

The Role of Cooperative Societies in the Development of Social Entrepreneurship in Himachal Pradesh: A Case Study of CD Cooperative Credit Society of Mandi District

Prof. Sanjeet Singh * and Khem Raj Sharma **

* Prof. Sanjeet Singh

Prof. & Head Department of Economics
Central University of Himachal Pradesh, District Kangra H.P
Email id: thakursanjeet55@gmail.com

** Mr. Khem Raj Sharma

Research Degree Scholar, Department of Economics Central University of Himachal Pradesh, District Kangra H.P.
Email id: khemrajsharma166@gmail.com

Abstract: Social entrepreneurship plays a key role in fostering economic growth and development, particularly in underdeveloped nations. The objective of social entrepreneurship is to identify a societal concern and use entrepreneurial principles to strategize, initiate, and oversee a social enterprise that will facilitate the intended societal transformation. The majority of prior investigations about this subject were conducted on a national scale. This study focus on rural level analysis within the Mandi district of Himachal Pradesh, the sole state in India where 89.96 percent of the population resides in rural areas. The objectives of this research are to investigate the impact of social entrepreneurship on rural development and to assess the cooperative society's role in fostering social entrepreneurship in Himachal Pradesh. The data was collected from both primary and secondary sources. Primary data was collected via the implementation of a case study on CD Cooperative Credit Society. Its operations focus on rural areas of Mandi district. This society has shown a significant growth rate and maintained a positive balance sheet. The collection of secondary data would be sourced from numerous valid and reliable sources. The study has used descriptive statistics such as Compound Annual Growth Rate, average, percentage and annual growth rate to analyze the data sets. The findings revealed that the CD Corporate Credit Society comprises 75,826 members, with a CAGR of 18 percent from 2008 to 2022. In 2022, it disbursed loans totaling 17,111.72 lakh Rupees, reflecting a 17 percent CAGR during the period of 2008 to 2022. Among its 56 branches, all are situated in rural areas, and 20 of these branches serve as the only financial institution in their respective regions. The society's total turnover in 2022 reached 138,786.06 lakh Rupees, with a CAGR of 18 percent during the period of 2008 to 2022. Notably, the society generated a profit of 27.71 crore Rupees in the financial year of 2022-23 with the CAGR of 14.2 percent from 2008 to 2022. The accomplishments of this cooperative society have spurred the growth of social entrepreneurship in Himachal Pradesh. It is worth noting that, in the absence of government support, these social entrepreneurship endeavors would struggle to compete in a very competitive market. The provision of loans at a low interest rate, subsidies, and a concession in taxes should be undertaken by the government.

Keywords: Social Entrepreneurship, CD Cooperative Credit Society, Rural Development.

I. Introduction:

Entrepreneurship plays a pivotal role in fostering economic growth, especially in developing nations like India. According to Schumpeter and his theory of innovation, economic growth hinges on innovation, with the "entrepreneur" serving as the central driver of innovation. In the context of business and economics, the term "entrepreneurship" was initially introduced in the 18th century by the French economist Richard Cantillon. He associated entrepreneurship with assuming business risks and handling uncertainty. The relationship between entrepreneurship and economic growth has garnered increased attention at local, state, and national levels. Recent research indicates that the entrepreneurial sector's contribution to employment and GDP is on the rise (Audretsch & Thurik, 2001; Kumar & Liu, 2005)¹. Even in the Indian context, studies have demonstrated the positive impact of the entrepreneurship index on per capita income (Awasthi et al., 2006)².

Table 1
Difference between Entrepreneurship and Social Entrepreneurship

	Business Entrepreneurship	Social Entrepreneurship
Goal	Capture a market securely	Fill a market gap; change the world
Risk	Basic business risk	Basic business risk plus social aspect
Link to Social Problems	Indirect	Direct
Capital	Benefit from robust financial managerial services	Contend with unpredictable and fragmented financing
Objective	Build a business; earn profits	Create sustainable solutions for social change
Profit Motive	Maximize shareholder value; profit as an end	Advance social aims; profit as a means to financial sustainability
Growth	Competitive for one company	Collaborative for societal impact
Competition	"Win" for one business over others in a market	Exists because no one else is adequately solving problem, "win" for society
Feedback	Established consumer and market information sources	Need to be creative in obtaining market and responses

Source: Cisco IBSG, 2011³

Table 1 shows that while both types of entrepreneurship involve risk and competition, business entrepreneurship primarily aims for profit maximization, while social entrepreneurship focuses on addressing social problems and creating sustainable solutions for societal impact. Social entrepreneurship is often characterized by more unpredictable financing and a direct link to social issues. Entrepreneurship takes various forms and can be categorized based on different characteristics and criteria, including the social dimension. Social entrepreneurship stands out as a unique form, encompassing a diverse array of elements. While a business entrepreneur typically evaluates success in terms of profit and financial return, a social entrepreneur also considers the positive outcomes for society. Social entrepreneurs primarily address social problems and drive innovation (Bulsara, Chandwani, & Gandhi, 2014)⁴ by leveraging available resources to create social solutions.

The fundamental objective of social entrepreneurship differs from traditional entrepreneurship in that it seeks both social and economic benefits. Social entrepreneurship is often used interchangeably with social service or philanthropy, though it distinguishes itself by the presence of profit. The core aim of social entrepreneurship is to identify a social issue and apply entrepreneurial principles to plan, launch, and manage a social enterprise that brings about the desired societal change. While traditional business entrepreneurs focus on financial gain, social entrepreneurs prioritize advancing social, cultural, and environmental objectives. Social entrepreneurs often operate within volunteer and nonprofit sectors, but this doesn't preclude the possibility of generating profits.

