

Expanding Dairy Cooperatives for Inclusive Growth

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Dairy cooperatives through white revolution have enabled the country to achieve self-sufficiency in milk and dairy products. Amul epitomises the success of dairy cooperative movement for uplifting the socio-economic status of its members. With the only example across the world for paying more than 60% of consumer price back to primary milk producers, Amul cooperative model has the potential for economic development of its rural population.

The success of Warana Group in sectors like sugarcane, banking, dairying, retailing and education can be replicated for many more sectors of the rural economy such as – fruits & vegetables, oilseeds, poultry, Khadi, handicrafts, forestry products. Services sectors including education, banking, healthcare, insurance, retailing, energy (renewable – solar, wind) too have potential for cooperative business models in line with AMUL and Warana.

The weaknesses of capitalistic economies – with concentration of economic powers with small proportion of population and their disproportional influence over state policies, as evident from the 2008 financial crisis and its contagion effect across the global economies, make such economies fragile and unsustainable and thus socially undesirable.

India is better poised to avoid the perils of growth models (industrialization) followed by the developed country, by following a more sustainable and low-carbon growth path with the focus on rural development. The integration of cooperative model with the concept of PURA (Providing Urban Amenities in Rural Areas) seems to be an appropriate growth model for a country with huge population, 70% of which resides in India and the pathetic conditions of those migrating from rural to urban in search of livelihoods and ending-up in slums. Such a growth path and cooperative business models are inherently based on equity principle are socially desirable as well.

