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A Study on the Role of the Cooperative Sector in Promoting Sustainable Development in Nagaland

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Abstract

The cooperative sector in Nagaland plays a vital role in fostering sustainable development by promoting economic self-sufficiency, social equity, and environmental responsibility. This study examines the contribution of cooperatives across various sectors, including agriculture, handloom, handicrafts, and rural finance, in enhancing livelihoods and strengthening local economies. It explores the challenges faced by cooperatives, such as inadequate financial resources, lack of infrastructure, and policy limitations, while also identifying potential strategies for their growth and sustainability. The study highlights how cooperative societies contribute to inclusive development by empowering rural communities, encouraging collective decision-making, and ensuring the efficient utilization of resources. Through an analysis of existing cooperative models and their impact, the research provides recommendations to enhance the effectiveness of the cooperative sector in achieving long-term sustainable development in Nagaland.

Keywords: Cooperatives, Sustainable Development, Rural Economy, Economic Growth and Community Empowerment

Introduction

The cooperative sector plays a crucial role in fostering sustainable development by promoting economic growth, social equity, and environmental responsibility. Cooperatives are community-driven enterprises that operate on the principles of mutual support, democratic decision-making, and equitable resource distribution (Birchall, 2004) ^[2]. In developing regions such as Nagaland, where agriculture and small-scale industries form the backbone of the economy, cooperatives serve as essential institutions for empowering local communities and ensuring inclusive growth (Roy & Tisdell, 2021) ^[11].

Nagaland's economy largely depends on agriculture, handloom, and handicrafts, sectors that are traditionally dominated by small-scale producers with limited access to formal markets and financial institutions (Government of Nagaland, 2022) ^[3,4]. The cooperative sector helps bridge this gap by providing farmers and artisans with collective bargaining power, access to credit, and market linkages, thereby enhancing their economic stability and reducing vulnerabilities to external market fluctuations (Singh & Prasad, 2019) ^[14]. Furthermore, cooperatives contribute to social sustainability by fostering community cohesion and improving the livelihoods of marginalized groups, including women and indigenous communities (ICA, 2020) ^[14].

Despite their potential, cooperatives in Nagaland face several challenges, including inadequate infrastructure, lack of financial resources, weak governance structures, and limited policy support. Addressing these challenges is crucial for ensuring the long-term sustainability of cooperative enterprises and their role in regional development (Sharma, 2018) ^[12,13]. This study aims to analyze the impact of the cooperative sector in promoting sustainable development in Nagaland, examining its contributions to economic resilience, social inclusion, and environmental sustainability. The findings will help formulate strategies to strengthen the cooperative movement in the state and enhance its role in achieving sustainable development goals (SDGs).

Literature Review

The cooperative sector has been a critical mechanism for promoting sustainable development in various development by addressing issues such as poverty, unemployment, and unequal access to resources (Birchall, 2004) ^[2]. In Nagaland, the cooperative sector primarily serves as a support system for agriculture, small-scale industries, and rural finance, sectors crucial for the region's economy. This literature review examines key studies the role of cooperatives in promoting sustainable development, with a focus on the challenges and opportunities specific to Nagaland.

The cooperative movement is based on principles of mutual aid, democratic decision-making, and shared benefits, which directly align with the goals of sustainable development (International Cooperative Alliance [ICA], 2020) ^[14]. According to Birchall (2004) ^[2], cooperatives can provide an alternative to traditional business models by ensuring that the economic benefits of business ventures are distributed more equitably within communities. They also serve as a tool for poverty alleviation, particularly in rural areas, by enabling marginalized groups to access resources, markets, and financial services that would otherwise be unavailable to them. In Nagaland, where agriculture remains the primary occupation for most families, agricultural cooperatives have been instrumental in improving production practices, accessing better markets, and securing financial credit (Singh & Prasad, 2019) ^[14].

