What Works for Workers’ Cooperatives? 
An Empirical Research on Success & Failure of Indian Workers’ Cooperatives 

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Prologue:

The cooperative movement in India has its unique status, role and impact in the socio-economic development of the country for providing organizational, economic and social support to give impetus to income generating activities for weaker sections of the society such as self employed workers, farmers, artisans, weavers, spinners, landless labours, and fisherman etc. Cooperative movement in India is one of the largest cooperative movements in the world. 595,215 cooperative societies with strength of 249.248 million members are generating 1.22 million direct employments and 15.47 million self employments³. Cooperative activities stand tall in the sphere of the Indian economy and are considered as third pillar of the economy along with public and private sector. Cooperative movement has been recognized as an effective instrument for the economic development of poor people and also as viable economic enterprise. Cooperative movement has made incredible progress in the Indian economy. This paper critically analyses selected 10 Workers Cooperatives⁴ across India engaged in different activities registered under different statutes. Workers’ Cooperatives has grown over a time with total workers in the country.⁵

Chart 1: Workers Cooperatives (1951-2011)

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3 National Cooperative Union of India statistics in Indian Cooperative Movement at a Glance: 2007-2008
4 Annexure-1
5 Chart-1, Annexure-2,3,4,5
The paper analyzes selected workers cooperatives as an alternative organizational form to assess how they have responded to the challenges of modern economy, critical factors of the success and whether they are bringing equilibrium through emphasis on social values. Worker ownership and governance are gaining attention in a variety of forms and regions. We are discussing various forms of workers cooperative to analyze the governance structure, system and processes vis-à-vis economic & social performance. Workers in the business are as essential as other assets like plant, machinery, building etc. Worker owned cooperatives are businesses like any other type of business but owned and controlled by their employees, found in several sector of the industry, e.g. construction labour, forest & farmers, micro industry, food stores, producers’ & processing companies, restaurants, taxicab & sewing companies, timber processors etc. The history of workers’ cooperative is evolved to bring harmony between capital and labour. Workers’ Cooperatives are also known as Industrial or Labour Cooperatives, found registered under The Cooperatives Societies Act, Public Trust Act, Society Registration Act 1860, Trade Union Act and Companies Act.

What is Workers’ Cooperative?

Ignoring various definitions of Worker Cooperatives, we mean it here as a firm owned and controlled by its workers, it may or may not be a formal cooperative organization. The right of ownership is derived inherently being worker of the firm. Workers cooperative is a form of organization for the employment of a group of workers who are associated with one another for working together and joint reward by doing business activities. The cooperatives work for undertaking business activities including producing goods, providing services like managing funds, providing technical knowledge to increase bargaining powers and earn livelihood of members. The governance characteristics of workers cooperatives are different from other business organization like companies. Cooperatives resemble other businesses in many aspects and have similar physical facilities, similar functions and business practices, but has following distinguished characteristics:

- Incorporated under applicable cooperative law, which grants them right to do business
- Promoters draft bylaws, members elect a board of directors, the board sets policy and hires manager to execute the day-to-day operations
• Significantly represented by workers, usually gives preference to their members in employment

• Ownership, control and management are vested in the workers; the benefits are distributed amongst members on the basis of labour

• Follow cooperative principles and work on a cooperative basis; the voluntary effort is considered the base

• A worker cooperative is an employee owned democratic firm

• Directly or indirectly managed by its worker owners

• Promotes the concept of self-management and collective ownership

• Members perform a combination of overlapping roles as owner, promoter, investor, producer, manager, and employee

Member participation and member control are the most crucial aspects for success of any cooperative. Ownership of capital by workers influences the style of functioning however success is based on frequency of interactions and intensity of association. Workers cooperative by its very nature of activity has very high frequency of interactions amongst members unlike commodity-based cooperatives. So workers cooperative has immense potential to arrive at ideal form of cooperative where cooperative runs of-by-for each member and the member is not distanced from daily affairs of the firm. On the other hand, workers cooperatives require skilled and specialized workforce who are aware of their value-addition, are actively interacting with market forces and understand the importance of upgrading their skills to survive in the market. They are active agents of change and success and not passive owners. However very high frequency of interaction may leads to disagreements and chaos, which needs to be controlled under the able leadership. Success of a workers cooperative depends upon available resources with the workers earmarked for the cooperative, able leadership, sustainability of product, innovation, governance structure, esprit de corps, fraternity, member centrality, adaptability, involvement of the members in governance, community and government support. The literature reveals that economic & social performance of worker cooperative depends upon enabling conditions of their formation, environmental influences, and internal organizational characteristics.
The Uralungal Labour Contract Cooperative Society Limited (ULCCS Ltd)

ULCCS Ltd is an ISO 9001:2008 constructions cooperative registered under the Cooperative Societies Act. It has 2000 plus work force including 750 members engaged in the construction work of the society. The society obtains construction contracts through competitive bidding process from Government and other reputed organizations for activities like formation of road, highways, culverts, bridges, and modern building structures. The mission of the society is to deliver quality work in strictly adhering to time limit. The focus of activities is on societal uplifting and nation rebuilding by providing appropriate job opportunities to the downtrodden, through collective initiative of members. Over a period of time, the membership is expanded and venturing into bigger works with higher investments, and procured new machineries for advanced constructions. ULCCS has a well-defined organizational structure to execute the decisions of the board and a consultation wing to associate in making the policy decisions.

ULCCS Ltd aims at imparting skill training to members at reasonable rates and provides education to make them employable. The society has its own facility for building materials and quality testing laboratory, stone crusher, abundant granite quarry, crushing equipments, brick manufacturing unit, mechanical workshop etc. The society also ventures into agriculture sector with the motive of providing employment to its laborers the year round. The society owns farm sizing 33 acres, to cultivate various garden crops like coconut, mangoes spices, tapioca etc are

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**Organizational structure of ULCCS**

- 750 members (2000 workers) of ULCCS Ltd.
- Cooperative excellence derives through decision makers being the executors
- If member have worked as construction worker then can participate in election
- 10 Directors are elected every 5 years, including president (BOD)
- Directors meet every day to take decisions
- Monthly members’ General Meeting for key decisions

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underway using only green manure and nature friendly bio-manures. The society has completed 3722 projects till date and there are 100 on-going projects at present.

The members are encouraged to attend monthly meetings, and are expected to adhere to norms like maintaining peaceful atmosphere at worksite. BOD exercises strict discipline by punishing default members, can suspend the members but it cannot remove the members. Only general body has right to remove the member. The society emphasize on establishment of professional governance starting from policy formulation, execution of work and financial management. For various policy decisions it takes consultation from well-known professional bodies including Indian Institute of Management.

As only workers can be elected as director, and each director is assigned responsibility of the project execution, timely completion is ensured. This system is a derivative of cooperative principles and greatly helps in achieving excellence. Members attend cooperative education and various training programs. A worker is free to take appropriate decision as per prescribed procedure; this enables a worker to sharpen leadership skill. A worker gets daily wages for the work done, which is usually higher than market rates and additional benefits like provident fund, medical allowance, gratuity payment, limited insurance premium, holiday wages, education and marriage allowance. These practices make joint responsibility from bottom to top management, which in turn improves contribution and efficiency by several folds leading to success.

