

Department of Rural Economics

Study Material: Degree Part – II

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MEANING AND DEFINITION OF CO-OPERATION

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FEATURES OF CO-OPERATION

Co-operation is derived from the Latin word “Co-operari,” ‘Co’ means “with” and ‘operari’ means “to work.” Hence, co-operation means Working Together with others for a common purpose. Aristotle, a Philosopher of Ancient Greece, recognized the social nature of man when he said, “*Man is a Social Animal.*” Man cannot lead a happy and contented life if he lives in isolation. Therefore, there is a great need for Co-operation, which can be considered as the basic principle underlying human life. The Primitive concept of Co-operation was related more to cultural, religious and social aspects. Co-operation was a way of life and it was inherent in the Society itself. “The word Co-operation literally means Working Together or Act Together.”

DEFINITION

The Modern concept of Co-operation is altogether different from the primitive one.

“It denotes a special method of doing business” - T.N. Hajela

According to the Sociologists “*Co-operative Movement is an instrument for establishing social harmony through the removal of class struggle.*”

Economists are of the opinion that “*Co-operative is a means of countering the exploitation of weaker sections by conferring on them a better economic status*”.

In a legal sense, Co-operation signifies special privileges and concessions conferred by law on its members. According to the Socialist Co-operative School,

“Co-operation is a weapon for the development of socialist thought and the realization of firms or households for business purpose and economic institution through which economic activity is conducted in the pursuit of economic objectives.”

MacLegan Committee Defines Co-operation as-

“The Theory of co-operation is very briefly, the isolated and powerless man can, by association with others and by moral development and mutual support obtain, in his own degree, the material advantage available to wealthy or powerful persons and whereby develop himself to the fullest extent of his natural abilities. By the union of forces, material advancement is secured and by united action self- reliance is fostered and it is from the inter-action of the influences that it is hoped to attain the effective realization of the higher and more prosperous standard of life which has been characterized as “better business”, “better farming” and “better living.” “Co-operative Societies can help the transformation from Capitalism to Socialism and finally to Communism.” – Lenin.

The basic idea behind Co-operation is *“Self Help and Mutual Help”* and *“Mutual Aid”* and *“Each for all and all for each.”*

FEATURES OF CO-OPERATION

Co-operation is a special method of doing business. It has the following features:

- 1. An Association of Persons:** An association of persons, a Co-operative Society comes into existence when a group of individuals joins hand and form an association.
- 2. An Enterprise:** Undertaking Co-operation lays stress on ethical standard and it is an enterprise. Members themselves at their own cost and risk run it.
- 3. Voluntary Association:** An individual is free to join the Society and resign from his membership of the Society at his will and discretion.
- 4. Service Objective:** The main object of co-operative society is to serve its members rather than to earn profits.
- 5. Democratic Management:** The Co-operative Society follows the cardinal principle of democracy i.e., one-man one vote. The Board of Directors handles the affairs. The capital does not get any special treatment over human being in co-operation.
- 6. Equity:** No discrimination among members is made on the grounds of religious faith, political ideology, and educational qualifications and so on.

7. Norms of Social Justice: There is no class division among capitalists and working class in Co-operation.

8. A part of Socio-economic Movement: The Co-operative movement is viewed as a constituent part of the overall socio- economic movement of the country.

9. Proportionality or Equality: It is based on proportionality or equality. The surplus is distributed not according to share taken but according to the proportion of business operation, a member has effected with the society.

The cooperative sector has been playing a distinct and significant role in the country's process of socio-economic development. There has been a substantial growth of this sector in diverse areas of the economy during the past few decades.
