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A Study on Impact of Cooperative Societies on Economic Development in Kundapura, Taluk

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I. INTRODUCTION

1.1 Introduction

A cooperative society is a voluntary association of individuals, democratically owned and controlled, that unites to meet their common economic, social, and cultural needs and aspirations through jointly owned and managed enterprises, prioritizing member service over profit. The cooperative society is active in all countries worldwide and is represented in all the sectors including agriculture, food, finance, healthcare, etc. To protect the interest of weaker sections, the co-operative society is formed. It is a voluntary association of person, whose motive is the welfare of the members. Cooperative societies play a significant role in the development of Kundapura Taluk, contributing to the economic, social, and infrastructural growth of the region. These societies primarily address the need of local communities, particularly those engaged in agriculture, fisheries, and rural industries.

Cooperative society in Kundapura taluk play a vital role in economic development by providing financial assistance, promoting local business, and fostering self-help, ultimately contributing to community level economic growth and stability. Cooperative societies, especially credit societies, offer financial services to members, including loans and savings option, at affordable interest rates. This is particularly important for farmers and small entrepreneurs who may struggle to access conventional banking services. They promote financial inclusion by providing credit to those who might otherwise be excluded from the formal financial system. Cooperative societies encourage self-help and mutual assistance, empowering member to take control of their economic lives. Cooperative societies help formers access credit, inputs and markets, promoting agricultural productivity and income generation.

1.2 Objective of the Study

- To analyze the contribution of cooperative societies to the economic development in Kundapura.
- To evaluate the role of cooperatives in promoting financial inclusion and support for small businesses.
- To assess the impact of cooperative societies on rural and agricultural development in the region.
- To identify the challenges faced by cooperative societies in Kundapura.
- To study how cooperative societies generate employment and income for the local population.
- To evaluate the participation and involvement of local communities in cooperative society activities.
- To study how cooperative societies generate employment and income for the local population.
- To suggest measures for improving the effectiveness and sustainability of cooperative societies in fostering local economic growth.

1.3 Scope of the study

This research focuses on analyzing the role of cooperative societies in the economic development of Kundapura, a town in the Udupi district of Karnataka. The study covers various types of cooperative societies such as credit, agricultural and dairy cooperatives operating in the region. It examines their contributions to income generation, employment, financial inclusion, and rural development. The research is limited to the geographic boundaries of Kundapura and uses data collected from selected cooperative societies, their employees, members, and relevant stakeholders. The study will evaluate how cooperative help in poverty reduction and rural development. The scope also includes identifying challenges faced by these societies and suggesting actionable strategies for enhancing their effectiveness and sustainability.

1.4 Limitations of the study

While this study provides useful insights into the impact of cooperative societies on economic development, it has certain limitations that need to be considered:

- Time constraints may limit the depth of field investigation and data analysis.
- The study focuses primarily on economic impact, with limited attention to social or political aspects.
- Availability and accuracy of secondary data from cooperatives may vary.
- The findings may not be generalizable to cooperative societies in other regions.
- Data is collected from a selected sample of cooperative societies and may not represent the entire sector.

1.5 Methodology of study

The information communicated with the employees and members of the cooperative societies.
Sources of data:
Data are collected by the respondents by the way of questionnaires with a set of 16 questions.

A. Primary data

- Primary data collected by structured questionnaires.
- Cooperative societies information collected by the officers and their employees personally.

B. Secondary data

Secondary data are those data collected through websites, books and data from previous study.