Social entrepreneurship involves recognizing a social problem and deploying entrepreneurial principles to establish and manage a social venture aimed at bringing about meaningful social change. Unlike traditional business entrepreneurs who predominantly measure success in terms of profit, social entrepreneurs also assess their impact on society. A prominent modern social entrepreneur in this realm is Muhammad Yunus, renowned for founding and leading the Grameen Bank and its expanding portfolio of social venture businesses, which earned him the Nobel Peace Prize in 2006 (Singh and Parta, 2012)⁵. The principles of social entrepreneurship are applicable to both nonprofit organizations and for-profit social enterprises, despite their differing activities

and legal structures. In India, various models for social entrepreneurship exist, including social for-profit enterprises, non-profit organizations, and hybrid models. (Swissnex India report, 2015)⁶.

Numerous social entrepreneurs are not only generating additional social benefits but are also instigating enduring transformations in the social and economic landscape concerning disadvantaged and marginalized communities. For instance, in rural areas of Rajasthan, India, where the state government operated a limited number of primary schools, there was a lack of consistent initiatives to persuade parents to enroll their daughters in these schools. Consequently, the enrollment rate of girl children remained notably low. However, when the Bharti Foundation assumed responsibility and facilitated stakeholder dialogues, they progressively managed to overcome local resistance to girls' education, resulting in a significant positive change (Panday and Sahay, 2022)⁷. Approximately 1.2 million non-profit organizations in the country, engaging nearly 20 million individuals as either paid employees or volunteers. Remarkably, a substantial 73.4 percent of these organizations operated on a relatively small scale, often employing just one or two paid workers, while a mere percentage had more than 10 paid employees. Their research also unveiled that 51 percent of these organizations generated funds internally, with 12.9 percent relying on donations, and a percentage securing funds through loans (Srivastva and Tondon's 2002)⁸.

Table 2: Key Social Enterprise Investment Sectors in India

Education	Health	Agriculture
Affordable Housing	Energy	Livelihood Promotion
Water and Sanitation	Financial Inclusion	

Source: ADB Report, 2012⁹

Table 2 outlines the primary investment sectors within the domain of social enterprises in India. These sectors represent the key areas where social enterprises are actively engaged in addressing various social and developmental challenges. The first sector, Education, focuses on initiatives that seek to enhance educational opportunities, particularly for underserved and disadvantaged communities. These social enterprises often introduce innovative approaches to education, provide access to quality learning resources, or offer vocational training programs to empower individuals. The second sector, Health, is dedicated to improving healthcare access and services, especially in remote or resource-constrained areas. Social enterprises in this category work towards providing affordable healthcare solutions, medical services, health awareness campaigns, and healthcare products to marginalized populations. Agriculture, the third sector, encompasses efforts aimed at promoting sustainable farming practices, increasing farmers' income, and addressing food security concerns. Social enterprises in this sector may offer technological solutions, facilitate market access, or provide training and support to farmers. Affordable Housing, the fourth sector, is dedicated to ensuring that individuals and families with limited financial means have access to safe and reasonably priced housing options. These social enterprises typically focus on improving living conditions and addressing homelessness. The Energy sector is the fifth category and centers on clean and sustainable energy solutions. Social enterprises in this field work to provide access to renewable energy sources, promote energy efficiency, and deliver off-grid energy solutions, particularly in rural and off-grid areas. Livelihood Promotion, the sixth sector, is dedicated to creating job opportunities and enhancing the livelihoods of marginalized populations. Social enterprises in this sector often provide vocational training, skill development programs, or support income-generating activities. Water and Sanitation, the seventh sector, addresses the critical need for clean water and sanitation facilities, especially in regions lacking proper infrastructure. Social enterprises in this category implement water purification technologies, sanitation solutions, and hygiene education programs. The final sector, Financial Inclusion, focuses on extending financial services to individuals and communities that have limited or no access to traditional banking systems. These social enterprises typically offer microfinance solutions, mobile banking services, or other innovative financial instruments to promote financial inclusion.

Social entrepreneurship primarily centers on addressing and solving social problems through entrepreneurial means. Social enterprises typically operate on a small scale, primarily within domestic boundaries. They often compete directly with well-established, large-scale firms that benefit from various economies of scale. Governments play a significant role in supporting social entrepreneurship, offering low-interest loans, subsidies, and tax reductions.

Research Gap: Despite significant attention directed towards the role of cooperative societies in promoting social entrepreneurship and how social entrepreneurship contributes to rural development, there remains a considerable research gap in comprehending how regional and cultural variations influence social entrepreneurship and, subsequently, their impact on rural development initiatives. Many existing studies adopt a

national-level perspective, often neglecting the diverse socio-economic and cultural contexts within India. This research gap underscores the necessity for a more detailed examination that considers how state-level governments, with their distinct priorities, resources, and constraints, shape the landscape of social entrepreneurship. It is essential to investigate whether variations in policy implementation, support mechanisms, and regulatory frameworks at the state level result in disparities in the growth and impact of social enterprises across different regions of India. Furthermore, the influence of local cultures, traditions, and community dynamics on social entrepreneurship practices remains an underexplored area.

Objectives of the study:

- i) To examine how social entrepreneurship contributes to rural development;
- ii) To examine the role of the cooperative societies in the promotion of social entrepreneurship in Himachal Pradesh.

