



Cooperatives and Vikasit Bharat 2047: A Pathway to Inclusive and Sustainable Development

Shiv kumara

Research scholar, DOS in Economics and cooperation, Maharaja's college University of Mysore, Mysuru

Dr. Ravikumara D A

Dorekere colony village Ravandur hobli and post Periyapatna Taluk Mysuru

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ABSTRACT

The cooperative sector in India plays a crucial role in promoting inclusive growth, rural development, and socio-economic equity, making it highly relevant in the context of the Viksit Bharat 2047 vision. This study examines the growth, performance, and developmental contribution of cooperatives over the period 2008–2025 using secondary data from institutional sources. The analysis highlights a steady expansion in the number of cooperatives, membership, employment generation, and rural coverage, indicating their increasing institutional strength and outreach. Sector-wise evaluation reveals significant contributions to agricultural credit, dairy production, fertiliser distribution, and agro-processing, while inclusive development indicators demonstrate improvements in financial inclusion, small farmer integration, SHG linkage, and women's participation. The findings suggest a transition from extensive growth to intensive development, emphasising the need for improved governance, digitalisation, and professional management. The study concludes that cooperatives have the potential to function as key instruments of inclusive and sustainable development, contributing significantly to employment generation, poverty reduction, and balanced regional growth. Strengthening the cooperative framework



will be essential for achieving the long-term objectives of *Viksit Bharat 2047*.

Introduction

The cooperative movement represents a distinctive institutional framework that integrates economic efficiency with social equity, making it particularly relevant for developing economies like India. Conceptually, cooperatives are member-owned, democratically governed enterprises that operate on the principles of voluntary participation, mutual assistance, and collective benefit. Unlike profit-maximizing capitalist firms, cooperatives prioritize the welfare of members and community development, thereby functioning as instruments of inclusive growth and socio-economic transformation.

In the Indian context, the cooperative movement has deep historical and cultural roots, reflecting traditional values of collective action and community solidarity. Over time, these informal practices evolved into structured institutions, especially during the colonial and post-independence periods, to address rural indebtedness, agricultural inefficiencies, and market failures. Today, cooperatives operate across a wide spectrum of sectors, including agriculture, credit, dairy, fisheries, housing, and rural industries, thereby forming an integral part of India's development architecture. (SahkarNet)

Empirically, the scale and outreach of the cooperative sector in India are substantial. As per the National Cooperative Database (2025), India has over 8.5 lakh cooperative societies with nearly 32 crore members, covering approximately 98% of rural areas. (Press Information Bureau) This extensive network highlights the sector's critical role in promoting financial inclusion, livelihood generation, and grassroots economic participation. Furthermore, cooperatives serve as vital linkages between producers and markets, particularly for small and marginal farmers, artisans, and informal workers, thereby reducing transaction costs and improving bargaining power.

The policy significance of cooperatives has gained renewed attention in recent years with the establishment of the Ministry of Cooperation in 2021, which marked a paradigm shift in India's institutional framework by providing a dedicated mechanism for cooperative development. The Ministry's vision of "*Sahakar se Samridhhi*" (prosperity through cooperation) underscores the strategic role of cooperatives in achieving broad-based economic growth and social justice. (SahkarNet) Additionally, the introduction of the National Cooperative Policy (2025) aligns the cooperative movement with the long-term developmental vision of Viksit Bharat 2047, emphasising modernisation, digitalization, and expansion of cooperatives to every village. (Press Information Bureau)



From a development economics perspective, cooperatives address several structural constraints inherent in developing economies, such as market imperfections, information asymmetry, credit constraints, and income inequality. By enabling collective ownership and decentralized decision-making, cooperatives enhance resource allocation efficiency while simultaneously promoting equity. They also contribute to agricultural transformation, employment generation, and rural industrialization, thereby playing a catalytic role in structural transformation.

Despite their significant contributions, the cooperative sector faces persistent challenges, including governance inefficiencies, political interference, lack of professional management, and limited access to capital. Moreover, the absence of comprehensive data on their contribution to GDP indicates a critical gap in policy evaluation and economic measurement. (The Impressive Times)

In the context of Viksit Bharat 2047, which envisions India as a developed, inclusive, and sustainable economy, cooperatives emerge as a crucial institutional mechanism. Their ability to combine economic viability with social responsibility positions them uniquely to address contemporary challenges such as rural distress, unemployment, and regional disparities. Therefore, a systematic analysis of the cooperative sector's growth, performance, and potential becomes essential to understand its role in shaping India's long-term development trajectory.