II. AREA OF THE STUDY

2.1 History

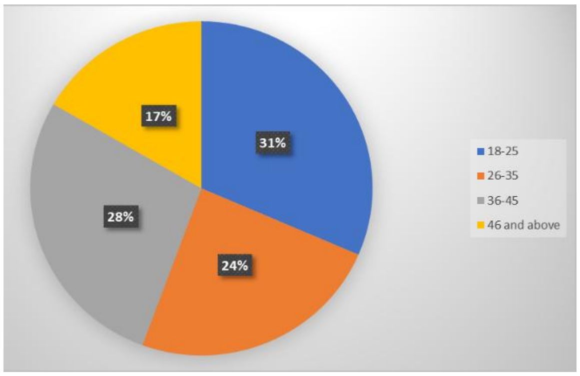
The cooperative movement in the Kundapura region of Karnataka has its roots in the early 20th century, influenced by the larger cooperative development taking place across India. Following the introduction of the Cooperative Credit Societies Act of 1904 and the Cooperative Societies Act of 1912, small groups of farmers and workers in the region began forming cooperative societies to address issues of rural debt, lack of access to credit, and poor marketing facilities for agricultural products. In Kundapura, cooperative societies initially started as credit cooperatives to help small farmers and fishermen escape the control of moneylenders. Over time, they expanded into agricultural marketing, dairy, housing, fisheries, and consumer services, becoming a backbone of the rural economy. The concept of cooperative societies dates back to the early 19th century, originating as a response to the economic hardships faced by small farmers, artisans, and workers. The modern cooperative movement began in 1844 with the establishment of the Rochdale Society of Equitable Pioneers in England. This marked a turning point, setting out principles that would guide cooperatives worldwide. In India, the cooperative movement was introduced during the British rule to address issues of rural indebtedness and to empower small farmers. The first cooperative society in India was formed in 1904 under the Cooperative Credit Societies Act. Later, the movement gained momentum with the enactment of the Cooperative Societies Act, 1912, allowing the formation of cooperatives beyond just credit. Cooperative societies in India have since expanded into various sectors such as agriculture, dairy, housing, banking, and consumer goods. They are governed by the principles of voluntary membership, democratic control, mutual help, and equitable distribution of surplus.

Today, cooperatives play a crucial role in promoting social and economic development, especially in rural areas. Their member-driven structure ensures that profits and decisions benefit the community directly. They continue to be a key tool for inclusive growth and grassroots empowerment. Cooperative societies are built on the values of self-help, mutual aid, democratic control, and community welfare. They are managed by their members, who both own and benefit from the society’s activities. Today, cooperatives continue to be a strong pillar of inclusive economic development in both rural and urban areas. Today, cooperative societies in Kundapura continue to contribute to sustainable economic development through their focus on community welfare, skill development, and equitable growth. They have evolved into strong institutions that support the socio-economic progress of both rural and semi-urban populations in the region.

III. DATA ANALISIS AND INTERPRETATION

Q.no.1 Age

Age Group	No of Respondent	Percentage
18-25	17	31
26-35	13	24
36-45	15	28
46 and above	10	17
Total	55	100

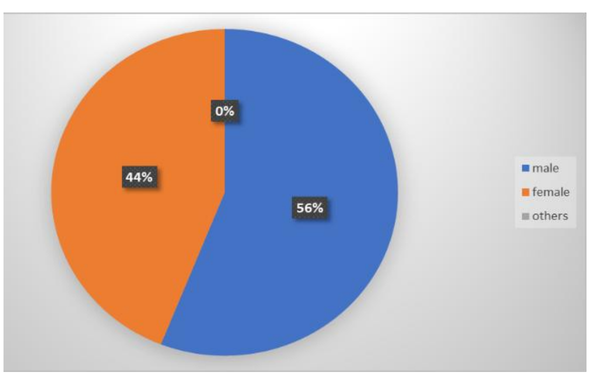


Interpretation

The data represents the age distribution of 55 respondents across four age groups. The majority of respondents fall within the 18–25 age group, comprising 31% of the total. This is closely followed by the 36–45 age group, which accounts for 28% of respondents. The 26–35 age group makes up 24%, while the 46 and above group has the lowest representation at 17%.

Q.no.2 Gender

Categories	Response	Percentage
Male	30	56
Female	25	44
Others	0	0
Total	55	100

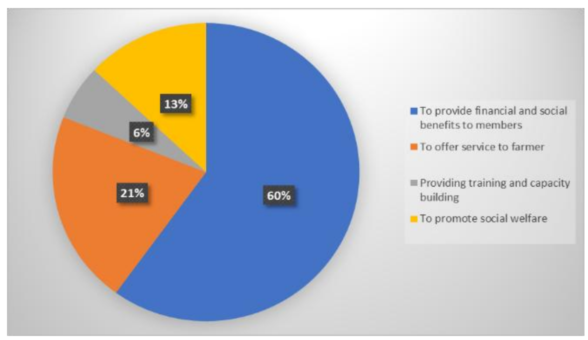


Interpretation

The gender distribution of the respondents indicates a slight male majority, with 56% identifying as male and 44% as female. There were no respondents who identified as 'others'. This suggests that while both male and female perspectives are represented in the survey, male respondents form a slightly larger portion of the sample

