



Mains Practice Question

Q. What were the socio-economic factors responsible for the emergence of the cooperative movement in post-independent India? Also, highlight the key characteristics of this movement. (150 Words)

04 Jul, 2022 GS Paper 1 History

Approach

- Begin with a brief background of the Cooperative movement
- Highlight the socio-economic conditions leading to emergence of the cooperative movement in India
- Conclude with the impact of the cooperative movement

Introduction

Indian Cooperative movement was essentially a child of distress. It emerged out of the turmoil and dissatisfaction which prevailed during the last quarter of the 19th Century and worked as a direct consequence of the Industrial Revolution. The Revolution led to the decay of cottage industries and growing pressure on land making agriculture an economic venture.

Body

- **The reasons responsible for the emergence of the cooperative movement were:**
 - The illiteracy and poverty of the Indian people, the evil of poverty resulted in indebtedness to the money lenders who exploited them.
 - Excessive sub-division and fragmentation of holdings, absence of alternative employment, loss of cattle through famine, disease, and flood, love of litigation ancestral debts was all responsible for the growing indebtedness.
 - The situation was such that the farmers were forced to sell their belongings to repay the debts. In some parts of the country especially in Poona and Ahmednagar, the farmers spearheaded an agitation against the moneylenders.
 - Despite cooperative credit societies being in existence for close to 50 years, the share of formal credit institutions to the rural credit needs was less than 9 percent, and within that, the share of cooperatives was below 5 percent.
 - The lending by traders and rich landlords accounted for more than 75 percent of rural credit.
 - India witnessed the unique phenomenon of wide-ranging reforms being implemented within a modern democratic structure without any violence or use of authoritarian force.
- **The key features of the movements were:**
 - Basing itself on the heritage of long, powerful national and peasant movements, independent India successfully transformed the colonial agricultural structure which it had inherited.
 - The legacy of nearly half a century of agrarian stagnation was reversed. Institutional and infrastructural changes were put in place, which was to enable the bringing in of modern, progressive or 'capitalist' farming in more and more parts of the country.
 - Large, semi-feudal, rapacious landlords rack-renting the peasantry as well as extracting illegal cesses in cash, kind or labor became a thing of the past.

Conclusion

The stranglehold of the moneylender over the peasantry was also considerably weakened with the growing availability of cooperative and institutional credit. Loans advanced by such institutions increased significantly. Credit became increasingly available to the poorer sections. The resources available to the peasantry as a whole for agricultural improvement thus increased significantly.

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