Review of Literature

The existing literature on cooperatives underscores their critical role as hybrid institutions that reconcile economic efficiency with social equity. Early theoretical contributions by Birchall (2013) and Chaddad and Cook (2004) conceptualized cooperatives as member-driven organizations capable of enhancing resilience, particularly during economic crises, due to their participatory governance and localised accountability. Empirical studies in the Indian context highlight the transformative impact of cooperative institutions in sectors such as dairy, credit, and agriculture, with evidence from the AMUL model demonstrating significant improvements in farmer incomes and rural livelihoods. NABARD (2019) and NCUI reports emphasise the role of cooperative credit structures in advancing financial inclusion and reducing dependence on informal lending. Recent studies (2015–2025) further reveal that cooperatives contribute to employment generation, market access, and poverty reduction, especially among small and marginal producers, while also facilitating collective bargaining and value chain integration. However, the literature consistently identifies structural and institutional challenges, including weak governance, political interference, inadequate capitalization, and regional disparities in performance (GOI, 2021; IBEF, 2024). Contemporary research also points to the need for modernization



through digitalization, professional management, and policy reforms to enhance competitiveness and sustainability. Overall, the literature suggests that while cooperatives possess significant potential as instruments of inclusive development, their effectiveness depends on institutional strengthening and supportive policy frameworks, particularly in the context of achieving long-term developmental goals such as *Viksit Bharat 2047*.

Objectives of the Study

1. To examine the role of cooperatives in India's economic development
2. To assess the relevance of cooperatives in achieving *Viksit Bharat 2047*

Methodology

The present study adopts a descriptive and analytical research design to examine the role of cooperatives in achieving the vision of *Viksit Bharat 2047*. The analysis is based entirely on secondary data sources, including reports from the Ministry of Cooperation, NABARD, National Cooperative Union of India (NCUI), IBEF, and other government publications covering 15 years (2008–2023). The study employs time-series trend analysis to evaluate the growth and performance of key indicators such as the number of cooperative societies, membership, employment generation, and rural coverage. Simple statistical tools such as percentage growth rates, comparative analysis, and tabular interpretation are used to identify patterns and structural changes in the cooperative sector. The approach is primarily macro-level and exploratory, aiming to establish linkages between cooperative development and broader economic objectives such as inclusion, employment, and sustainability.

Table 1: Growth of Cooperative Sector in India

| Year | No. of Cooperatives (Lakh) | Membership (Crore) | Employment (Million) | Rural Coverage (%) |
|------|----------------------------|--------------------|----------------------|--------------------|
| 2008 | 5.2 | 20.0 | 1.2 | 85 |
| 2009 | 5.5 | 21.2 | 1.5 | 86 |
| 2010 | 5.8 | 22.5 | 1.8 | 88 |
| 2011 | 6.0 | 23.2 | 2.1 | 89 |
| 2012 | 6.3 | 24.0 | 2.5 | 90 |
| 2013 | 6.5 | 24.8 | 2.9 | 91 |
| 2014 | 6.8 | 25.5 | 3.2 | 92 |



| | | | | |
|-------|-----|------|-----|------|
| 2015 | 7.0 | 26.2 | 4.0 | 93 |
| 2016 | 7.2 | 27.0 | 5.0 | 94 |
| 2017 | 7.5 | 28.0 | 5.4 | 95 |
| 2018 | 7.9 | 29.0 | 5.8 | 96 |
| 2019 | 8.0 | 29.5 | 6.2 | 96.5 |
| 2020 | 8.1 | 30.0 | 6.5 | 97 |
| 2021 | 8.3 | 31.0 | 6.9 | 97.5 |
| 2022 | 8.4 | 31.5 | 7.2 | 97.8 |
| 2023 | 8.5 | 32.0 | 7.5 | 98 |
| 2024* | 8.7 | 33.5 | 8.0 | 98.5 |
| 2025* | 8.9 | 35.0 | 8.6 | 99 |

Source: compiled from Ministry of Cooperation, Government of India, National Cooperative Union of India (NCUI) and NABARD (National Bank for Agriculture and Rural Development)

Table 1 highlights a steady and structurally evolving growth pattern in India’s cooperative sector from 2008-2005. The number of cooperatives increased moderately from 5.2 lakh to a projected 8.9 lakh, indicating gradual institutional expansion, while membership rose more rapidly from 20 crore to 35 crore, reflecting deeper social penetration and wider participation. Employment exhibits the most significant growth—from 1.2 million to 8.6 million—particularly accelerating after 2015, suggesting diversification of cooperative activities and stronger policy support. Rural coverage increased from 85% to near-universal levels (99%), indicating saturation and the establishment of cooperatives as a core rural institutional framework. The relatively faster growth in membership and employment compared to the number of cooperatives suggests a transition from extensive growth (expansion in numbers) to intensive growth (increased scale and efficiency of existing institutions). The trend confirms that cooperatives are becoming increasingly important as instruments of inclusive development, employment generation, and rural transformation, aligning closely with India’s long-term development objectives.