Q.no.3 The main purpose of Cooperative Societies in Kundapura

Option	No of Respondents	Percentage
To provide financial and social benefits to members	33	60
To offer services to farmers	11	21
Providing training and capacity building	3	6
To promote social welfare	8	13
Total	55	100

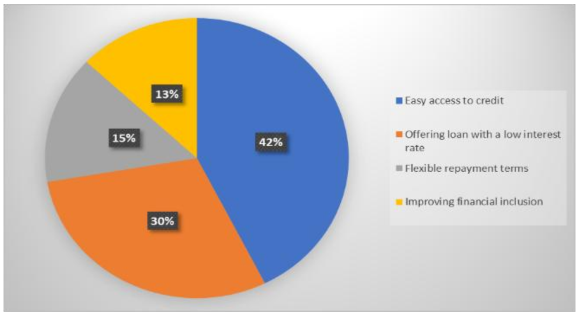


Interpretation

The data reflects the perceptions of respondents regarding the main purpose of Cooperative Societies in Kundapura. The majority of respondents, 60% (33 out of 55), believe that the primary goal of these societies is to provide financial and social benefits to members, indicating that economic and community support are seen as their core functions.

Q.no.4 Role of cooperative societies help members with loan

Option	No of Respondent	Percentage
Easy access to credit	23	42
Offering loan with a low interest	17	30
Flexible repayment terms	8	15
Improving financial inclusion	7	13
Total	55	100

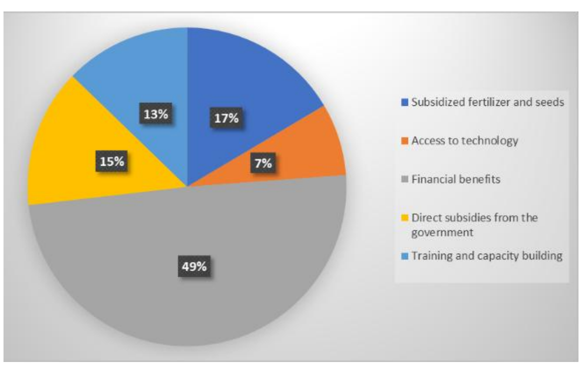


Interpretation

The data reveals that the most significant role cooperative societies play in helping members with loans is by providing easy access to credit, as indicated by 42% of respondents. This is followed by offering loans at low interest rates (30%). A smaller proportion of respondents highlighted flexible repayment terms (15%) and improving financial inclusion (13%) as key benefits.

Q.no.5 The benefit offered by cooperative societies for farmer

Option	No of respondent	percentage
Subsidized fertilizers and seeds	9	16
Access to technology	4	7
Financial benefits	27	49
Direct subsidies from the government	8	15
Training and capacity building	7	13
Total	55	100

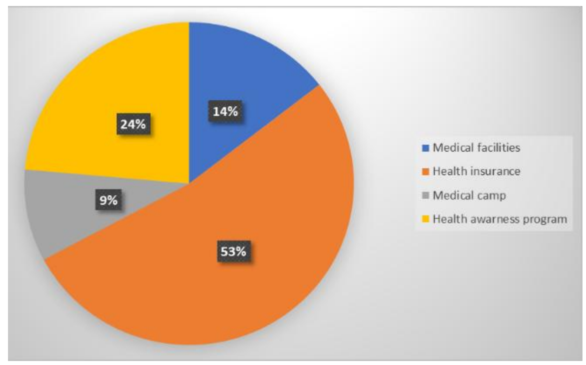


Interpretation

The most significant benefit offered by cooperative societies, according to 49% of respondents, is financial benefits, highlighting its critical role in supporting farmers' economic needs. This is followed by subsidized fertilizers and seeds (16%), direct government subsidies (15%), and training and capacity building (13%). Access to technology is the least cited benefit, with only 7% of respondents acknowledging it

Q.no.6 Cooperative societies in Kundapura help with healthcare

Option	No of respondent	Percentage
Medical facilities	8	15
Health insurance	30	54
Medical camp	4	7
Health awareness program	13	24
Total	55	100