**Self Employed Women’s Association (SEWA)**

SEWA, Ahmedabad based union comprised of self-employed women was registered in 1972 as trade union under the Indian Trade Unions Act. SEWA is convergence of labour, cooperative and women’s movement. The union is open for membership by charging nominal fees to self-employed women workers, currently having 1,300,000 women members. SHG & cooperatives are formed of these members. The members are small vendors, home-based producers and labourers working in unorganized sector. SEWA’s objective is to offer an integrated plan for developments of self employed women including childcare, leadership training through unique organizational structure of decentralization in governance with a two-tier level of elected representation to govern the union.

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6 Annexure-6
SEWA organizes the women workers through the strategy of struggle and development for its two main goals, full employment and self-reliance. Members work in the markets, in their home, fields, forests, on riverbanks and in the desert. The members are divided in (i) Home based workers (ii) Vendors/Hawkers (iii) Manual labourers (iv) Service providers/producers, to undertake activities like capacity building, livelihood security, marketing services, financial services etc. SEWA’s approach to organize is a need based and demand driven, by identifying the needs and issues of the communities and links them up with government schemes. This helps in leveraging government resources and policy action. Due to need based and demand driven services like banking, insurance and health care, the expansion and growth is spectacular.

SEWA builds the capacities of the members through spearhead teams, so that they become owners and managers of their own trades. As a measure of decentralization, a district association implements all the activities in the districts. The support provides firm foundation for future
growth and leads to collective strength and increased bargaining power of the workers. Flexibility in organizational style and structure encourages experimentation and learning, willingness to take advantage of partnerships with others and hence synergy of fraternity and cooperation.

**The Indian Coffee House (ICH)**

The Indian Coffee House is a restaurant chain in India, run by a series of worker co-operative societies having strong presence with 400 coffee houses in the country, particularly in major cities. ICH is owned and managed by its employees since 1950. The society is engaged in selling pure coffee powder known for its rich aroma sat reasonable prices, beside coffee and typical South Indian foods are served in the restaurants. Over the years, the society maintained the traditional values of good taste, courteous service and unmatched quality.

The Coffee Board started the 'India Coffee House' in early 1940s, but within few years, several Coffee Houses were closed down. The Coffee Board took the decision to dismiss all the employees. A large number of employees lost their jobs. The workers of the Coffee Board began a movement and compelled the Coffee Board to agree to handover the outlets to the workers who then formed Indian Coffee Workers' Co-operatives and rechristened the network as Indian Coffee House. Communist Gopalan Nambiar took over the leadership and organized societies across India. Several dismissed Coffee Board employees dedicated their life, money and services for the formation of the society. The first such society was formed in Bengaluru in 1957 followed by several in later years. An eleven member managing committee elected from the employees governs the society.

ICH runs 13 workers cooperatives, which are governed by managing committee, elected by employees; national level federation helps them to unite under one umbrella. Positioning in the market is done by traditional ambience, healthy food, affordable price, courteous services and
allowing refreshment place as meeting place to the customers. On the basis on a research conducted by The Nielsen Company, a leading research organization in India; Indian Coffee House was honoured with CNBC Awaaz Consumer Awards 2008 as most preferred consumer brands of India. The research was carried across 17 product categories among 10,000 respondents to arrive at the decision of most preferred consumer brand.

**Gambhira Farming Cooperative Society Limited (GFCSL)**

Farmers of Kheda District in Gujarat established the Gambhira Farming Cooperative Society in 1953. GFCSL has members from Gambhira, Kothiakhad, Nani-Serdi and Bilpad villages which are in proximity of 45 km. of Anand, a town famous for Asia’s largest dairy cooperative AMUL.

The state government distributed 201 acres of land on the riverbed to 176 farmers. The members of the society have been divided into 30 working groups for operational convenience. Each group has eight to 14 members, who choose their group leader, and is allocated 13 to 24 acres for farming. The land and other assets belong to the society and the members do not have ownership rights either on assets or cultivation decisions. The society undertakes primary farming activities including tillage, purchase of inputs, irrigation, storage and marketing of produce.

The farming by small farmers is being rendered otherwise unviable owing to downsizing of land holdings, limited resource deployment, farmers’ low investment capabilities, limited bargaining power in procurement of inputs including electricity, storage capacity, and changing market conditions in competitive environment. The cropping pattern is decided collectively, inputs are procured collectively and extension and technical help is provided by the society. Members give a half share of their produce to the society. The strategy is based on two fundamental principles; the small size homogenous groups of 10-12 households are a better unit of cultivation than either an individual farmer or a large collective, and if these groups are supported by an infrastructure of high quality by the large collective body their productivity can be enhanced.

The society helps to earn livelihood to 291 farmers and have improved their socioeconomic condition. Sales revenue earned in year 2010-11 was INR 32.60 million. A member contributes labour for 150-180 days per year, which is significantly higher than cultivating individually and allows earning of INR 90,000 per annum.
Shri Mahila Griha Udyog (Lijjat)

Shri Mahila Griha Udyog, popularly known as Lijjat, a cottage industry, is an Indian women's cooperative engaged in manufacturing of various food items and fast moving consumer goods like detergents. Lijjat was registered in 1966 under the Societies Registration Act. Lijjat’s objective is empowerment of women by providing employment opportunities by enabling women to earn decent and dignified livelihood. Lijjat started with small capital informally in 1959 have achieved annual turnover of INR 6500 million in 2010. Lijjat provides employment to 42,000 people through 67 branches. All members of the institution are the owners; every member has the veto power, decisions are based on consensus among members. Lijjat is famous for its products like papad and sasa detergent powder.

Since inception, Lijjat understands the importance of standardization of quality, it work as a business enterprise, maintains proper accounts and transparency. Only woman can become member, a woman looking for work can approach any of the branches to join the team without any fees, and earn INR 2,000 to 3,000 every month for six hours of daily work from home. Lijjat works on Gandhian philosophy of ‘Sarvodaya’ & ‘Trusteeship’, with a typical conceptual business model.

**Conceptual Business Model**

![Diagram of Conceptual Business Model](image)

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*Papad*
To achieve motive of generating self-employment for women, no machinery is used at the production level, though computers are used in some of the branches for administration, have adopted typical organizational structure.

The organization has adopted the concept of business, and it believes production of quality goods at reasonable prices. Lijjat never accepts any charity or grant. The organization has adopted the concept of mutual family affection, concern and trust. All affairs of the institution are dealt in a manner similar to that of a family. Lijjat believes that for members and employees; the organization is a place of worship to devote one’s energy not for personal benefits but for the benefit of all.

