get to know the villagers individually, so they are able to spot the latent talent, which can benefit later from the other programmes (like enterprise development) conducted by the Chitrakoot PURA.
Post-SSD career path	The SSD couple, after completing their five-year tenure, are generally given the opportunity to join DRI as employees in its various initiatives. This acts as a motivation for them at the time of being recruited. The absorption also helps in facilitating transfer of knowledge as the older SSDs are able to train and share experiences with the fresh SSD couples.

DRI firmly believes that 'the success of the self-reliance campaign is directly linked to the success of the Samaj Shilpi Dampati'.

FEMALE HEALTH VOLUNTEERS AT LONI

In 2007, 235 female health volunteers (FHVs) of the Loni PURA, largely drawn from the local tribal community, were trained to operate as entrepreneurs in the health services extension.[1] Each of the FHVs, besides the customized training, is given a first-aid box, a disposable delivery kit and a water-testing (Othotone testing) kit. One of the primary functions of an FHV is to follow up cases in need of medical aid, especially those associated with childbirth. They coordinate the attendance of patients when the mobile clinics arrive in the village.

The FHVs are also involved in maintaining hygiene in their villages. The village-level FHVs are trained and equipped with an Othotone (OT) test for monitoring the purity of water from different sources every month. As many as 11,270 water samples have been tested by these trained women during 2007, only two-thirds of which were found to be fit for drinking.[2] The water-testing results are submitted to and endorsed by the local gram panchayats before presenting the project for water purification measures using a variety of locally available resources like drumsticks. Involving the FHVs in water-testing led to discussions between the village women and the gram sabhas regarding the merits and the effect of the system. The result is that many villages now respect the gram panchayat's directives to be more alert about the disinfection procedures for water sources.

With part-time employment and a well-paid job, the FHVs are able to conduct themselves as respected members of the family and society, and this has led to women's empowerment at all levels. With the added confidence, many of the FHVs are now involved in a host of entrepreneurial activities, thanks to the training and technology provided by the Loni PURA and, in particular, the Pravara Medical Trust. This includes a water purification system using drumstick seeds, harvesting Spirulina in small home reservoirs and vermicomposting, besides being absorbed in the Integrated

Child Development Scheme (ICDS) and the National Rural Health Mission (NHRM) owing to their increased skill sets.

INVOLVING THE YOUTH FORCE

The Periyar PURA follows a participative model for generating community support and ownership for the initiatives being undertaken. Periyar Maniammai University runs many programmes pertaining to the development domain including masters in social work (MSW), MPhil and PhD in social work and certificate courses in organic farming, landscaping, herbal physiotherapy and agricultural marketing. These certificate programmes are providing technological leaders to the local community to become a part of the PURA mission.

Students of MSW and volunteers for the National Service Scheme (NSS) are given the responsibility of mentoring the rural families in the PURA region. Five families are allotted to each student and, throughout their academic tenure, as part of their curricular or co-curricular activities, they are required to guide the families and track their progress.[3] This includes imparting to them knowledge of the technological processes available, training options, basic knowledge about education and health care and ridding their minds of superstitions. The students track their allotted families and document their progress, thereby helping to create an unbiased evaluation and monitoring system for the Periyar PURA. This programme of interaction fosters a sense of mutual respect and understanding and gives the students a hands-on, grass-roots level understanding of rural life, which is useful for expanding their vision of life. It also helps in their future professional life in the field of their choice.

About 40 per cent colleges imparting higher education are based in rural regions,[4] and many in urban areas, too, are located on the outskirts of cities. It would be advantageous for all these colleges to follow this student-to-community model of participative learning and mentoring. With more than 2,300,000 college students graduating every year,[5] and with more than 13,000 colleges,[6] there would be about 15–20 million higher education students who are pursuing education in different courses across the nation. There is an opportunity for knowledge empowerment, technology support and mentoring over 50 million families through these graduates.

THE COMMUNITY AS AN ECONOMIC ENGINE—COOPERATIVES

Amul,[*] Mother Dairy[†] and Lijjat Papad[#] are national brands well known to almost every Indian household for decades. They all share a unique business model—that of cooperatives. Cooperatives are defined[7] ‘as autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations, through jointly owned and democratically controlled enterprises’.

FACTS ABOUT COOPERATIVES IN INDIA

- 97 per cent villages are covered by cooperatives.
- Rs 3,485 billion deposits in cooperatives (2007–08)

- 54 per cent is the share of cooperatives in the handloom industry.
- 46.6 per cent of the total production of sugar is through cooperative models.
- 45 per cent is the share of cooperatives in ice-cream manufacture.
- 33.5 per cent of wheat procurement is managed by cooperatives.
- 20.3 per cent of all retail fair price shops (rural and urban) are managed by cooperatives, often by women.
- 1.22 million is the number of people directly employed, generated by cooperatives.
- 15.47 million is the number of people with self-employment generated by cooperatives.

In a rural context, it is an organization, generally for profit, owned and managed by a group of farmers or villagers, working towards mutual benefit in both the economic and social development sense.

The first successful cooperative was founded in 1844 as the Rochdale Society of Equitable Pioneers by a group of twenty-eight weavers and artisans in Rochdale, England.[8] They formed the society to open their own store, selling food items they could not afford to buy. The cooperative movement in India was formally introduced with the promulgation of the first Cooperative Societies Act in 1904.*

The cooperative movement in India has met with mixed success. In the more successful cases, with the proper technological know-how and leadership, they have expanded well beyond their core economic activity and diversified organically into a variety of need-based initiatives including health care, banking and education. For example, both the Warana PURA and the Loni PURA originated in a cooperative movement by sugar farmers in the 1950s. They then evolved into creating many other socio-economic assets to reach their current form.

The cooperatives are an excellent mechanism for community-owned and community-oriented action at the grass-roots level. They have the inherent characteristic of generating support from the local area, largely due to their ownership pattern. However, even with more than 549,000[9] cooperatives, the successful ones—howsoever extraordinary their stories—are few in number. The challenge lies in finding ways of implementing the lessons of success across cooperatives and expanding their entrepreneurial reach in terms of the economic and social transformation that they are capable of bringing about in the rural regions.