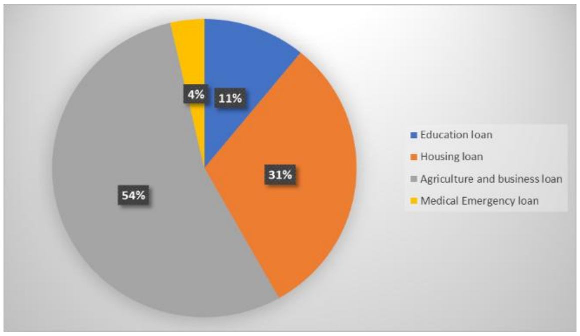


Interpretation

The majority of respondents (54%) indicated that cooperative societies in Kundapura assist with healthcare primarily through health insurance, making it the most significant form of support. This is followed by health awareness programs (24%), which also play a notable role. Medical facilities were mentioned by 15% of respondents, while only 7% cited medical camps as a form of healthcare assistance.

Q.no.7 Types of loan can do cooperative societies typically provide to them to members in Kundapura

Option	No of respondent	Percentage
Education loan	6	11
Housing loan	17	31
Agriculture and business loan	30	54
Medical Emergency loan	2	4
Total	55	100

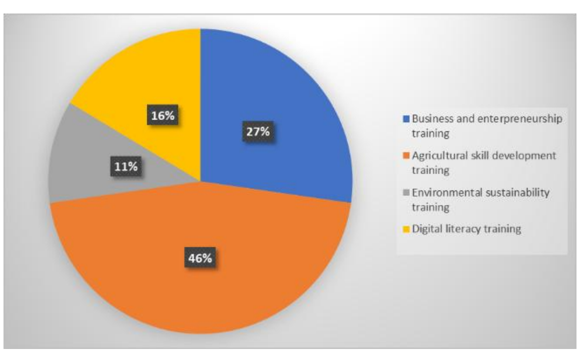


Interpretation

The majority of respondents (54%) indicated that cooperative societies primarily provide agriculture and business loans, highlighting the sector's strong focus on supporting agricultural and entrepreneurial activities in Kundapura. Housing loans are the second most common, making up 31% of the responses, reflecting a significant demand for residential development or home ownership support. Education loans account for 11%, showing moderate support for academic advancement, while medical emergency loans are the least common at 4%, suggesting limited support in healthcare-related financial needs. This distribution emphasizes the cooperative societies' prioritization of economic development and housing stability over educational and health emergencies.

Q.no.8 The type of training program do they offer to their members

Option	No of respondent	Percentage
Business and entrepreneurship training	15	27
Agricultural skill development training	25	46
Environmental sustainability training	6	11
Digital literacy training	9	16
Total	55	100

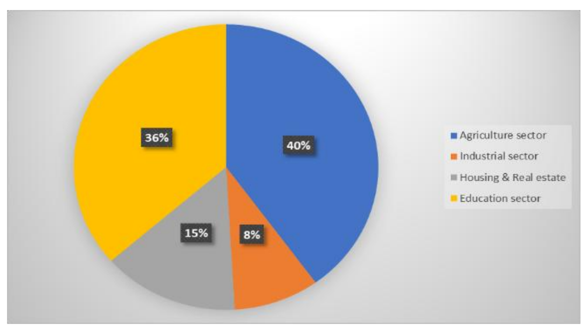


Interpretation

The majority of respondents (46%) indicated that Agricultural Skill Development Training is the most commonly offered program, suggesting a strong focus on enhancing agricultural productivity and skills among members. This is followed by Business and Entrepreneurship Training at 27%, reflecting an emphasis on promoting self-employment and business initiatives. Digital Literacy Training accounts for 16%, indicating a growing recognition of the importance of digital skills in modern development. Lastly, Environmental Sustainability Training is offered the least (11%), which may point to a potential area for increased focus, considering the global importance of environmental awareness and sustainable practices.

Q.no.9 The sector most likely to benefit from cooperative societies.

Option	No of Respondents	Percentage
Agriculture sector	22	40
Industrial sector	5	8
Women empowerment	8	16
Education sector	20	36
Total	55	100

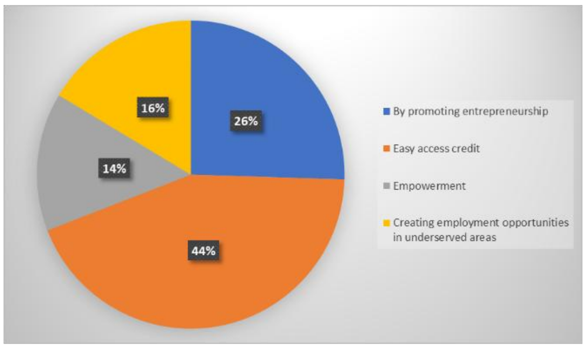


Interpretation

The majority of respondents believe that the agriculture sector is most likely to benefit from cooperative societies, with 40% (22 respondents) supporting this view. This is closely followed by the education sector, which received 36% (20 respondents). Women empowerment is seen as a potential beneficiary by 16% (8 respondents), while only 8% (5 respondents) believe the industrial sector will benefit the most.