While the potential of cooperatives in promoting sustainable development is recognized, several studies have highlighted the challenges that limit their effectiveness in Nagaland. Sharma (2018) ^[12, 13] notes that cooperatives in the North-East face several barriers, including poor infrastructure, inadequate access to credit, and weak governance. These challenges hinder the capacity of cooperatives to function efficiently, limiting their ability to compete in formal markets and to deliver long-term benefits to their members. Roy and Tisdell (2021) ^[11] emphasize that despite government initiatives to support cooperative development, limited technical knowledge, poor management practices, and the dominance of middlemen in marketing continue to stifle growth.

Moreover, Singh and Prasad (2019) ^[14] highlight that many cooperatives in Nagaland are still in the nascent stage of development, and their capacity to foster true sustainability is undermined by a lack of education and training programs for both cooperative members and managers. The absence of a robust cooperative network and weak policy support from the government further compounds these issues. However, they argue that cooperative societies have the potential to achieve long-term sustainability if they are provided with adequate support in terms of infrastructure development, access to credit, and capacity-building programs for members.

Beyond economic impacts, cooperatives also contribute to social and environmental sustainability. ICA (2020) ^[14] states that cooperatives play a vital role in empowering marginalized communities, especially women, by providing them with opportunities for income generation and leadership roles within cooperative structures. In Nagaland, where gender inequality is prevalent, women's participation in cooperatives can improve their socio-economic status and overall community well-being (Government of Nagaland, 2022) ^[3, 4].

Environmental sustainability is another area where cooperatives are gaining prominence. According to Sharma

(2018) ^[12, 13], many cooperatives in Nagaland are increasingly adopting sustainable agricultural practices, such as organic farming, which helps reduce the environmental impact of conventional farming practices. By focusing on resource efficiency and minimizing waste, cooperatives in Nagaland contribute to both economic and environmental sustainability.

Government policies play a significant role in shaping the cooperative sector's development. According to the Government of Nagaland (2022) ^[3, 4], the state has introduced several programs to support cooperatives, such as financial subsidies, technical training, and market linkages. However, the effectiveness of these initiatives has been uneven, and as Singh and Prasad (2019) ^[14] note, the absence of a clear, coherent policy framework has led to gaps in implementation. They argue that a more coordinated approach is required to streamline efforts and provide cooperatives with the tools needed for sustainable growth.

The cooperative sector in Nagaland has the potential to significantly contribute to sustainable development by addressing socio-economic challenges and promoting environmentally responsible practices. However, as highlighted in the literature, the sector faces numerous challenges that need to be addressed for it to reach its full potential. By improving governance, increasing access to credit and resources, and enhancing education and training, cooperatives in Nagaland can play a more substantial role in promoting sustainable development.

Objectives of the Study

1. To examine the contribution of the cooperative sector to sustainable development in Nagaland.
2. To assess the role of cooperatives in promoting inclusive economic growth and poverty reduction.
3. To analyze the impact of cooperatives on employment generation and livelihood enhancement.
4. To identify the challenges and constraints faced by the cooperative sector in Nagaland.
5. To suggest strategies for strengthening the cooperative sector as a tool for sustainable development.

Research Methodology

This study adopts a descriptive research design and is based entirely on secondary data sources. The objective is to explore and analyze the role of the cooperative sector in fostering sustainable development in Nagaland across economic, social, and environmental dimensions. The data has been collected from a variety of credible sources, including government reports from the Department of Cooperation, Government of Nagaland, publications of the Ministry of Cooperation, NCDC, NABARD, and relevant academic journals and policy papers. Statistical data from the Census of India and economic surveys have also been utilized to support the analysis. The study emphasizes qualitative content analysis, supported by relevant quantitative data wherever applicable. It examines trends, contributions, and challenges faced by cooperatives in promoting inclusive growth, livelihood enhancement, and environmental sustainability. The scope includes various forms of cooperatives such as agricultural, handloom, dairy, and credit societies. However, the study is limited by its reliance on secondary data, which may be subject to reporting gaps and time lags. Despite these limitations, the study offers meaningful insights into how cooperatives can serve as key

drivers of sustainable development in Nagaland.