II. Methodology:

To achieve the objectives mentioned above both the primary and secondary data has been collected. Primary data collected was carried out through a case study method focused on the CD Cooperative Credit Society, which was chosen based on its impressive growth rate and positive financial performance. This cooperative primarily operates in rural areas within the Mandi district of Himachal Pradesh. Himachal Pradesh is a state in India where the largest percentage of its population resides in rural areas, accounting for approximately 89.96 percent, reason for selecting Mandi district for this study is because it has the highest number of social entrepreneurship ventures in Himachal Pradesh, totaling approximately 668. Mandi district shares its borders with Kangra to the northwest, Hamirpur and Bilaspur to the west, the Arki tehsil of Solan district to the south, Shimla district to the southwest, and Kullu district to the east. The district covers a total geographical area of 3,950 square kilometers. As of the 2011 census, the population of the district stands at 9,99,777. In the case study method, the study analyzed the annual balance sheets for the years 2020-21 and 2021-22, examined annual reports from 2008 to 2022, and conducted interviews with the current vice-chairmen and several board members of the CD Cooperative Credit Society to gather information for the study purpose.

On the other hand, secondary data was collected from various sources, including annual administrative reports from the Department of Cooperation under the Himachal Pradesh Government, published reports from government entities such as the Ministry of Commerce and Industries and the Ministry of Skill Development and Entrepreneurship, as well as research papers related to the subject matter, which were used to provide additional insights and information.

Analytical Procedure: To analysis the data sets and make results simple and clear following analytical tools has used:

a) Compound Growth Rate (C. G. R.): The compound annual growth rate (CAGR) has been employed to assess the compounded growth rate of the CD Credit Cooperative Society from 2008 to 2022. The CAGR for various items has been determined using the least squares technique, which involves fitting an exponential function of the following:

$$y = ab^t \text{ and}$$

$$\text{C.G.R.} = (b-1)100, b = \text{antilog of } \log b, \quad \text{Where } \log b = \frac{N\sum(t \log y) - \sum t \sum \log y}{N\sum t^2 - [\sum t]^2}$$

y = variable under consideration such number.

t = time variable, a = constant, n = number of observations.

b) Annual Growth Rate: To see the growth rate per year annual growth rate has been used

Where the formula of AGR is

$$\text{AGR} = \frac{\text{Currernt Value} - \text{Previous Value}}{\text{Previous Value}} \times 100$$

III. Results and Discussion:

The "Results and Discussion" section essentially bridges the gap between data collection and drawing meaningful conclusions from research. This section typically presents the findings of the study and delves into a detailed analysis and interpretation of results.

Role of Co-operative Societies in Rural Development:

Cooperation is the fundamental driving force of life, as Mahatma Gandhi wisely stated that the future of India lies in its villages. Unfortunately, the rural population in India lags behind in various economic and social aspects. Given that the rural sector contributes significantly to the nation's overall GDP, underdevelopment in villages directly hampers India's progress. Cooperative societies emerge when individuals

with shared economic, social, and cultural interests voluntarily unite to form an association. The primary purpose of cooperative societies is to cater to the needs of the underprivileged and rural segments of our society. In rural areas, these societies adhere to the principles of mutual help and self-help to promote rural development. They function like non-profit organizations, where members join to provide support rather than earn profits. A crucial role of cooperative societies is their contribution to the advancement of villages, with a key objective being to uplift the poor and farmers from the clutches of money lenders. Therefore, cooperative societies have a significant responsibility to play a constructive role in this regard.

In India, there are four major types of cooperative societies in rural areas i.e. Primary Agriculture Cooperative Societies, Agricultural Cooperative Societies, Cooperative Credit Societies and Cooperative Milk Producers Societies.

Cooperative societies play a vital and substantial role in rural development, contributing significantly to the rural economy's growth. Cooperative credit societies, in particular, focus on providing financial support by accepting deposits from members and granting various types of loans at reasonable interest rates. While agriculture remains the primary source of income and employment in rural areas, a majority of the rural population lives in poverty. Cooperative societies have played a critical role in improving the lives of rural residents by providing financial support and opportunities to small-scale industries, leading to increased employment. Additionally, these societies empower women through self-help groups, contributing to their overall development. The role of cooperative societies in rural development is instrumental, strengthening individuals, businesses, and small to medium enterprises, which form the backbone of a nation's economy. Through various programs, these societies also promote rural women's rights and activities, making them essential to the success of rural areas in the future.

The Chachyot Development Credit Cooperative Society:

To investigate the role of cooperative societies in rural area development, this study closely examines the operations of the Chachyot development Credit Cooperative Society. This cooperative society predominantly functions within the Mandi district, encompassing a total of 56 branches, with 54 located in rural areas and only 2 in urban areas. Impressively, the society boasts a membership base of 75,864 individuals.

The Chachyot Development Credit Society was established in 1957 under the Himachal Pradesh Cooperative Societies Act of 1956, holding registration number 19. In its initial stages, the society had only three founding members, namely Ram Dayal, Tek Chand Sharma, and Harish Sharma, and it began with just three branches. Substantial growth occurred after 2000 when Shiv Lal, an ex-MLA of the Himachal Pradesh Legislative Assembly, assumed the role of Chairman of the society, a position he held for nearly 18 years. During his tenure, significant transformations took place within the society. In the year 2000, the total capital of the society was approximately one crore rupees. However, at present, its value has surged to Rs 301.50 crore, and the loan portfolio has reached Rs. 181.19 crore. Before 2000, the society had experienced limited expansion. However, since then, the society has experienced significant growth, becoming a role model for social entrepreneurship in Himachal Pradesh. Today, it operates 56 branches, with around 20 of them being the sole financial institutions in their respective areas. The society provides employment to 260 individuals from various rural areas of Mandi district. In 2022, its total savings amounted to 5.18 crore rupees, with an annual growth rate of 8.37 per cent, total fixed deposits reached 142.80 crore rupees, with an annual growth rate of 25.35 per cent and total capital is 343.13 crore rupees, with an annual growth rate of 13.43 per cent. Its primary objective is to promote savings and provide loans in the rural areas of Mandi district, Himachal Pradesh, where banking facilities were limited at the time. The society's motto is to foster economic and social values within a cooperative environment, aiming for social security. All the decisions made by the Board of Members, which consists of 13 members, including the Chairman, are selected by the Board of Members themselves. To assess the impact of cooperative societies on rural development, the case study of the CD Cooperative Credit Society provides a clear illustration of their significance. This case study vividly illustrates the importance of these cooperative societies in rural development. The growth rate of members, the distribution of loans, the number of branches located in rural areas, the mobilization of savings, and the dividend rate of the CD Cooperative Credit Society from 2008 to 2022 all serve to substantiate the vital role that social entrepreneurship plays in rural development. The future plan of this society involves expanding its operations to all 12 districts of Himachal Pradesh, providing UPI (Unified Payments Interface) facilities to its members, and digitalizing all of its branches. All of these initiatives would not be possible without the support of the government.