Q.no.10 The Cooperative societies help to reduce poverty by

Option	No of respondents	Percentage
By promoting entrepreneurship	14	26
Easy access credit	24	44
Empowerment	8	14
Creating employment opportunities in underserved areas	9	16
Total	55	100

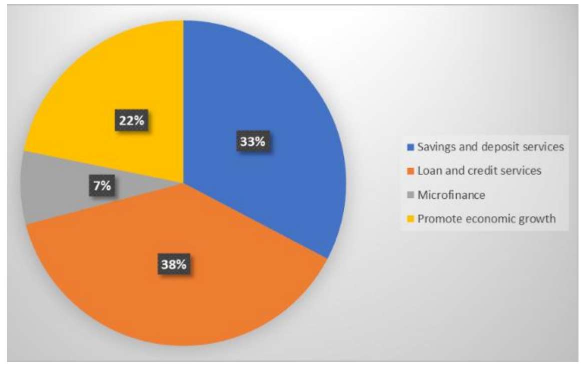


Interpretation

The survey results indicate that easy access to credit is considered the most significant way cooperative societies help reduce poverty, as stated by 44% of respondents. This suggests that financial accessibility plays a key role in economic upliftment. The second most common perception is promoting entrepreneurship (26%), highlighting the importance of supporting small businesses and self-employment. Creating employment opportunities in underserved areas (16%) and empowerment (14%) were also recognized as meaningful contributions but to a lesser extent.

Q.no.11 Cooperative societies contribute to financial inclusion

Option	No of Respondents	Percentage
Savings and deposit services	18	33
Loan and credit services	21	38
Microfinance	4	7
Promote economic growth	12	22
Total	55	100

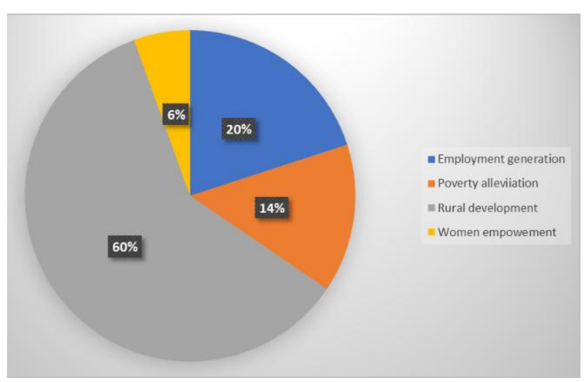


Interpretation

The chart clearly shows that cooperative societies play a vital role in promoting financial inclusion, with the majority of respondents (38%) recognizing loan and credit services as their most significant contribution. This is closely followed by savings and deposit services (33%), indicating that cooperatives are essential in providing accessible financial services. Additionally, 22% of respondents acknowledged their role in promoting economic growth, while a smaller segment (7%) pointed to microfinance. Overall, the data highlights that cooperatives are instrumental in enhancing access to financial resources, especially in underserved communities.

Q.no.12 Cooperatives societies play a crucial role in

Option	No of Respondents	Percentage
Employment generation	11	20
Poverty alleviation	8	14
Rural development	33	60
Women empowerment	3	6
Total	55	100

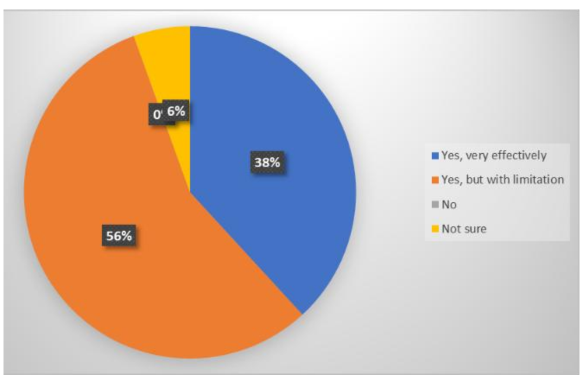


Interpretation

The survey results indicate that cooperative societies play a crucial role primarily in rural development, as identified by 60% of the respondents (33 out of 55). This is followed by employment generation (20%), poverty alleviation (14%), and women empowerment (6%). The significant emphasis on rural development highlights the importance of cooperatives in enhancing infrastructure, agriculture, and overall living conditions in rural areas. While employment and poverty alleviation are also notable contributions, the relatively lower percentage for women empowerment suggests a need for more targeted initiatives in this area by cooperative societies.