The management of the organization is entrusted to the elected managing committee of 21 members. Irrespective of seniority or responsibility or type of work, each member gets an equal share of profit. Woman who pledges to adopt the institution’s values can become a member and co-owner of the organization and can participate in election. The members who are involved in the rolling of the papads require a clean house and space to dry the papads they roll. Those who...
do not have house can take up any other responsibilities, like kneading dough or packaging or testing for quality. After a woman has signed the pledge form, which serves as her formal entry and introduction to the formal working environment, she is considered as a sister-member. Production is carried out from hundreds and thousands of individual homes. The branch ensures that every activity happens as per standard. The branch is responsible for all activities from production, testing, packaging, collection, and distribution of profit. Core activities like purchase, are centralized to gain advantage of collective bargaining and proper control.

Lijjat has evolved good governance structure by giving their centers the autonomous status. Profits remain with the respective branches and are normally used to augment the business after a due share is distributed among members. Lijjat focus on standardization and maintaining quality and division of work among different divisions based on expertise like advertising, marketing, sales promotion and exports. There is greater coordination between different branches and divisions.

Khadi Development and Village Industries Commission (KVIC), a statutory body set up by the Government of India for development of rural industries, recognized Lijjat as a ‘Village Industry”, a unit belonging to the "processing of cereals and pulses industry group" under the relevant Act. KVIC granted it a working capital of INR 0.8 million in 1966 and was allowed certain tax exemptions. Lijjat is taking part in several trade fairs and exhibitions to improve domestic & export sales. Lijjat received the "Best Village Industries Institution" award from KVIC (1998 to 2000), "Businesswoman of the Year" award (2002), 'Brand Equity Award' (2005) and several other prestigious awards.

**Working Women’s Forum – India (WWF)**

WWF is a strong 85,000 working women cooperative which functions in tandem with sister concerns; Indian Co-operative Network for Women (ICNW) and National Union of Working Women (NUWW). Mission of WWF is poverty reduction and strengthening of economic, social and cultural status of poor working women through micro-credit, training, social mobilization and other interventions. WWF and its credit outfit ICNW has commendable task of serving its members in South India. WWF enhances the social as well as financial independence of poor women through its credit wing and provides loan at low interest rates encouraging their entrepreneurship.
WWF is characterized by a grassroots orientation, with a feminist approach and based on promotion of leadership among the working class women through a cost-effective large-scale outreach. As a movement of grassroots women, WWF's purpose and objective is to raise awareness and promote collective action for social change and sustainable development. The organizational structure is innovative and is based on the group dynamics model. The aim of WWF is to integrate its target group of marginalized and vulnerable women at all levels in its institutional framework, using them as an effective delivery mechanism to reach other poor women extensively. At the apex level of the structure are the members of the Forum. Membership at WWF is based on the group principle. Generally 5-10 members, irrespective of their occupation, form a group and elect a group leader. The group leader is responsible for the repayment of loan by the group and as an incentive, a higher amount of loan to the group leader. Each member vouches for the other members and is a "guarantor" for each other. Area leaders are next in hierarchy. They are the link between WWF and the members. A unique feature of the organizational structure is that it paves the way for members to move up the hierarchical ladder and reach the position of a Vice President. There is also facilitation of free flow of information from the President to the members and vice versa. WWF provides an organized platform, access to credit, education, healthcare, training/orientation towards promoting social and financial independence to fight poverty and gender discrimination.

The credit program of ICNW has extended credit to 410,545 poor entrepreneurs of approximate INR 1203 million; the recovery rate of credit is as high as 98.66%. NUWW, WWF's trade union wing facilitates the poor women in their struggles to fight for labour, land, housing, other human rights issues like female foeticide, child prostitution labour etc.

**Kamani Tubes Workers’ Cooperative Society Limited (KTLWCS)**

**Kamani Tubes Limited** (KTL) was set up in 1960 to manufacture copper alloy tubes and rods by a private entrepreneur family. In 1985, due to management problems, the manufacturing unit became sick and was closed. When the owners abandoned, the independent workers’ union consisting of 600 workers approached banks, financial institutions and the state government to help revival of sick unit. The union then formed a cooperative to take over the firm. Claiming that workers could raise the share capital from their provident fund, wage arrears and loans, the union filed a civil petition in the Supreme Court. The court asked the Board for Industrial and Financial Reconstruction (BIFR) to examine the union's proposal. In spite of the legal hurdles, the Supreme Court upheld the workers' action to own factory through workers cooperatives. The
existing workers in KTL formed Kamani Tubes Workers’ Cooperative Society Limited. At the behest of the Supreme Court of India, a workers’ co-operative society took over the company after the sanction of rehabilitation scheme by BIFR in September 1988, accordingly, share were transferred to the cooperative. In addition to workers' contribution, the state government sanctioned a sizeable grant. Initially after revival, the company has made good progress. Production, wages and profit had gone up.

But, in next couple of years, the workers & management rift started to arise. The hired managers were not able to understand and satisfy workers demands. The workers could not perform the role of entrepreneur successfully. The failure was mainly because the leaders had disregarded the democratic processes of decision-making, coupled with financial problems, lack of participation made workers wary of the leaders. The old divide between workers and managers was re-created; as a result, productivity & profit fell. The worker shareholders lost interest in the functioning of the company. As the company could not implement the sanctioned scheme, BIFR declared the scheme as failed. When all efforts fatigued, the manufacturing unit was closed and creditors took the control to find out buyer for the chronic sick unit. A private entrepreneur purchased all the assets & liabilities in 2006. The workers were paid their dues, many of them were retained in the job, but KTLWCS failed to retain ownership and control of KTL.

**Mumbai Tiffin Box Supplier's Association (MTBSA)**

The Mumbai Tiffin service originated by dabbawala in 1880 was informally unionized in 1930 and registered in 1956 as Nutan Mumbai Tiffin Box Suppliers Trust under Bombay Public Trust Act. The commercial arm of this trust was registered in 1968 as Mumbai Tiffin Box Supplier's Association. Every day approximately 5000 Dabbawalas deliver homemade food to about 200,000 customers in every corner of Mumbai, very densely populated city with huge flows of traffic and congestion. Dabbawala is a person in the Mumbai whose job is to carry and deliver homemade food in dabba (lunchbox) from their home to the work place. Office-goers in Mumbai usually leave early in the morning and get back after the evening. Most of them commute from suburbs of Mumbai and travel south to the main commercial area of Mumbai. The railway network during the peak hours is jam-packed with commuters cannot carry the lunch box. Homemade hygienic lunch is preferred over expensive outside meal. By delivering to office-goers his lunch filled with food prepared at his home, the dabbawalas provide a viable solution.
Depending on the location and collection time, dabbawala charge for delivering lunch box, a small amount in range of INR 150 to 300 per box/month.

MTBSA is a three-tier organization (i) the governing council with nine directors and office bearers (ii) the mukadams (supervisor) and (iii) the dabbawala. Under the supervision of four mukadams, dabbawalas are divided into small groups, which is responsible for day-to-day functioning. A committed and dedicated worker can be member of the association. The member has to invest small capital of INR 5000 to bring bicycles, wooden crate for carrying lunch boxes, white cotton clothes (kurta-pyjama) and Gandhi style cap. MTBSA regulates activities of all members and solves conflicts between members, customers or authorities. The mukadams has the authority to impose reasonable fines on dabbawala who commit repeated errors. The group is financially independent but coordinates with other groups for deliveries of lunch box. The process is competitive at the customers end due to low fee and based on cooperative efforts till the delivery. All members are treated as an equal and regardless of the work done; one gets paid about two to four thousand rupees per month.