Results and Discussion

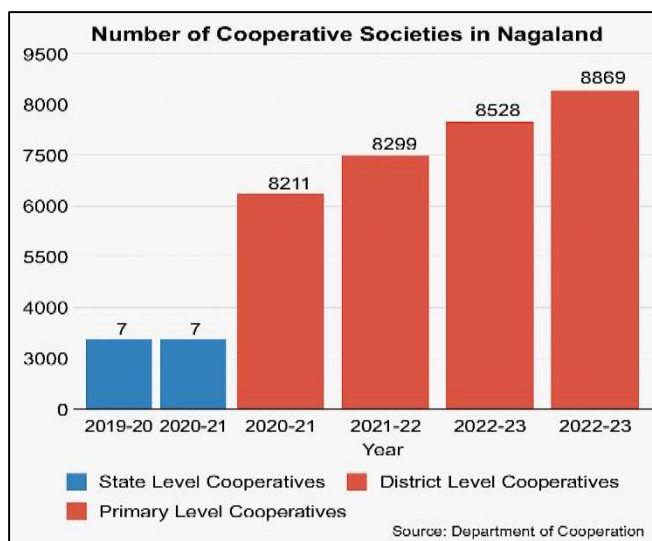
The study reveals that cooperatives in Nagaland contribute significantly to sustainable development by enhancing rural livelihoods, promoting financial inclusion, and supporting traditional industries. However, challenges such as limited infrastructure, poor management capacity, and lack of market access hinder their full potential. Strengthening institutional support and capacity-building measures is essential to maximize their developmental impact.

Table 1: Number of Cooperative Societies in Nagaland

Year	State Level Cooperatives	District Level Cooperatives	Primary Level Cooperatives
2019-20	7	3	8011
2020-21	7	3	8299
2021-22	7	3	8528
2022-23	7	3	8869

Source: Department of Cooperation

The data from Table – 1 indicates a steady growth in the number of Primary Level Cooperative Societies in Nagaland over the four-year period from 2019–20 to 2022–23. While the number of State Level (7) and District Level Cooperatives (3) remained constant throughout the period, Primary Level Cooperatives increased from 8,011 in 2019–20 to 8,869 in 2022–23, showing a net rise of 858 societies. This upward trend reflects a growing interest in cooperative models at the grassroots level, likely driven by efforts to enhance rural livelihoods, financial inclusion, and self-employment.



The stagnation in the number of state and district-level cooperatives suggests either limited expansion at higher tiers or a focus on strengthening the base. Overall, the data indicates that the cooperative movement in Nagaland is expanding primarily at the primary level, which plays a vital role in directly engaging communities and promoting sustainable development at the local level.

Contribution of the Cooperative Sector to Sustainable Development in Nagaland

The cooperative sector plays a vital role in promoting sustainable development in Nagaland by supporting rural livelihoods, empowering communities, and fostering inclusive growth through collective efforts in agriculture,

credit, handloom, and other local economic activities.