Table 3 demonstrates a comprehensive view of the growth rate in the total number of members belonging to the CD Credit Society over a 15-year period, ranging from 2008 to 2022. It sheds light on the society's membership trends and its ability to attract and retain members over time.

Table 3
Growth Rate of Total Member of the CD Cooperative Credit Society from 2008-2022

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Members	6131	6691	7886	9172	19914	30656	42972	46523	52363	55343	55587	59062	61860	66298	74550
Annual Growth Rate	-	9.1%	17.9%	16.2%	9.03%	53.9%	40.2%	8.2%	12.5%	5.7%	0.44%	6.24%	4.8%	7.2%	12.4%

Source: Author's compilation

In 2008, the society had 6,131 members. In the upcoming years, there is a growth trend and in some years there is even higher rate of growth of membership. For instance, in 2009 growth was 9.1 percent, followed by notable annual growth rates in coming years, as 17.9 per cent in 2010 and 16.2 per cent in 2011.

A major surge in annual growth rate of membership occurred in 2012, when the number of members jumped to 19,914, i.e. 9.03 per cent growth compared to the last year. The society in the year 2013 underwent some fundamental changes (like increase loan limit 1 lakh to 25 lakh) which lead to remarkable spikes in 2013 (53.9 per cent) and 2014 (40.2 per cent), indicating a substantial influx of new members during these years.

Although there were some variations in the growth rates in subsequent years, such as a more modest 5.7 per cent increase in 2017 and a slight 0.44 per cent rise in 2018, the overall trajectory remained positive. In 2022, the CD Credit Society boasted a membership count of 74,550, signifying a 12.4 per cent growth compared to the previous year.

The Compound Annual Growth Rate (CAGR) for CD Cooperative Society members has been 18 percent from 2008 to 2022.

In summary, this table indicates that over the 15-year period, the CD Credit Society continuously attract and retained the members with significant growth rates during key years. The positive annual growth rates underscore the society's success in expanding its membership base and fostering a sense of trust and community among its members.

Table 4
Loans Provides by CD Credit Cooperative Society from 2008-2022

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Loans	1595.96	1840.48	2279	2737.11	3078.63	3706.89	4499.29	5421.65	6873.74	7876.86	8547.41	10585.28	12888.69	15620.19	17111.72
Annual Growth rate	-	15.3%	23.8%	20.7%	12.5%	20.4%	21.4%	20.5%	26.8%	14.6%	8.5%	24.1%	21.7%	21%	9.6%

(Amount in lakh rupees)

Source: Author's compilation

Table 4 provides a comprehensive view of the loans(in lakhs) provided by the CD Credit Society over 15-year period i.e.from 2008 to 2022. It gives an idea of the society's lending activities and growth trends over this time period.

In 2008, the society began its lending activities with a loan portfolio of 1595.96 lakh rupees. Over the subsequent years, the society observed a consistent and substantial growth in its loan portfolio. For instance, in 2009, there was a 15.3 per cent increase, followed by significant annual growth rates in the coming years, such as 23.8 per cent in 2010 and 20.7 per cent in 2011.

While in some years, society experienced slower growth, but the overall trend remained positive. In 2013, the society experienced a significant 20.4 per cent growth, and in 2016, it achieved an impressive 26.8 per cent increase.

The year 2019 marked a significant milestone with a total loan portfolio of 10585.28 lakh rupees, and 24.1 per cent of growth rate. This increase continued into subsequent years, experiencing 21.7 per cent and 21 per cent growth rates in 2020 and 2021 respectively.

From 2008 to 2022, the Compound Annual Growth Rate (CAGR) of loans provided by the CD Cooperative Society amounted to 17 per cent.

In total, this table effectively shows that CD Credit Society's successfully disbursed loans to its members and achieved a consistent growth over the years. The positive annual growth rates of the society shows its ability to effectively manage its lending activities and meet the financial needs of its members, enabling society's overall growth.

Tableze 5
Share of Loans of CD Cooperative Credit Society in Financial Year 2021-22

Type of Loan	Amount	Share of total	Annual Growth Rate
Midterm loans	348837784.67	20.2%	-19%
Vehicle Loan	351238080.54	20.5%	0.3%
House Loan	343386279.40	20.1%	20%
MT Loan for development	438726067.71	25.7%	64%
Lad Loan	98157248.00	5.8%	2.4%
Other loan	130826624	7.7%	0.66%

Source: Author's compilation

Table 5 presents a comprehensive snapshot of the loan portfolio of The CD Cooperative Credit Society for the financial year 2021-22, providing key insights into the composition, share, and annual growth rates of various loan types offered by the society.

Firstly, it categorizes the loans into different types, including Midterm loans, Vehicle Loan, House Loan, MT Loan for development, Lad Loan, and Other Loan. Each loan type is associated with a specific loan amount.