Q.no.13 The cooperatives has provided affordable loan to its member.

Option	No of Respondents	Percentage
Yes, very effectively	21	38
Yes, but with limitation	31	56
No	0	0
Not sure	3	6
Total	55	100

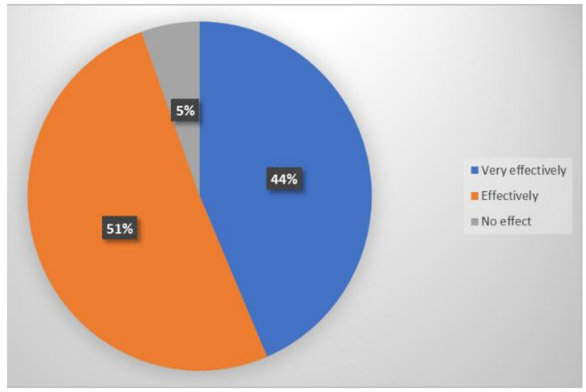


Interpretation

The chart indicates that the cooperative has been largely successful in providing affordable loans to its members. A majority of respondents (56%) acknowledged that loans were provided, though with certain limitations, while 38% believed the loans were provided very effectively. Notably, no respondents denied the availability of loans, and only 6% were unsure. This reflects a generally positive perception of the cooperative's loan services, with a need for improvement in addressing the limitations experienced by over half of the members.

Q.no.14 Impact of the cooperative societies on small scale business in Kundapura

Option	No of Respondents	Percentage
Very effectively	24	44
Effectively	28	51
No effect	3	5
Total	55	100

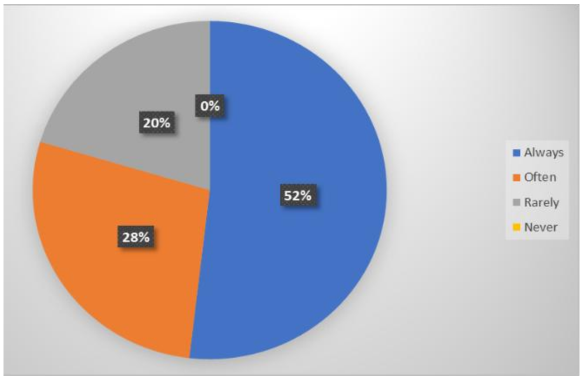


Interpretation

The data reflects the impact of cooperative societies on small-scale businesses in Kundapura. A majority of respondents (51%) believe that cooperative societies have impacted small businesses effectively, while 44% consider the impact to be very effective. Only a small portion (5%) indicated that cooperative societies had no effect. This suggests that 95% of the respondents perceive cooperative societies ashaving a positive influence on small-scale businesses in the area. Therefore, it can be concluded that cooperative societies play a significant and beneficial role in supporting and enhancing small-scale businesses in Kundapura

Q.no.15 Cooperative societies contribute to local employment

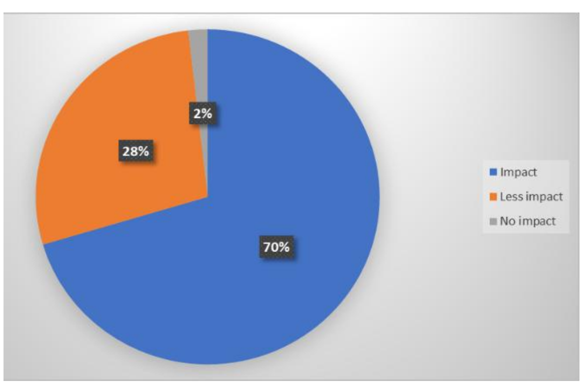
Option	No of Respondents	Percentage
Always	29	52
Often	15	28
Rarely	11	20
Never	0	0
Total	55	100



Interpretation
The pie chart visually represents the perception of respondents regarding the contribution of cooperative societies to local employment. The majority, 52%, believe that cooperative societies always contribute to employment generation, followed by 28% who believe they often do. Meanwhile, 20% feel they rarely contribute, and none of the respondents believe they never contribute. This distribution indicates a generally favorable view of the role of cooperative societies in promoting local employment. The absence of responses in the "Never" category further reinforces the idea that cooperative societies are widely regarded as beneficial to the local job market.