The success of the operation, a ‘six sigma’ standard\(^7\) is due to extreme certainty, predictability of the operation, simple design and with low cost. The dabbawala pick up lunch box, appropriately coded and are sorted at each suburban as per location of delivery. Although the number of transactions per day is large, each person handles a limited number of transactions. The external container that houses the lunch box inside is of standard shape & size. The containers are placed

\(^7\) Forbes Magazine 2002
in a single file in a wooden crate with the lids of the entire lot visible. The dabbawalas never lose custody of the wooden crate throughout the delivery process. Area wise crates are loaded in train and unloaded as per code at its destination, where another dabbawala collect and deliver lunch box to the building of the client, who himself identifies his dabba based on his personal markings on the box, and puts back after the lunch. The local dabbawalas and population know each other well. Dabbawalas are generally well accustomed to the local areas they cater to, and use shortcuts and other low profile routes to deliver their goods on time. Though dabbawalas are virtually illiterate as per recent survey, there is only one mistake in every 6,000,000 transactions. MTBSA carries ‘ISO’ and other certificates awarded for high quality work of dabbawalas. Dabbawala is recognized all over the world for excellence in supply chain management, time management, commitment, honesty and integrity.

**Management of Enterprise and Development of Women (MEDOW)**

Titan and MYRADA set up project Meadow in 1996, with the aim of providing employment opportunities to young women. By redefining societal attitudes MEDOW has given wings of social and economic empowerment to rural women of Karnataka, The profits are shared equally among working members with a significant amount being added every year to the corpus fund. This takes care of the company’s various needs and also benefits the employees’ families. Titan has its manufacturing facility in the Krishnagiri district of Karnataka. The district is a drought-prone, backward area suffering from multiple social problems, low literacy, gender inequality, child labour etc. To address these issues, Titan has been working since 1992 with MYRADA, an NGO that facilitates women’s self-help groups, to combat gender inequality.

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**Meadow (Management of Enterprise and Development of Women)**

*Titan (TATA Company)*

*MYRADA (NGO)*

Took initiative and set up Meadow in 1996

Started with 23 High school education girls has evolved to have 343 women members
Titan extensively trained the women in the required skills and also in material accounting and documentation procedures. They were provided worktables and tools, and also introduced to the SAP system. The company collaborated with Meadow to create the infrastructure by contributing 50 per cent of the initial investment and provided the technical training and expertise to run the business.

By 2005, Titan’s jewelry division began outsourcing to Meadow some of the key activities in the manufacture of studded jewelry. The women were trained intensively by Titan to hone their skills in jewelry making. Starting with the single task of bracelet link assembly, the women have acquired skills to undertake 16 different tasks at multiple locations. This brings win-a-win situation for workers & TITAN. The spirit of building livelihoods while doing business has enriched Titan with the satisfaction of empowering rural women to form a micro-enterprise and run it effectively. At the same time this engagement has led to the establishment of a cost-effective, reliable and flexible skill base for the company.

The Kerala Dinesh Beedi Workers' Cooperative Society (KDB)

The Kerala Dinesh Beedi Workers' Cooperative Society is originally a home industry comprised of workers of Kerala Dinesh Beedi, but now a diversified group engaged in various modern industries. Beedi is local homemade thin cigarette filled with tobacco flake and wrapped in a Tendu leave.

KDB was formed out of several unions of beedi workers with different political affiliations to bring workers together to overcome prevalent issues of unemployment and to achieve a concrete developmental task through team spirit and worker solidarity. State government of Kerala
implemented Cigar and Beedi Workers Act in 1967 to support beedi workers. A prominent private firm, Mangalore Ganesh Beedi, closed down all production operations in 1968, rendered 12000 workers jobless. Due to this crisis and with active support of the Government, KDB was formed in 1969, is the fourth largest beedi firm in India. With the mission of the upliftment of weaker sections of the society, it started new ventures to create employments like coconut milk extraction, curry powder, pickle and fruit processing unit. Dinesh Umbrella, a division of KDB was started as diversification programme with wings of operations like Dinesh Apparels, Dinesh Software, Dinesh Foods, Dinesh Umbrella, Dinesh Beedi and Dinesh Auditorium. KDB provide full time direct employment to 12,000 workers through its functional units of beedi rolling, food processing, umbrella assembling, garments manufacturing and Information Technology.

KDB offers more benefits to workers then the state law, and provides other benefits like holiday wages, medical allowances, maternity benefits, retirement and death benefits, pensions and thrift loans. KDB do not employ child labour, and provide improved work environment by construction of work sheds, provision of water and sanitary facilities, adequate floor space, ventilation and benches with backrests for beedi rollers.

Raw material purchase in bulk is centralized like raising and managing financial resources and marketing. KDB coordinates and supervises the primary cooperative societies. The majority of the board of directors of the central society is workers. The surplus is distributed to workers and paid out as a reward for work rather than as dividends. Beedies are manufactured by all 18 primaries under one brand. Sound economical and financial management and efficient marketing have opened the doors to real improvements in the living and working conditions of members. KDB pays wages amounting to INR 250 million to workers who rolls 1800 million bidis annually. KDB has adopted a piece-rate system of wages to provide a built-in mechanism to encourage output. The centralization of certain activities has allowed the KDB to "maintain an effective balance between the distribution of surplus and the need for investment for the future".

What works for a Workers’ Cooperative?
Many of the workers cooperatives under the study have performed well while few could not. Worker Cooperatives coalesces the legend of entrepreneurship, family values and commitment to the community, the success of a cooperative cannot be measured in terms of profit only. Success of Workers Cooperative can be measured on two pillars, as a business enterprise and as a cooperative. Success of a business depends upon positive value addition through its core
business activity. Success as cooperative depends upon good governance in ambit of cooperative principles. In light of the cases discussed above, following factors are considered relevant and critical to determine success of a worker cooperative.

**Statute under which workers cooperative registered:** As said at the outset, workers cooperative can be registered under diverse statutes, viz, Cooperatives Societies Act, Companies Act, Public Trust Act, Society Registration Act and Trade Union Act. Each statute differently determines the power, scope, obligations, limitations and procedure to be followed by the organization registered under it. Company Act allows declaring the dividend as members’ choice, while under Cooperative Act dividend can be declared subject to the specified limit. Other statutes do not permit declaration of dividend. Income tax law gives special benefits if organization is registered under Cooperative Law. Income tax is levied on surplus arises from revenue after expenses are set off. Tax law permit salary as deductible expense if firm is registered under Cooperative Law and it can use distribution of salary as buffer tool to make legitimate tax planning. Cooperative law gives voting rights on the basis of membership in form of one member – one vote, and not equity holding. In non-cooperative businesses, economic voting rights are determined on the basis of equity holdings regardless of what role an individual may have played in economic activity of the business. Under the Companies Act, private company can have maximum 50 members, and private company can be started by minimum 2 members while to start a cooperative society, minimum member required is 11. Trade Union Act do not provide express authority to carry any business, and hence, SEWA incorporated separate Self Help Group (SHG) and Cooperatives comprised of trade union members of SEWA by creating clusters of specific 138 trades. MTBSA is registered as Public Trust and under its arm; the commercial wing is registered as Association. Cooperative law empowers government to control, intervene and assist cooperative societies; therefore government’s constructive or restrictive intervention determines fate of the society.