Secondly, the data for the financial year 2021-22, prominently reveals that the largest proportion of loan distribution, coupled with an impressive annual growth rate of 64%, is directed towards Medium-Term (MT) loans designed to facilitate rural development initiatives. These loans find application in various rural development activities such as supporting the establishment of new businesses and land development, among other endeavors

In summary, this table provides a clear and concise overview of The CD Cooperative Credit Society's loan portfolio, allowing stakeholders to understand the composition of loans, their relative importance, and the annual growth trends, thereby aiding in informed decision-making and assessment of the society's lending strategies and performance for the financial year 2021-22.

Table 6

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rate of Dividend	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	8%	9%	10%

Rate of Dividend of the CD Cooperative Credit Society from 2008-2022

Source: Author's compilation

Table 6 shows a brief report of the rate of dividend declared by The CD Cooperative Credit Society from 2008 to 2022. This rate represents the percentage of dividend distributed by the society to its members based on their shares in the society.

During this span, the society maintained dividend with a 9 per cent rate in 2008 and 2009, which was subsequently increased to 10 per cent in 2010 and remained at that level until 2021. With a little dip of 2 and 1 percent each in 2020 and 2021 respectively, it again maintained its level of 10 percent in 2022. This stable dividend policy reflected the society's commitment of providing a handsome return to its members over the years.

The approximate 10 per cent rate dividend for most of the period suggests that the society was able to manage its finances effectively and generate consistent and healthy returns, which enabled society to provide an attractive dividend to its members without much up and downs. The only deviation from this pattern occurred in 2020 i.e. to 8 per cent, but it returned to the 10 per cent in the following year which established that the society quickly recovered from any temporary financial challenges.

In nut shell, the table highlights The CD Cooperative Credit Society's commitment to its members by consistently offering a healthy and competitive rate of dividend, ensuring the financial well-being of its member investors over the years.

Women participation in CD Cooperative Credit Society:

The CD Cooperative Credit Society plays a role in promoting women's empowerment by extending memberships and employment opportunities in rural areas. In rural and hilly regions, access to financial services for women is limited, and they often have low awareness and are hesitant to venture outside their homes. Therefore, providing banking facilities to such women is of utmost importance.

Number and share of membership of women in Cd Cooperative Credit Society:

Within the CD Cooperative Credit Society, there is a total of 260 employees in March 2023, with 81 of them being women, constituting 32 percent of the workforce. Notably, the annual growth rate of women's employment stands at 10 percent from 2022-2023, surpassing the annual growth rate of male employees. This data highlights a positive trend towards increasing female representation and employment within the society.

Table 7
Gender wise Distribution of Membership of CD Cooperative Credit Society (March 2023)

Gender	Number of Membership	Percentage	Annual Growth Rate
Male	56286	75%	6%
Female	18725	25%	8%
Total	75011	100%	7%

Source: Author's compilation

Table 7 shows the gender-wise distribution of membership within the CD Cooperative Credit Society as of March 2023. It is fractioned into two categories: "Male" and "Female." The general breakdown of this statistics established that there are 56,286 male members constituting 75 per cent of the total membership, while 18,725 female members make up the remaining 25 per cent. In addition to this, table displays the annual growth rates for each gender category, indicating rise in male membership by a rate of 6 per cent per and female membership by 8 per cent. The total membership in the cooperative society stands at 75,011, with a combined annual growth rate of 2 per cent. This table provides valuable insights into the gender composition of the cooperative's membership and showcase the varying trend between genders. The annual rate of growth of membership categorized by gender, indicates that women's AGR exceeds that of men. This establish the fact that women participation is increasing as day progresses.

The Role of Cooperative Society's in Development of Social Entrepreneurship in Himachal Pradesh:

The emergence of the cooperative movement in Himachal Pradesh started with the formation of a land conservation cooperative society in 1892 at a place named Panjwar in Una district of the state. In fact, the beginning of the cooperative movement in India is considered to have happened in Panjwar with the formation of this historic cooperative assembly. Before the Himachal Pradesh Cooperative Societies Act 1956 was enacted, only the Central Cooperative Societies Act 1912 was applicable in the state. The HP Cooperative Societies Act 1968 came into force in the state from 14 January 1971 and under the Act, the HP Cooperative Societies Rules 1971 were implemented from 15 May 1971. At present only the above Act and rules are applicable under which the proceedings related to establishment, closure of all types of cooperative societies and their business etc. are carried out under the control of the Registrar of Cooperative Societies. There have been amendments in these from time to time, but as a basis, this is the legislation available for cooperative societies which is guiding the cooperative movement of the state.

Self-Financed Cooperative Societies in Himachal Pradesh:

A total of 1351 cooperative societies within the state exhibit financial stability and are self-sustaining. These cooperative societies boast a membership of 10.00 lakhs and a collective capital of 168.85 crores. Beyond their role in distributing consumer goods and chemical fertilizers, these societies also extend short and medium-term loans to their members for agricultural purposes and development initiatives through the public distribution system. Importantly, they utilize their own resources and are not reliant on external financial institutions. In the fiscal year 2020-21, these organizations played a pivotal role in supporting their members by disbursing loans totaling Rs. 530.11 crores. These institutions hold a unique and significant position in both the country and the state, contributing to the strengthening of the cooperative movement.