Q.no.16 Cooperative societies impacted on improving the infrastructure development

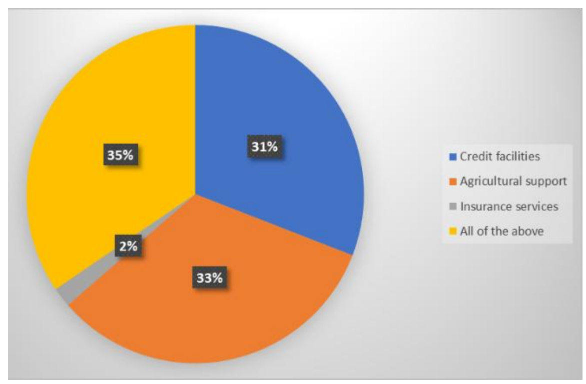
Option	No of Respondents	Percentage
Impact	39	70
Less impact	15	28
No impact	1	2
Total	55	100



Interpretation
The survey results indicate that a significant majority of respondents (70%) believe that cooperative societies have a positive impact on infrastructure development. A smaller proportion (28%) feel that these societies have less impact, while only 2% think they have no impact at all. This suggests that cooperative societies are largely perceived as important contributors to infrastructure development, playing a substantial role in improving community and regional facilities.

Q.no.17 The main services provided by cooperative societies

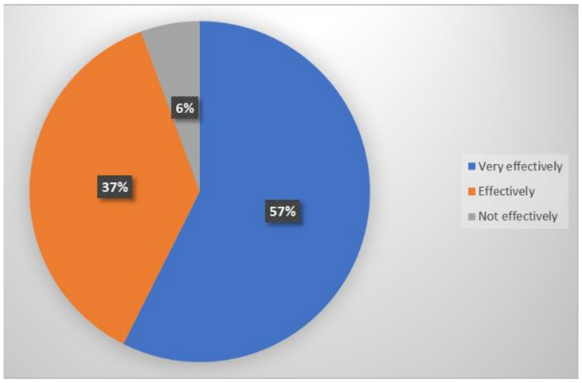
Option	No of Respondents	Percentage
Credit facilities	17	31
Agricultural support	18	33
Insurance services	1	2
All of the above	19	34
Total	55	100



Interpretation
The survey findings indicate that cooperative societies offer a variety of essential services. Among the 55 respondents, the majority (34%) acknowledged that cooperative societies provide a combination of services, including credit facilities, agricultural support, and insurance services. Agricultural support (33%) and credit facilities (31%) were also commonly cited as significant services. However, only a small fraction (2%) identified insurance services alone as a main service. This suggests that cooperative societies are perceived as multifaceted institutions, with a strong emphasis on comprehensive service delivery to meet the diverse needs of their members.

Q.no.18 Cooperative societies contribute to economic growth

Option	No of Respondents	Percentage
Very effectively	31	57
Effectively	21	37
Not effectively	3	6
Total	55	100



Interpretation
The data clearly shows that a majority of respondents believe cooperative societies contribute positively to economic growth. Specifically, 57% of the respondents stated that cooperative societies contribute very effectively, while 37% believe they contribute effectively. Only a small percentage (6%) felt that the contribution is not effective. This indicates a strong consensus on the positive role of cooperative societies in fostering economic development.

IV. FINDINGS, SUGGESTIONS AND CONCLUSIONS

4.1 Findings of the study

1. Improved Access to Credit:
Cooperative societies have made credit accessible to farmers, small business owners, and rural households. This has reduced dependency on moneylenders.
2. Agricultural Support:
Many cooperatives supply seeds, fertilizers, and farming equipment, helping farmers increase productivity.
3. Employment Generation:
Societies in sectors like agriculture, dairy, and handicrafts have created employment opportunities, especially in rural areas.
4. Women Empowerment:
Self-help groups and women-led cooperatives have promoted entrepreneurship among women and improved their social status.
5. Encouragement of Savings:
People are encouraged to save through cooperative banks and credit societies, building financial discipline in the community.
6. Community Development:
Profits from societies are often used for local infrastructure, education, and health initiatives.
7. Governance and Operational Challenges:
Some cooperatives face issues such as lack of transparency, weak leadership, and poor record-keeping.
8. Limited Awareness:
In some villages, awareness about the benefits and operations of cooperatives is still low.