**Leadership:** The most crucial factor is leadership, particularly at time of inception; strong local leadership may provide robust foundation to the cooperative. Cooperatives attach importance to cooperation & institutional values; adherence to those values distinguishes them from other profit-oriented enterprises. Successful cooperative leader is visionary, entrepreneur & good human being. Success of Lijjat is based on leadership role with strong humanity &

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8 Annexure-2,7
entrepreneurship. The role of the cooperative leader thus is not only to ensure that the economic goals of the cooperative are met, but that they are met keeping in view the underlying values and the principle which form its very basis. Success of MTBSA is based on having imbibed cooperation in business operation, having a strong local acquaintance. Local leader know the local business environment and people around it, one should only lead the group if he is one among them. The success of GFCSL is based on strong local leadership. Leader who create environment of trust and fraternity amongst its member can provide strong cooperative culture. Successful leader is perfect blend of cooperator & entrepreneur. His capacity to undertake business risk within given resources is critical to create & maintain trust of its stakeholders. Success of ULCCH, KDB & ICH is based on leader’s entrepreneur skills. To establish strong cooperative require democratic governance system; build appropriate organization structure, transparency and accountability. He must be able to build sentiment of spirit- de- corps & fraternity amongst the member and promote member centrality. Success of SEWA is based on creating environment of fraternity amongst the members. Good leader is open minded, quick learner and expert in number and maintains economic interest of the society and members. Workers cooperatives are social entities and hence, leader needs to have good rapport with the government and society. The leaders of workers cooperatives who possessed creativity, credibility, consistent policy, and communication have established strong cooperatives.

Circumstances of evolution: Organizations comes with a purpose and as a result of several environmental forces. If the people need to unite because of compelling circumstances, the cooperative get a boost to succeed. Cooperatives are formed for socio-economic benefits. If the potential members perceive such benefits, chances of success of cooperative will be higher. As seen in the discussion above, existence of ULCCH, KDB, ICH and KTLWCS was due to sudden compelling circumstances, where the workers became jobless. However to be sustainable organization, other influencing factors only decide the fate of the organizations success, which should continuously flourish.

Resources: Any organization succeeds if the organization has capacity of arranging resources necessary to run its operation; like capital, technology, land & building, machinery and human capital. A worker cooperative’s main strength being human capital; their member-workers may become the pivotal of success. Success of ULCCH is based on human and natural resources in their possession. Success of ICH was prime land occupied to fetch the restaurant business.
Working of ICH, KDB, KTLWCS & ULCCH was smoothly transited the previous organization; along with the existing building, plant, machinery and marketing network.

**Homogeneous membership:** Sustainability of cooperative organization substantially depends on homogeneous members and mutuality in interest of the members. Homogeneous members have similar social & economic status, which leads to understanding each other in better way. Success of ULCCH, GFCSL, SEWA, WWF, ICH, KTLWCS, KDB and MTBSA is based on harmonious quality of members.

**Member centrality:** Economic importance of the cooperative in member’s life is enormous, higher the economic return to the member, higher his involvement and commitment towards the cooperative. In case of Workers' Cooperative, member centrality is very high. Success of ULCCH, GFCSL, KDB and MTBSA is based on income of the member generated by cooperative is substantial in their total income.

**Esprit de corps:** When the members of a cooperative are homogeneous, member understands each other well. If there is also common compelling factors to join the workers cooperative with the common objective, cooperative have greater chance of success. If the members maintain belief in an institution goal, the cooperative will succeed. A common enthusiasm, devotion and sense of unity of common interests and responsibilities in the workers’ cooperative are critical for the smooth and successful functioning of a cooperative. Failure of KTLWCS is due to lack of esprit de corps. One of the basic principles of Lijjat is devotion for the society rather than personal gain.

**Frequency of transaction:** Involvement of the member in mutual concern like workers’ cooperative is indispensable. Involvement comes from the commitment, but commitment of a member in long run remains if economic benefit of the member is high. High frequency of transaction leads to more involvement of the member. The success of Lijjat, ULCCH, MTBSA, GFCSL, and ICH is due to regular transaction of the member as worker of the respective society.

**Fraternity:** The essence of cooperative is to give and take cooperation. This kind of mutuality of member is possible, when there is feeling of fraternity amongst the members and members consider all equal. Mutuality, equality and fraternity bring harmonic and peaceful relation in the organization. The success of MTBSA, SEWA, Lijjat, WWF and MEDOW is due to sense of fraternity in the members.
**Governance:** Governance is the system of defining role and responsibilities of stakeholders so as to achieve objective of the organization. Cooperatives in general and Workers’ Cooperative in special are organization of its kind; confluence of enterprise & cooperative. Workers, those who govern, own workers’ Cooperative and who are governed are workers. Cooperative governance includes; board selection practices, composition, director’s terms, compensation, responsibilities, director evaluations, education, reporting & measurement practices, member and stakeholder relation practices. Better the governance, better the stability and chance of success is higher. The quality of governance ensures cooperative’s survival and growth. Unless a cooperative develops a culture of accountability across the value chain, it will not be able to sustain the complexities of good governance. In competitive environment, fittest survive; the cooperative has to be fittest to succeed. Those who exercise good governance practices have a greater chance of success. Success of ULCCH and SEWA is due to democratic and transparent governance policy. KTLWCS has failed in governance because of conflicting interest of governing members and incompatible views of managers.

**Democracy:** Business entities, be they partnerships or corporations in their various forms, generally equate political power with equity ownership. This cannot occur in a worker cooperative, within which all members get only one vote. If workers cooperative is governed by democratic process and by giving due importance to all worker members and workers elect competent & honest board members, chances of success of the cooperative is higher. Success of ULCCH, SEWA, MTBSA and GFCSL is based on culture of matured democratic process.

**Product:** The existence of any organization is based on product it serves to the customers. Selection of product/s, which give edge over competitor, is the crucial factor in success of a business. Main asset of workers cooperative is their human capital. They should select a product in which their workers are expert to produce, however product should be of demand in the market and cooperative should be able to produce within acceptable cost. Lijjat’s *papad* and other products are daily consumables and have small prices. ULCCH have support from the government as their major customers. MTBSA has monopoly product in form its service of providing lunch boxes at nominal cost. KDB have support of the government as entrepreneur. MEDOW has support of providing work by industrial giant TITAN, while ULCCH has support of government by providing construction work. The quality of product must not only be
standardized but also continuously improved. Lijjat papad, ICH & ULCCH have been awarded prestigious awards.