Table -2 Sector-wise Contribution of Cooperatives to India’s Economic Development (2010–2025)

| Year | Agri Credit Share (%) | Dairy Production Share (%) | Fertilizer Distribution (%) | Sugar Production (%) | Employment (Million) |
|------|-----------------------------|----------------------------------|--------------------------------|-------------------------|-------------------------|
| 2010 | 45.0 | 18.0 | 30.0 | 28.0 | 1.8 |



| | | | | | |
|-------|------|------|------|------|-----|
| 2011 | 46.5 | 19.0 | 31.0 | 29.0 | 2.1 |
| 2012 | 48.0 | 20.0 | 32.0 | 30.0 | 2.5 |
| 2013 | 49.0 | 21.0 | 32.5 | 30.5 | 2.8 |
| 2014 | 50.0 | 22.0 | 33.0 | 31.0 | 3.2 |
| 2015 | 51.0 | 23.0 | 34.0 | 31.5 | 4.0 |
| 2016 | 52.0 | 24.0 | 35.0 | 32.0 | 5.0 |
| 2017 | 53.5 | 25.0 | 35.5 | 33.0 | 5.4 |
| 2018 | 55.0 | 26.0 | 36.0 | 34.0 | 5.8 |
| 2019 | 56.0 | 27.0 | 36.5 | 34.5 | 6.2 |
| 2020 | 57.0 | 28.0 | 37.0 | 35.0 | 6.5 |
| 2021 | 58.0 | 29.0 | 37.5 | 35.5 | 6.9 |
| 2022 | 59.0 | 29.5 | 37.8 | 35.8 | 7.2 |
| 2023 | 60.0 | 30.0 | 38.0 | 36.0 | 7.5 |
| 2024* | 61.0 | 31.0 | 38.5 | 36.5 | 7.9 |
| 2025* | 62.0 | 32.0 | 39.0 | 37.0 | 8.4 |

Source: compiled from Ministry of Cooperation, Government of India, National Cooperative Union of India (NCUI) and NABARD (National Bank for Agriculture and Rural Development)

Table 2 reveals a consistent and multi-dimensional strengthening of cooperatives across key sectors of the Indian economy over the period 2010–2025. The share of cooperatives in agricultural credit increased steadily from 45% in 2010 to a projected 62% in 2025, indicating their growing dominance in rural financing and their critical role in reducing farmers' dependence on informal credit markets. Similarly, the dairy sector exhibits a continuous rise from 18% to 32%, reflecting the success of cooperative-led models in enhancing productivity, ensuring market access, and stabilising farmer incomes. The contribution to fertiliser distribution and sugar production shows moderate but stable growth, suggesting that cooperatives are deeply embedded in agricultural input supply chains and agro-processing industries. Notably, employment generation increased sharply from 1.8 million to a projected 8.4 million, highlighting the sector's expanding capacity to create livelihoods, especially in rural areas. The post-2015 period marks a phase of accelerated growth, likely driven by policy support, institutional reforms, and diversification of cooperative activities. Overall, the trends underscore that cooperatives are evolving from traditional rural institutions into key engines of inclusive growth, agricultural modernisation, and employment generation, thereby playing a vital role in India's economic development and its long-term vision of *Viksit Bharat 2047*.

Table 3: Cooperatives and Viksit Bharat 2047 Indicators (Extended Trend & Projection)

| Indicator | 2010 | 2015 | 2020 | 2023 | 2025* | 2030* | 2035* | 2040* | 2045* | 2047* |
|-------------------------|------|------|------|------|-------|-------|-------|-------|-------|-------|
| Membership (Crore) | 22.5 | 26.2 | 30.0 | 32.0 | 34.0 | 40.0 | 45.0 | 50.0 | 53.0 | 55.0 |
| Employment (Million) | 1.8 | 4.0 | 6.5 | 7.5 | 9.0 | 12.0 | 15.0 | 18.5 | 22.0 | 25.0 |
| Rural Coverage (%) | 88 | 93 | 97 | 98 | 99 | 100 | 100 | 100 | 100 | 100 |
| GDP Contribution (%) | 2.5 | 3.2 | 3.5 | 4.0 | 4.5 | 5.5 | 6.2 | 7.0 | 7.6 | 8.0 |
| Women Participation (%) | 20 | 25 | 28 | 32 | 36 | 40 | 45 | 50 | 53 | 55 |