- Economic Empowerment:** Cooperatives significantly boost economic empowerment in rural and tribal areas like Nagaland by creating income avenues in sectors such as agriculture, handloom, and dairy. They promote collective ownership, granting women, farmers, and artisans access to markets, credit, and training. By reinvesting profits locally, cooperatives strengthen self-reliance and drive inclusive, sustainable development within the community.
- Employment Generation:** Cooperatives play a key role in employment generation by creating direct and indirect job opportunities in rural and semi-urban areas. Active in sectors like agriculture, dairy, and handloom, they support self-employment through microcredit, skill training, and enterprise development. This benefits youth and women, empowering them economically and promoting inclusive, sustainable local development.
- Promotion of Inclusive Growth:** Cooperatives promote inclusive growth by involving marginalized groups women, tribals, and small producers in economic activities. They provide access to credit, training, and markets, fostering self-reliance. With democratic governance, cooperatives ensure equal participation in decision-making and fair distribution of benefits. This reduces income disparities, enhances social integration, and supports balanced, sustainable development at the community level.
- Rural Development:** Cooperatives advance rural development by improving infrastructure, market access, and essential services. They help establish storage, transport, and marketing channels for local goods. By supporting industries like handloom, dairy, and agro-processing, cooperatives boost rural employment and reduce migration. Their efforts foster self-reliance, bridge rural-urban gaps, and strengthen the local economy through sustainable, community-based development.
- Social Capital Formation:** Cooperatives contribute to social capital formation by fostering trust, cooperation, and collective action. Their democratic structure and shared ownership promote accountability and community belonging. Regular participation and joint decision-making build strong social networks, encouraging unity and problem-solving. By supporting transparent, grassroots leadership, cooperatives enhance social cohesion and play a vital role in sustainable community development.
- Social Capital Formation:** Cooperatives significantly enhance social capital by fostering trust, cooperation, and collective action among members. Their shared ownership and democratic structure cultivate belonging and responsibility within communities. Through regular interaction and joint decision-making, they build strong social networks and unity. Promoting transparency and inclusive leadership, cooperatives empower grassroots participation, strengthening social cohesion and driving sustainable community development.
- Support for Sustainable Agriculture:** Cooperatives support sustainable agriculture by offering farmers eco-friendly inputs, technical training, and market access. They promote organic practices, natural pest control, and water conservation. Through education and resource-sharing, cooperatives help farmers adopt cost-effective,

environmentally sound methods. By aggregating produce and improving market linkages, they ensure fair prices, reduce losses, and foster long-term food security and rural sustainability.

8. **Financial Inclusion:** Cooperatives advance financial inclusion by offering affordable credit and accessible services through cooperative banks and credit societies. They serve individuals often excluded from formal banking, especially in rural areas. By providing savings, loans, and insurance at fair rates, cooperatives empower farmers, artisans, and women, reducing reliance on exploitative moneylenders and promoting economic empowerment and inclusive growth.
9. **Environmental Sustainability:** Cooperatives support environmental sustainability through conservation, afforestation, and waste management initiatives. They promote recycling, composting, and reduced plastic use, while agricultural cooperatives encourage eco-friendly farming and resource conservation. By protecting ecosystems and raising environmental awareness, cooperatives reduce ecological footprints and help preserve natural resources, making sustainability a core part of community development for future generations.
10. **Skill Development and Capacity Building:** Cooperatives promote skill development and capacity building by offering training, workshops, and awareness programs in areas like agriculture, marketing, and financial literacy. These initiatives enhance members' technical and leadership skills, boosting productivity and self-reliance. By empowering individuals and strengthening cooperative governance, they foster long-term community development and economic resilience through improved human capital.
11. **Alignment with Sustainable Development Goals (SDGs):** Cooperatives significantly advance the UN Sustainable Development Goals (SDGs) by tackling poverty, hunger, inequality, and unemployment. They support SDG 1 and 2 through affordable credit and sustainable agriculture, and promote SDG 5 and 10 by empowering women and marginalized groups. By encouraging decent work (SDG 8) and eco-friendly practices (SDG 12), cooperatives drive inclusive, community-based development aligned with global goals.

Cooperatives contribute significantly to Nagaland's sustainable development goals. Strengthening them through policy support, capacity building, and market access can further enhance their impact on economic, social, and environmental sustainability.

Role of Cooperatives in Promoting Inclusive Economic Growth and Poverty Reduction

Cooperatives play a crucial role in promoting inclusive economic growth and poverty reduction by providing access to credit, employment, and market opportunities, especially for marginalized communities in rural areas like Nagaland.

1. **Access to Affordable Credit:** Cooperatives enhance financial accessibility by offering low-interest loans to farmers, artisans, and small entrepreneurs in underserved areas. Unlike exploitative moneylenders, they provide fair, transparent credit that empowers individuals to invest in livelihoods and meet urgent needs. This affordable financing fosters financial inclusion, reduces debt dependency, and supports poverty reduction and

inclusive, sustainable development.