**Innovation:** The organization to be sustainable requires constant changes in product & processes. In competitive and changing environment, the customers demand new product and new approaches in business. MTBSA uses cost effective approaches by choosing routes, using local train, small vehicles and coding system. Lijjat has continuously expanded its papad varieties. KDB has expanded its umbrella by bringing modern industries like software. ULCCH has bought modern machinery to construct bridges and high-rise building. ICH has lost its shining by sticking to the traditional products and catering services.

**Entrepreneurship:** Workers’ Cooperative is a business like any other business. As business enterprise, it gets life and value by supplying products and services to customers. To be successful enterprise, workers cooperative must satisfy needs of the customers through value creation. What value it gets from the customers for supplying products and services (Output) must exceeds the cost involved in converting input into output. In highly competitive business environment, workers cooperative must be innovative in product design & processes and in changing scenario it must be adaptive. To make enterprise sustainable, workers’ cooperative must have conducive organization structure with appropriate blend of centralization & decentralization of authority. Careful selection of managerial workforce, delegation of power and appropriate control can assist planned operations. Lijjat has successfully delegated authority for managing local affairs at branch level while purchase & finance is centralized. Branches are also accountable for local marketing. GFCSL has delegated authority to decide crop pattern at group level and accordingly small piece of land is handed over to the group. Marketing of farm produces are centralized to get scale of economies. SEWA has decentralized activities at group level. ULCCH has centralized work procurement, but group headed by director manages the implementation of project. WWF has successfully created group for lending credit, and all group members are reciprocal guarantor, while leader of the group is given incentive for the recovery of group.

**Localization:** Cooperative is organization of the people, by the people and for the people. Workers’ cooperative is generally born as a result of local demand. Either input or process or output must be matching the local flavour. Local support is *sine-qua-non* for the cooperative to succeed. Success of MTBSA is due to local business environment compel office goers to have
lunch box services. ULCCH carries construction work in the surrounding regions. KDB workers engaged in production and raw material is grown in local regions.

**Social value:** Cooperative is socio-economic organization. Workers cooperative are social enterprises. All 10 cooperatives under study are emerged due to socio-economic need, primarily to provide employment or capacity development to take employment. Rather than the profit, providing salary, wages & livelihood to the workers are prime objective. Strength of SEWA is creating bargaining power& capacity building of self-employed women. WWF provides platform to the women so as to raise their capacity, safety and socio-economic status. GFCSL aims at providing livelihood to small farmers by collective farming, otherwise unviable. The foundation of MEDOW is based on social upliftment of local population of backward district.

**Adaptability:** To be sustainable, any organization needs to be adaptable. Workers cooperative is not exception to this. The workers cooperative must be adaptive to understand and absorb changes that are happening in its environment. MTBSA is 130 year old organization, within long span people, the city and business environment has seen several changes. With little education, members of MTBSA are adaptive to understand customers demand, transport system and quantum of business.

**Profitability:** Businesses operate on a profit margin. There is an economic justification for worker cooperatives to exist even if they do not make a profit so long as they provide an economic benefit to their member-workers in the form of a salary. Within prevailing business environment, a worker cooperative has the advantage, with all other things being equal; a cooperative can reduce the price of its products in comparison with its competitors, and adjust the salary and benefits of its workers in comparison with comparable employees, as long as the expenses incurred remain within the confines of competitive business environment. ULCCH, GFCSL and KDB have maintained acceptable profitability in the business operations. MTBSA and Lijjat pay additional salary in form of bonus to their members as per available surplus.

**Decision Tree:** Decisions are the means by which organizations turn ideas into action and a decision can leads to success or failure. Decision tree has stems and roots in shareholders who from inception to be vigilant in selecting competent directors. Directors need continuous training in their duty as entrepreneur, trustee, manager and cooperator, cooperative value and principles, legal obligations and business skills. Success of SEWA, ULCCH and MEDOW is based on successful decision of their board members. The managers and employees of cooperative
organizations are branch, leaves, flowers and seeds of a tree. As a manager, they need to be professional decision maker in policy making, visionary, formulating strategy and implementing procedure through conducive governance structure. As an employee, they need to be skilled enough to work at operational level on shop floor efficiently and effectively. The failure of KTLWCS is attributed on poor performance of their manager. The role of state in success or failure of cooperatives can’t be ignored; as regulators, legislators and executives are responsible for directing and controlling cooperative movement. Cooperative being the concurrent subject matter under the Indian constitution, the responsibility and accountability of successful working of society registered under cooperative law, also vests in central and state government. Appropriate governments have assisted workers cooperatives like KDB, ULCCH and GFCSL.

Before summing up, we wanted to share previously undocumented experience of a true workers cooperative. To shape up the research paper authors have attempted to capture exemplary workers cooperatives in India through using relevant literature and personal visits to some of the prominent places. We visited a small workers cooperative printing press in Vyara town of Gujarat, a true workers cooperative by all means. It was originally owned by Mr. Zinabhai Darji, the then President of Gujarat Congress, donated all its property belonging to the press in favour of the workers in 1975. The donor made constitution of the workers cooperative press in a manner that only worker of the cooperative can be part of the management. Employing 70 ordinary workers, the press is performing par excellence amongst all other printing press in the town.
### Annexure-1

<table>
<thead>
<tr>
<th>No.</th>
<th>Workers’ Cooperative</th>
<th>Relevant Statute</th>
<th>Who can be member</th>
<th>Members</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Uralungal labour Contract Cooperative Society Ltd.</td>
<td>The Cooperative Societies Act</td>
<td>Construction workers</td>
<td>750</td>
<td>Construction contracts</td>
</tr>
<tr>
<td>2</td>
<td>SEWA: Self Employed Women Association</td>
<td>Indian Trade Unions Act</td>
<td>Self employed Indian woman</td>
<td>1,300,000</td>
<td>Individual small business</td>
</tr>
<tr>
<td>3</td>
<td>The Indian Coffee House</td>
<td>Cooperative Societies Act</td>
<td>Workers of Indian Coffee House</td>
<td>466</td>
<td>Coffee restaurant and trade</td>
</tr>
<tr>
<td>4</td>
<td>Gambhira Collective Farming Society</td>
<td>Cooperative Societies Act</td>
<td>Farmer of Gambhira &amp; nearby villages</td>
<td>291</td>
<td>Farming</td>
</tr>
<tr>
<td>5</td>
<td>Shri Mahila Griha Udyog Lijjat Papad</td>
<td>Societies Registration Act 1860</td>
<td>Woman aged 18 year or more</td>
<td>43,000</td>
<td>Manufacturing food, households like detergents</td>
</tr>
<tr>
<td>6</td>
<td>Working Women’s Forum (India)</td>
<td>Multi State Cooperative Act</td>
<td>Working woman</td>
<td>50,077</td>
<td>Individual’s business/profession</td>
</tr>
<tr>
<td>7</td>
<td>Kamani Tubes Limited Workers Cooperative</td>
<td>Cooperative Societies Act</td>
<td>Worker of Kamani Tubes Limited</td>
<td>400</td>
<td>Manufacturing of steel tubes</td>
</tr>
<tr>
<td>8</td>
<td>Management of Enterprise and Development of Women</td>
<td>The Companies Act 1956</td>
<td>Rural woman willing to work in industry (except few male)</td>
<td>275 (joint members)</td>
<td>Assembling &amp; finishing of parts for parent organization</td>
</tr>
<tr>
<td>9</td>
<td>The Nutan Mumbai Tiffin Box Suppliers Trust (Dabbawala)</td>
<td>Bombay Public Trust Act</td>
<td>Local citizen willing to work as Tiffin supplier</td>
<td>5,000</td>
<td>Delivering lunch boxes to offices</td>
</tr>
<tr>
<td>10</td>
<td>Kerala Dinesh Beedi Workers Central Coop Society</td>
<td>Cooperative Societies Act</td>
<td>Workers of Kerala Dinesh Beedi umbrella</td>
<td>12,000</td>
<td>Production of beedi and other products</td>
</tr>
</tbody>
</table>