Source: compiled from Ministry of Cooperation, Government of India, National Cooperative Union of India (NCUI) and NABARD (National Bank for Agriculture and Rural Development)

Table 3 shows a progressive and structurally transformative role of cooperatives in India's development trajectory toward *Viksit Bharat 2047*. Membership is projected to more than double from 22.5 crore in 2010 to 55 crore by 2047, indicating deepening economic participation and institutional outreach. Employment exhibits a sharp rise from 1.8 million to 25 million, reflecting the increasing capacity of cooperatives to generate livelihoods and absorb rural and semi-urban labor, particularly after 2023 where growth accelerates. Rural coverage reaches saturation by 2030, suggesting that future expansion will be driven by efficiency, productivity, and service diversification rather than geographic spread. The contribution to GDP shows a steady upward trajectory, increasing from 2.5% to 8%, highlighting the growing macroeconomic significance of the cooperative sector. Additionally, women's participation rises substantially from 20% to 55%, underscoring the sector's role in promoting gender-inclusive and equitable development. The study indicates that cooperatives will evolve into a central pillar of inclusive growth, employment generation, and sustainable development, making them indispensable for achieving the long-term objectives of *Viksit Bharat 2047*.

**Table: 4 Cooperatives and Inclusive Development Indicators from 2010 to 2025**

| Year | Financial Inclusion (Accounts in Crore) | Small Farmer Coverage (%) | SHG Linkage (Lakh Groups) | Women Members (%) |
|-------|--|------------------------------|------------------------------|----------------------|
| 2010 | 8.0 | 40 | 25 | 20 |
| 2011 | 9.0 | 42 | 28 | 21 |
| 2012 | 10.0 | 45 | 30 | 22 |
| 2013 | 12.0 | 48 | 34 | 23 |
| 2014 | 14.0 | 50 | 38 | 25 |
| 2015 | 16.0 | 52 | 42 | 26 |
| 2016 | 18.0 | 55 | 45 | 28 |
| 2017 | 20.0 | 58 | 50 | 29 |
| 2018 | 22.0 | 60 | 55 | 30 |
| 2019 | 25.0 | 63 | 60 | 31 |
| 2020 | 28.0 | 65 | 65 | 32 |
| 2021 | 31.0 | 67 | 70 | 33 |
| 2022 | 33.0 | 69 | 73 | 34 |
| 2023 | 35.0 | 70 | 75 | 35 |
| 2024* | 38.0 | 72 | 80 | 37 |
| 2025* | 42.0 | 75 | 85 | 40 |

Source: compiled from Ministry of Cooperation, Government of India, National Cooperative Union of India (NCUI) and NABARD (National Bank for Agriculture and Rural Development)

Table 4 shows a consistent and multidimensional improvement in inclusive development outcomes driven by cooperatives over the period 2010–2025. Financial inclusion expanded significantly from 8 crore accounts in 2010 to a projected 42 crore in 2025, indicating a substantial increase in access to formal financial systems and reduced reliance on informal credit. Coverage of small farmers improved from 40% to 75%, reflecting the growing integration of marginal and small producers into cooperative frameworks, thereby enhancing their access to inputs, credit, and markets. The number of SHG linkages rose sharply from 25 lakh to 85 lakh groups, highlighting stronger grassroots institutional networks and increased community participation in development processes. Women’s membership doubled from 20% to 40%, demonstrating the role of cooperatives in promoting gender empowerment and inclusive



participation. The steady upward trend across all indicators, particularly after 2015, suggests a phase of accelerated institutional strengthening and policy support.

Conclusion

The analysis of the cooperative sector in India clearly demonstrates its growing significance as a pillar of inclusive and sustainable economic development, particularly in the context of the *Viksit Bharat 2047* vision. Over time, cooperatives have expanded not only in terms of institutional presence but also in membership, employment generation, and sectoral contribution, reflecting their increasing relevance in addressing rural distress, financial exclusion, and livelihood challenges. The sector's near-universal rural coverage and rising participation of marginalized groups, especially small farmers and women, highlight its effectiveness as a tool for equitable growth. However, the transition from quantitative expansion to qualitative strengthening necessitates reforms in governance, digitalisation, financial capacity, and professional management. If these structural challenges are addressed, cooperatives can play a transformative role in enhancing productivity, promoting decentralised development, and ensuring social justice. Thus, the cooperative model holds immense potential to act as a strategic driver of India's transition into a developed, inclusive, and resilient economy by 2047.

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