4.2 Suggestion

1. Digitalization of Operations:
Introduce digital platforms for accounting, member tracking, and loan disbursement to increase efficiency and transparency.
2. Skill Development and Training:
Provide training to members and leaders on cooperative management, finance, marketing, and leadership.
3. Government Support and Incentives:
Offer subsidies, interest-free loans, and tax benefits to well-performing cooperatives to encourage growth.
4. Promotion of Women-Centric Cooperatives:
Encourage more women-led cooperatives and provide them with special incentives and guidance.
5. Marketing and Branding Support:
Help cooperatives develop their products, improve packaging, and connect to wider markets, including online platforms.
6. Regular Monitoring and Audits:
Ensure all cooperatives are regularly audited to prevent mismanagement and corruption.
7. Awareness Campaigns:
Conduct awareness programs in villages to educate people on the benefits of joining or forming cooperative societies.

4.3 Conclusion

Cooperative societies have made a meaningful contribution to the socio-economic development of Kundapura Taluk. By providing affordable credit,

supporting agriculture, and creating jobs, they play a key role in uplifting rural communities. The involvement of women through SHGs and cooperatives has also led to positive changes in gender equality and economic participation.
However, some challenges like lack of modernization, limited awareness, and poor governance still exist. These can be addressed through targeted training, government support, and digital integration. In conclusion, cooperative societies are a powerful tool for grassroots development. With proper support and management, they can continue to strengthen Kundapura's economy and improve the quality of life in the region.

ANNEXURE

Questionnaire1

1. Age group
- 18-25
- 26-35
- 36-45
- 46 and above

2. Gender
- Male
- Female
- Others

3. What is the main purpose of cooperative societies in Kundapura?
- To provide financial and social benefits to members
- To offer service to farmer
- Providing training and capacity building
- Promoting social welfare

4. How do cooperative societies help members with loan?
- Easy access to credit
- Offering loan with low interest rate
- Flexible repayment terms
- Improving financial inclusion

5. What is the key benefit offered by cooperative societies for farmer?
- Subsidized fertilizers and seeds
- Access to technology
- Financial benefits
- Direct subsidies from the government
- Training and capacity building

6. How do Cooperative societies in Kundapura help with health care?
- Medical facilities
- Health insurance
- Medical camp
- Health awareness program

7. What kind of loan do cooperative societies typically provide to their member in Kundapura?
- Educational loan
- Housing loan
- Agricultural and business loan
- Medical emergency loan

8. What type of training program do they offer to their members?
- Business and Entrepreneurship training
- Agricultural skill development training
- Environmental sustainability training
- Digital literacy training

9. Which sector is most likely to benefit from cooperative societies?
- Agricultural sector
- Industrial sector
- Women Empowerment
- Education sector

10. How cooperative societies help to reduce poverty?
- By promoting entrepreneurship
- Easy access credit
- Empowerment
- Creating employment opportunity in underserved areas

11. How do cooperative societies contribute to financial inclusion?
- Saving and deposit services
- Loans and credit services
- Microfinance
- Promote economic growth

12. In which area do cooperative societies play a crucial role?
- Employment generation
- Poverty alleviation
- Rural development
- Women empowerment

13. Have the cooperative societies been able to provide affordable loan to its members?
- Yes, very effectively
- Yes, but with limitation
- No
- Not sure

14. How do you think the cooperative societies impacted small scale business in Kundapura?
- Very effectively
- Effectively
- No effect

15. Are cooperative societies contributing to local employment?
- Always
- Often
- Rarely
- Naver

16. Are cooperative societies impacted on improving the infrastructure?
- Impact
- Less impact
- No impact

17. What is the main service provided by cooperative societies?
- Credit facilities
- Agriculture support
- Insurance service
- All of the above

18. Are cooperative societies contributing to economic growth?
- Very effectively
- Effectively
- Not effectively

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