### Annexure-2

**Population, Workers, Workers Cooperatives & Members**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>361.1</td>
<td>439.2</td>
<td>548.2</td>
<td>683.3</td>
<td>846.3</td>
<td>1027</td>
<td>1210</td>
</tr>
<tr>
<td>Total workers</td>
<td>140</td>
<td>188.7</td>
<td>180.5</td>
<td>244.6</td>
<td>314.1</td>
<td>402.5</td>
<td>500 (estimated)</td>
</tr>
<tr>
<td>Workers’ Coop</td>
<td>8600</td>
<td>11000</td>
<td>12700</td>
<td>14390</td>
<td>20100</td>
<td>32960</td>
<td>38880</td>
</tr>
<tr>
<td>Members</td>
<td>0.340</td>
<td>0.550</td>
<td>0.623</td>
<td>0.864</td>
<td>1.01</td>
<td>2.025</td>
<td>2.575</td>
</tr>
</tbody>
</table>

Source: India census & National Labour Cooperative Federation of India Limited, (* in million)
### Annexure-3

**Labour Contract and Construction Cooperative Societies**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. (Contract Lab)</th>
<th>Membership (Contract Lab)</th>
<th>No. (Forest)</th>
<th>Membership (Forest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>17089</td>
<td>9245</td>
<td>1581</td>
<td>2622</td>
</tr>
<tr>
<td>1990-91</td>
<td>18411</td>
<td>10211</td>
<td>3269</td>
<td>4022</td>
</tr>
<tr>
<td>1991-92</td>
<td>20121</td>
<td>11126</td>
<td>3346</td>
<td>3471</td>
</tr>
<tr>
<td>1992-93</td>
<td>22535</td>
<td>10031</td>
<td>4418</td>
<td>6502</td>
</tr>
<tr>
<td>1993-94</td>
<td>23832</td>
<td>13104</td>
<td>3648</td>
<td>6003</td>
</tr>
<tr>
<td>1994-95</td>
<td>24457</td>
<td>13194</td>
<td>3738</td>
<td>6275</td>
</tr>
<tr>
<td>1995-96</td>
<td>27099</td>
<td>13670</td>
<td>3854</td>
<td>7638</td>
</tr>
<tr>
<td>1997-98</td>
<td>28958</td>
<td>15136</td>
<td>3401</td>
<td>7404</td>
</tr>
<tr>
<td>1998-99</td>
<td>29779</td>
<td>15936</td>
<td>3401</td>
<td>7404</td>
</tr>
<tr>
<td>1999-00</td>
<td>30428</td>
<td>16718</td>
<td>3408</td>
<td>7395</td>
</tr>
</tbody>
</table>

### Business of above Cooperative Societies (INR in million)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. (Contract Society)</th>
<th>Working Executive Total</th>
<th>Awarded by Govt.</th>
<th>Local Bodies</th>
<th>Others</th>
<th>Local Bodies (%)</th>
<th>Others (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>17089.0</td>
<td>1592.5</td>
<td>965.4</td>
<td>463.2</td>
<td>163.3</td>
<td>29.1</td>
<td>10.3</td>
</tr>
<tr>
<td>1990-91</td>
<td>18411.0</td>
<td>2465.5</td>
<td>1335.1</td>
<td>545.2</td>
<td>262.5</td>
<td>22.1</td>
<td>10.6</td>
</tr>
<tr>
<td>1991-92</td>
<td>20121.0</td>
<td>2213.5</td>
<td>1404.2</td>
<td>515.5</td>
<td>293.7</td>
<td>23.3</td>
<td>13.3</td>
</tr>
<tr>
<td>1992-93</td>
<td>22535.0</td>
<td>2586.1</td>
<td>1362.1</td>
<td>596.9</td>
<td>627.1</td>
<td>23.1</td>
<td>24.2</td>
</tr>
<tr>
<td>1993-94</td>
<td>23382.0</td>
<td>3508.2</td>
<td>1631.1</td>
<td>771.5</td>
<td>882.0</td>
<td>22.0</td>
<td>25.1</td>
</tr>
<tr>
<td>1994-95</td>
<td>24457.0</td>
<td>3797.7</td>
<td>2232.4</td>
<td>783.2</td>
<td>837.1</td>
<td>20.6</td>
<td>23.2</td>
</tr>
<tr>
<td>1995-96</td>
<td>27099.0</td>
<td>4852.6</td>
<td>2460.1</td>
<td>965.8</td>
<td>849.8</td>
<td>22.2</td>
<td>25.7</td>
</tr>
<tr>
<td>1997-98</td>
<td>28958.0</td>
<td>5046.7</td>
<td>2601.2</td>
<td>1122.6</td>
<td>1299.9</td>
<td>22.2</td>
<td>25.7</td>
</tr>
<tr>
<td>1998-99</td>
<td>29779.0</td>
<td>5265.0</td>
<td>2603.1</td>
<td>1183.3</td>
<td>1301.8</td>
<td>22.5</td>
<td>24.7</td>
</tr>
</tbody>
</table>

Source: Indian Cooperative Movement - A Profile 2002, National Cooperative Union of India, IndiaState.com

### Annexure-4

#### Number of Workers ('000s)

<table>
<thead>
<tr>
<th>Category</th>
<th>Persons</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>1,028,610</td>
<td>532,157</td>
<td>496,453</td>
</tr>
<tr>
<td>Total workers</td>
<td>402,235</td>
<td>275,015</td>
<td>127,220</td>
</tr>
<tr>
<td>Main workers</td>
<td>312,972</td>
<td>240,115</td>
<td>72,857</td>
</tr>
<tr>
<td>Marginal workers</td>
<td>89,230</td>
<td>34,867</td>
<td>54,363</td>
</tr>
<tr>
<td>Non-workers</td>
<td>626,376</td>
<td>257,142</td>
<td>369,234</td>
</tr>
<tr>
<td>Cultivation</td>
<td>127,313</td>
<td>85,417</td>
<td>41,896</td>
</tr>
<tr>
<td>Agricultural labourers</td>
<td>106,957</td>
<td>57,329</td>
<td>49,446</td>
</tr>
<tr>
<td>Household industry</td>
<td>16,957</td>
<td>8,744</td>
<td>8,213</td>
</tr>
<tr>
<td>Other workers</td>
<td>151,190</td>
<td>123,525</td>
<td>27,665</td>
</tr>
</tbody>
</table>