Table 8 shows the various types of cooperative societies in Himachal Pradesh in the years 2020 and 2021. In the category of Credit Cooperative Societies, there are several subtypes listed. Primary Agricultural Cooperative Societies saw a slight increase from 2,139 in 2020 to 2,144 in 2021, while Savings and Credit Cooperative Societies also experienced growth from 456 to 462 during the same period. The numbers for Provincial/Central Cooperative Banks, Agricultural and Rural Development Banks, and Urban Banks remained stable at 3 and 5, respectively, in both years. In the Non-Credit Cooperative Societies category, various subtypes are presented. Consumer Stores and Weavers Cooperative Societies maintained their numbers at 357 and 373, respectively, from 2020 to 2021. Other Industrial Cooperative Societies decreased slightly from 98 to 97. However, significant growth was observed in Dairy and Animal Husbandry Cooperative Societies, which increased from 387 to 402, as well as Agricultural Marketing and Legislation Cooperative Societies, which saw

a substantial rise from 333 to 441. Fisheries Cooperative Societies also experienced a minor increase from 65 to 66.

These statistics reflect the diverse landscape of cooperative societies in Himachal Pradesh and demonstrate the evolving nature of these entities in the region, particularly in sectors like agriculture, finance,

Types of Cooperatives	Number in 2020	Number in 2021
Credit Cooperatives societies		
Primary Agricultural Cooperative Societies	2139	2144
Savings and Credit Cooperative Societies,	456	462
Provincial/Central Cooperative Banks,	3	3
Agricultural and Rural Development Banks	2	2
Urban Banks (Urban Cooperative Banks)	5	5
Total	2605	2616
Non Credit Cooperatives Societies		
Consumer Stores	357	357
Weavers Cooperative Societies	377	373

and consumer services.

Table 8
Types of Cooperatives Societies in Himachal Pradesh

Other Industrial Cooperative Societies	98	97
Dairy and Animal Husbandry Cooperative Societies	387	402
Agricultural Marketing and Legislation Cooperative Societies	333	441
Fisheries Cooperative Societies	65	66
Others	814	708
Total	2431	2444
	5036	5060

Source: Annual Administrative Report, Department of Cooperation, Government of Himachal Pradesh, Page no. 10, April 2020-March2021, Shimla, 171009¹⁰.

Cooperation Education Programs in Himachal Pradesh:

In 1963, the state government entrusted the responsibility of organizing education and training for cooperative institutions in Himachal Pradesh, raising public awareness about cooperatives, and promoting the cooperative movement to the Himachal Pradesh State Cooperative Development Association (HIMCOFED). Besides HIMCOFED, eight District Cooperative Development Associations operate at the district level to carry out these tasks in the state. Additionally, development association has established two training centers in Mashobra, District Shimla, and Garli, District Kangra. These centers offer a four-month 'Diploma in Cooperative Management' program for employees of cooperative institutions and junior staff of the Cooperative Department.

The CD Cooperative Credit Society has also played a role in fostering social entrepreneurship education. It regularly convenes general meetings to raise awareness about social entrepreneurship. Moreover, it allocated 38.42 lakh rupees in 2021 and 46.73 lakh rupees in 2022 to support the Cooperative Education Fund. This fund is dedicated to conducting training sessions and awareness programs in Himachal Pradesh.

Table 9 provides a comprehensive overview of the status and progress of cooperative societies in Himachal Pradesh over multiple five-year plans, extending to the year 2020-21. The various parameters offer insights into the growth and development of these cooperative societies and their impact on the region's socio-economic landscape.

Number of Cooperative Societies: This column indicates the count of cooperative societies in the state at the end of each five-year plan. The data shows a consistent increase in the number of societies over time, with significant growth between the first and fourth five-year plans. By the end of the twelfth five-year plan and in 2020-21, the number had risen to 4,881, highlighting the expansion and establishment of cooperative institutions in the region.

Number of Members (in lakhs): This column reflects the membership count in these cooperative societies. The numbers demonstrate a substantial increase in members over the years, indicating a growing participation and engagement of the population in cooperative activities. By 2020-21, the membership had reached 18.99 lakhs, showcasing the significant outreach and popularity of cooperative memberships.

Table 9
Status of Cooperative Societies at the End of Five Years Plans in Himachal Pradesh
(Amount in lakhs Rupee)

Description	Status at the end of first five year plan	Status at the end of second five year plan	Status at the end of third five year plan	Status at the end of fourth five year plan	Status at the end of fifth five year plan	Status at the end of sixth five year plan	Status at the end of seventh five year plan	Status at the end of eighth five year plan	Status at the end of ninth year plan	Status at the end of eleventh year plan	Status at the end of twelfth five year plan	Status at the end of 2020-21
Number of cooperative societies	745	284	1184	3677	3575	3453	3958	4419	4334	4404	4759	4881
Number of Members (in lakhs)	0.51	0.79	1.26	5.93	6.85	8.32	8.85	11.53	11.87	13.66	15.42	18.99
Working Capital	141.03	207.09	353.34	5277.33	7341.08	16455.61	42142.52	147469.76	338989.20	873794.49	1936379.59	3386344.58
Distribution of loans	6.35	8.46	25.23	516.57	649.59	1202.29	1674.60	3654.11	6808.92	18348.90	95592.75	1012688.45
Rural population brought under cooperatives societies	22%	30%	43%	76%	89%	87%	100%	100%	100%	100%	100%	100%

Source: Annual Administrative Report, Department of Cooperation, Government of Himachal Pradesh, Page no. 10, April 2020-March2021, Shimla, 171009¹¹.

Working Capital: This column displays the working capital available to these cooperative societies, reflecting their financial strength and capacity for lending and investment. The figures indicate a consistent and significant growth in working capital over the years, with a substantial leap between the ninth and eleventh year plans. By 2020-21, the working capital had reached an impressive 3,386.34 lakhs rupees, indicating the financial robustness of these cooperatives.