Source: Census of India 2001, IndiaState.com
### Annexure-5

**Distribution of Main Workers by Different Industrial Categories, India, 2001**

<table>
<thead>
<tr>
<th>Industrial category</th>
<th>Main Workers ('000s)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total main workers</td>
<td>312,972</td>
<td>100.0</td>
</tr>
<tr>
<td>Agricultural &amp; allied activities</td>
<td>176,979</td>
<td>56.6</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>1,908</td>
<td>0.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>41,848</td>
<td>13.4</td>
</tr>
<tr>
<td>Electricity, gas and water supply</td>
<td>1,546</td>
<td>0.5</td>
</tr>
<tr>
<td>Construction</td>
<td>11,583</td>
<td>3.7</td>
</tr>
<tr>
<td>Wholesale, retail trade &amp; repair work, Hotel and restaurants</td>
<td>29,333</td>
<td>9.4</td>
</tr>
<tr>
<td>Transport, storage &amp; communications</td>
<td>12,535</td>
<td>4.0</td>
</tr>
<tr>
<td>Financial intermediation, Real estate, business activities</td>
<td>6,109</td>
<td>2.0</td>
</tr>
<tr>
<td>Other services</td>
<td>31,131</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Source: Industrial classification data based on sample, IndiaState.com

### Annexure-6

**Membership in SWEA**

<table>
<thead>
<tr>
<th>The type of cooperative/groups</th>
<th>No.</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self help groups</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Craft-based groups</td>
<td>142</td>
<td>2,106</td>
</tr>
<tr>
<td>Land-based groups</td>
<td>21</td>
<td>395</td>
</tr>
<tr>
<td>Forest producers based groups</td>
<td>11</td>
<td>220</td>
</tr>
<tr>
<td>Foodgrain and essential items distribution groups</td>
<td>10</td>
<td>120</td>
</tr>
<tr>
<td>Nursery-raising groups</td>
<td>7</td>
<td>140</td>
</tr>
<tr>
<td><strong>Social Security Organizations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEWA Health Co-operative</td>
<td>155</td>
<td>74,695</td>
</tr>
<tr>
<td>Krishna Dayan Co-operative</td>
<td>85</td>
<td>26,285</td>
</tr>
<tr>
<td>Shramshakti Dayan cooperative, Kheda</td>
<td>50</td>
<td>5000</td>
</tr>
<tr>
<td>Surendranagar Women and Child Development Mandal</td>
<td>--</td>
<td>6000</td>
</tr>
<tr>
<td>Sangini Child Care Co-operative</td>
<td>825</td>
<td>3,639</td>
</tr>
<tr>
<td>Shaishav Child Care Co-operative</td>
<td>92</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Cooperatives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dairy cooperatives</td>
<td>53</td>
<td>5,182</td>
</tr>
<tr>
<td>Artisan cooperatives</td>
<td>10</td>
<td>1,200</td>
</tr>
<tr>
<td>Service &amp; Labour Cooperatives</td>
<td>10</td>
<td>130,000</td>
</tr>
<tr>
<td>Land based cooperatives</td>
<td>7</td>
<td>192</td>
</tr>
<tr>
<td>Trading &amp; vending cooperatives</td>
<td>5</td>
<td>1,000</td>
</tr>
</tbody>
</table>
# Annexure-7

## Environmental analysis of Workers’ Cooperatives

<table>
<thead>
<tr>
<th>No.</th>
<th>Workers’ Cooperative</th>
<th>Strengths</th>
<th>Limitations</th>
<th>Challenges</th>
</tr>
</thead>
</table>
| 1   | The Uralungal labour Contract Co-operative Society Ltd. | Owning precious assets like farms, mines & modern machinery  
Extraordinary skill in construction business  
Local business expertise  
Trust among members and mutual help  
Collective leadership & authority  
Joint decision making | Model can not be replicated  
Heavily relying on government support  
Subject to limitations of dividend distribution under The Cooperatives Act | Private contractors, Professional and technicians managing competing firms  
Change in government |
| 2   | SEWA: Self Employed Women Association | True representative of members  
Elected through democratic process  
Governance structures  
Dedicated, honest and sincere social workers | Heterogeneous trade & members  
Lack of modern business technology | Competition with local trade  
Change in government policy |
| 3   | The Indian Coffee House | Prime locations in major cities  
Expertise in procuring best coffee | Viable only in big cities  
Rising prices of prime land  
Traditional system | Change of food habits in new generation  
Competing with modern restaurants |
| 4   | Gambhira Collective Farming Society | Local visionary leadership, Attachment with local people and their needs  
Market proximity | Farming depends on rain & climate change | Processing of farm products require huge investment  
Limited storage capacity |
| 5   | Shri Mahila Griha Udyog Lijjat Papad | Decentralization of manufacturing  
Strong network of manufacturing & marketing  
Flexible timings | Society Registration Act prohibits distribution of dividend  
Depending on central office for raw | Readymade food producers using high tech machinery  
Changing food habits |
<p>| | | | |</p>
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</thead>
</table>
| **6** | **Working Women’s Forum (India)** | Workers expertise  
Low investment | material |
|   |   | Dedicated credit wing  
Combining economic activities with social issues  
Innovative governance structure  
Innovative credit and recovery system | Heterogeneous members | New Micro Finance institutes |
| **7** | **Kamani Tubes Limited Workers Cooperative** | Financial institute & court support  
Feeling of fraternity amongst workers  
Operational capacity | Union lacks strategic & managerial skills | Defunct, the company was taken over in 2006 by private entrepreneurs |
| **8** | **MEDOW: Management of Enterprise and Development of Women** | Support from TITAN  
Assured market | Private company can not have more than 50 members  
Workers inability to manage operations independently  
Relying on sole support from TITAN | Viability of MEDOW in long run may be affected if manual work replaced by automation |
| **9** | **The Nutan Mumbai Tiffin Box Suppliers Trust (Mumbai Dabbawala)** | Cheap network by local train  
Local acquaintance of workers  
Low investment  
Mumbai is linear city | Can not be replicated in other cities  
Society Registration Act prohibits dividend distribution | Changing eating habits of new generation |
| **10** | **Kerala Dinesh Beedi Workers Central Co-op Society** | Market Conditions,  
Sponsored by government  
Strong diversification  
Rapport among management and regulatory authorities | Tobacco cause health problems in workers  
Primaries depend on Central society for raw material, finance & marketing | Awareness among consumers about tobacco causing cancer  
Modern cigar manufacturing technology |
Glossary:

*Beedi,* Indian home made cigarette
*Dabba,* Lunch box
*Dabbawala,* person who carry Dabba (lunch box) to transport it
*INR,* Indian currency, Rupee
*NGO,* Non Governmental organization
*Papad,* a thin crisp food preparation served in India as an accompaniment to a meal, can be eaten roasted or fried as an appetizer or snack, made up of black gram or other pulses with salt, pepper and spices
*Sarvodaya,* universal uplift or progress of all
*SHG,* Self Help Group

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