Distribution of Loans: This column outlines the distribution of loans by these cooperative societies. The data shows a steady increase in the amount of loans distributed, with significant growth from the ninth year plan to the end of the twelfth five-year plan and in 2020-21. This suggests the cooperative societies' role in providing financial assistance and support to the community, particularly during the latter years.

Rural Population Brought Under Cooperative Societies: This column highlights the percentage of the rural population that has been successfully integrated into these cooperative societies. The figures exhibit a remarkable progression, with a notable increase from the first to the fifth five-year plan, culminating in full coverage of the rural population by the end of the seventh five-year plan and continuing at 100 per cent coverage in subsequent years. This signifies the comprehensive reach and impact of cooperative initiatives in rural areas.

In summary, this table provides a holistic view of the growth, expansion, and impact of cooperative societies in Himachal Pradesh over several five-year plans and up to 2020-21. It underscores their significance in fostering financial inclusion, socio-economic development, and community engagement in the region.

Himachal Pradesh State Government Schemes Implemented Under the State Annual Plan¹²:

The State Government aims to bolster the financial foundation of various cooperative societies and offer incentives to these societies through financial assistance under the State Annual Plan, including the Scheduled Castes Sub-Plan (SCSP) and Tribal Sub-Plan. The ongoing schemes, along with the eligibility criteria for receiving financial aid, are detailed below:

Share Capital to Cooperative Societies: This scheme provides share capital to Primary Cooperative societies, including those involved in agriculture, consumer cooperatives, marketing cooperatives, fisherman cooperatives, and industrial cooperatives. The government's share capital contribution is determined based on approved norms, which include the following criteria:

1. The maximum increase in the government's share is limited to 90 per cent of the society's own share increment in a year.
2. The society must demonstrate a 10 per cent increase in turnover or a 10 per cent improvement in recovery performance compared to the previous year.
3. The society's loss should not exceed 5 per cent of its turnover.

Managerial Subsidy to Cooperatives: This scheme is currently implemented under the Tribal Sub-Plan (State Plan) and offers managerial subsidies to cooperatives engaged in Public Distribution System (PDS) work. This assistance primarily covers wage liabilities of staff involved in PDS activities, with a maximum subsidy of 50 per cent of the wage bill.

Interest Subsidy to Primary Agriculture Credit Societies: This subsidy is granted to societies solely under the Tribal Sub-Plan (State Plan) engaged in PDS work and having cash credit limits from banks. The subsidy covers 100 per cent of the interest actually paid to the financing bank.

Differential Rate of Interest Subsidy: Credit cooperatives receive interest subsidies on loans extended to Scheduled Castes (SCs), Scheduled Tribes (STs), and families under the Integrated Rural Development Programme (IRDP). Beneficiaries bear up to 4 per cent interest, with the government subsidizing the difference. This scheme is implemented under the Tribal Sub-Plan (State Plan).

Working Capital Subsidy: This subsidy is applicable only to societies under the Tribal Sub-Plan, with a maximum subsidy limit of Rs. 1.00 lakh.

Godown Subsidy: Societies involved in consumer business receive subsidies for constructing Godowns. The concerned society must contribute at least 10 per cent of the project cost, and the maximum assistance provided is Rs. 1.00 lakh. This scheme is exclusively implemented under the Tribal Sub-Plan.

Price Fluctuation Fund Subsidy: Marketing cooperatives dealing with agriculture, horticulture, and minor forest produce receive a subsidy of 5 per cent of the total outright purchase as an incentive under the Tribal Sub-Plan (State Plan).

Enrolment Subsidy: This scheme offers subsidies for member enrolment in cooperative societies for SCs, STs, and IRDP families. The government subsidizes the cost of one share to be purchased by members from these categories. This scheme operates under the Tribal Sub-Plan (State Plan)

After examining the status of cooperative societies and various state government programs aimed at advancing social entrepreneurship, the study now delves into the case of the CD Cooperative Credit Society. This case study explores how this cooperative has attracted people from Himachal Pradesh to participate in social entrepreneurship. The CD Cooperative Credit Society has established itself as both a symbol and a model of success in the realm of social entrepreneurship. It has cultivated an environment conducive to social entrepreneurship, and this assertion is substantiated by its performance metrics, including turnover, working capital, and profit.

Table 10
Turnover of CD Cooperative Credit Society from 2008-2022
(Amount in lakh rupees)

Source: Author's compilation

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Turnover	12310.39	16260.55	20119	29390.81	33295.12	41997.62	47939.26	52797.96	81925.93	89722.2	79366.69	114930.6	128821.6	13169.8	138786.1
Annual Growth rate	-	31.9%	23.7%	46%	13.6%	26.1%	14%	10.1%	54.4%	9.5%	-11%	44.7%	12%	2.2%	5.4%

Table 10 illustrates the total turnover of the CD Cooperative Credit Society spanning the years 2008 to 2022. The second row details the turnover in terms of amount (i.e., in lakh rupees), showcasing a consistent increase each year. In 2008, the turnover stood at 12,310.39 lakh rupees, climbing to 138,786.1 lakh rupees by 2022.

The third row provides information about the annual growth rate of turnover, expressed in percentage. The highest growth rate occurred in 2016 at 54.4 per cent, attributed to changes implemented by the society regarding the limit of loan distribution. The second-highest annual growth rate was 46 per cent in 2011. Conversely, the lowest annual growth rate of turnover was -11 per cent in 2018. This downturn was attributed to the prolonged tenure of the society's chairman from 2000 to 2017-18. However, in 2018, with the chairman's passing, the society underwent a change in leadership. The second-lowest growth rate was 2.2 per cent in 2021, attributed to the impact of the COVID-19 pandemic.

In summary, the CD Cooperative Credit Society has demonstrated commendable performance in terms of turnover. The annual growth rates from 2000 to 2022 are noteworthy, with particularly impressive figures in 2011, 2016, and 2019.

The Compound Annual Growth Rate (CAGR) of CD Cooperative Society's turnover reached 16% from 2008 to 2022, indicating an overall positive growth trend in turnover.

In summary, this table provides a detailed overview of the CD Cooperative Credit Society's financial performance, showcasing both the growth and challenges it faced over the years, offering valuable insights into its economic journey.

Table 11

Profit of CD Cooperative Credit Society from 2008-2022

(Amount in lakh rupees)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Profit	38.51	40.41	46.69	56.63	89.4	122.56	125.17	143.85	151.51	173.24	179.61	181.9	190.81	235.14	277.1
Annual growth rate	-	4.9%	15.6%	21.3%	7.2%	37.1%	2.1%	15%	5.3%	14.3%	3.7%	0.8%	5.4%	23.2%	17.9%

Source Author's compilation

Table 11 shows the profit generated by the CD Cooperative Credit Society over a 15-year period from 2008 to 2022, with values expressed in lakh rupees. It offers valuable insights into the society's financial performance and growth trends over time.

In 2008, the society reported a profit of 38.51 lakh rupees, over the years, the society consistently demonstrated positive growth in profit, with varying annual growth rates. In the year 2013, there was a notable surge in profits, experiencing a substantial increase of 37.1%. This was attributed to certain operational modifications made in 2012. Prior to 2012, loans were exclusively extended to the employees of the society. However, after 2012, they were made accessible to all society members, accompanied by an increase in the minimum loan limit from 1 lakhs to 25 lakhs. This change set the stage for a consistent and favorable trend in the following years.

Several years, including 2010 (15.6 per cent), 2011 (21.3 per cent), and 2015 (15 per cent), witnessed double-digit growth rates, indicating a strong financial performance. The year 2019 also saw a notable 23.2 per cent increase, reflecting the society's ability to navigate economic conditions successfully.

Despite some fluctuations and slower growth rates in certain years, such as 2018 (3.7 per cent) and 2020 (0.8 per cent), the society maintained a consistent upward trend, because of covid-19. The data culminated in a substantial profit of 277.1 lakh rupees in 2022, showcasing an impressive 17.9 per cent growth compared to the previous year.

From 2008 to 2022, the Compound Annual Growth Rate (CAGR) of CD Cooperative Society's profit amounted to 14.2 per cent.

In summary, this table underscores the CD Cooperative Credit Society's commendable financial journey, highlighting its ability to not only sustain but also increase profit over the years, with some years witnessing remarkable growth rates, which collectively demonstrate its resilience and financial strength in rural areas of Mandi District.

IV. Conclusion:

In conclusion, this study has explored the significant role of cooperative societies in fostering social entrepreneurship and promoting rural development in Himachal Pradesh. The cooperative movement in the region has evolved over the years, and its impact is evident in various aspects of socio-economic development.

Cooperative societies of all kinds, such as Primary Agricultural Cooperative Societies and Savings and Credit Cooperative Societies, among others, have been essential to the development of the rural economy in Himachal Pradesh. In particular, rural areas have benefited greatly from the financial help that cooperative credit organisations have provided. Through self-help organisations, these societies have not only empowered people and companies but have also enabled rural women to achieve economic emancipation.

Tables 3 to 5 present data on membership growth, loan disbursement, and dividend rates from 2008 to 2022, illustrating the contributions made by the CD Credit Cooperative Society to rural development in Mandi District. Additionally, this society's 54 locations provide financial services throughout the region. This is especially helpful in hilly areas where poor road infrastructure drives up transportation expenses. The society has therefore been able to effectively reduce these expense problems. Tables 10 and 11 show how, between 2008 and 2022, the CD Credit Cooperative Society steadily increased its revenues and turnover, promoting social entrepreneurship.

Cooperative societies are essential to rural development, as demonstrated by the CD Cooperative Credit Society. The remarkable expansion of the society's membership, loan distribution, branch locations in rural regions, mobilisation of funds, and dividend rate between 2008 and 2022 highlight the role that social entrepreneurship plays in rural development. The influence of cooperative societies on rural development is further validated by the Compound Annual Growth Rate (CAGR) of its members, loans, turnover, and profit.

Furthermore, the success story of the CD Cooperative Credit Society acts as a template for other cooperative societies in Himachal Pradesh, showing them how to encourage social entrepreneurship and foster an atmosphere that supports it. The society's capacity to efficiently manage financial operations and address member demands is demonstrated by its steady rise in turnover and profit.

The broader analysis of cooperative societies in Himachal Pradesh, as seen in Table 6, illustrates their consistent growth and expansion. The increasing number of cooperative societies, rising membership, growing working capital, and the widespread coverage of the rural population under these societies highlight their positive influence on the region's socio-economic landscape.

Policy implication: The primary factor contributing to the remarkable success of the CD Cooperative Society is its daily collection scheme, where members contribute as little as 10 rupees daily for recurring deposits. The society offers an attractive interest rate of 8 percent for senior citizens and 7.55 percent for members below 60 years old. This model holds significant utility, particularly in rural areas. In a developing nation like India, people tend to hold onto their money, which can be a major hindrance to development, especially when there's limited capital available. Models like this one prove to be advantageous for overall development. The accomplishments of this cooperative society have spurred the growth of social entrepreneurship in Himachal Pradesh. It is worth noting that, in the absence of government support, these social entrepreneurship endeavors would struggle to compete in a very competitive market. Nonetheless, without support from the government, social entrepreneurs face difficulties in competing with well-established large-scale businesses that take advantage of economies of scale. The provision of loans at a low interest rate, subsidies, and a concession in taxes should be undertaken by the government.

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