2. **Employment Creation:** Cooperatives serve as vital engines of employment creation by generating self-employment and wage jobs across sectors like agriculture, dairy, handicrafts, and retail. By organizing collective ventures, they enable sustainable livelihoods within communities, especially benefiting rural youth, women, and marginalized groups. This inclusive model reduces migration, tackles rural unemployment, and strengthens grassroots economic resilience and social stability.
3. **Market Linkages and Fair Pricing:** Cooperatives strengthen market access by organizing producers for collective marketing and direct linkages with buyers and institutions. This boosts bargaining power, reduces reliance on middlemen, and ensures fair prices for goods. As a result, producers earn more, focus on quality, and add value to their products. Cooperatives thus create equitable, efficient market systems that benefit communities.
4. **Democratic Participation and Empowerment:** Cooperatives operate on democratic principles, giving each member an equal voice in decision-making, regardless of social or economic status. This inclusive structure fosters ownership, accountability, and empowerment, especially for women, tribal groups, and marginalized communities. By enabling leadership and participation, cooperatives promote social justice, strengthen grassroots democracy, and build confidence among underrepresented populations.
5. **Skill Development and Capacity Building:** Cooperatives support skill development and capacity building by offering training in farming, business management, financial literacy, and governance. These programs equip members with practical skills to boost productivity and manage enterprises effectively. By promoting entrepreneurship and self-reliance, especially in rural areas, cooperatives foster economic independence, strengthen their operations, and contribute to sustainable growth and community development.
6. **Pooling of Resources and Risk Sharing:** Cooperatives offer a platform for small producers, farmers, and workers to pool resources capital, labour, equipment, and knowledge for mutual benefit. This shared model lowers individual costs and improves access to inputs, services, and markets. By spreading risk and enhancing bargaining power, cooperatives boost efficiency and resilience, helping members sustain livelihoods amid economic uncertainties.
7. **Support to Local Economies:** Cooperatives strengthen local economies by reinvesting profits into community development and supporting grassroots initiatives. They create local jobs, promote skill development, and source materials locally, boosting rural income and reducing economic leakage. By fostering community-owned enterprises, cooperatives retain wealth within the region, encourage self-sufficiency, and empower communities to drive their own sustainable development.
8. **Promotion of Social Equity:** Cooperatives promote social equity by extending economic opportunities to marginalized and underdeveloped regions. They provide access to credit, jobs, and markets, helping reduce poverty and income disparities. Their inclusive model

ensures equitable benefit distribution, empowering women, tribal groups, and weaker sections. By fostering collective growth, cooperatives bridge socio-economic divides and support a more just, balanced society.

9. **Enhancing Food Security:** Agricultural and dairy cooperatives enhance food security by supporting local production, processing, and distribution. They organize small farmers, improving access to inputs, storage, and markets, which boosts productivity and reduces post-harvest losses. By ensuring affordable, nutritious food and sustaining small-scale farming, cooperatives strengthen local food systems and promote long-term food security, especially in rural areas.
10. **Linking with Government Schemes:** Cooperatives serve as effective channels for delivering government welfare schemes and subsidies to poor and vulnerable communities. Their grassroots presence enables efficient last-mile implementation of programs like agricultural aid, credit, and skill development. Acting as intermediaries, cooperatives ensure transparent delivery of benefits, enhancing policy impact and promoting inclusive development by integrating marginalized groups into the formal economy.

Cooperatives empower disadvantaged groups, enhance income generation, and reduce poverty. Strengthening cooperative governance, financial support, and skill development will further boost inclusive growth and economic resilience in the region.

Impact of Cooperatives on Employment Generation and Livelihood Enhancement

Cooperatives significantly contribute to employment generation and livelihood enhancement by creating self-employment opportunities, supporting local industries, and providing financial and technical support to members, especially in rural and underdeveloped regions like Nagaland.

1. **Direct Employment Opportunities:** Cooperatives generate direct employment across sectors like agriculture, dairy, handloom, retail, and services by operating production units, banks, and outlets. They provide stable jobs to both skilled and unskilled workers, especially in rural and semi-urban areas with limited formal employment. By ensuring income, job security, and skill development, cooperatives empower communities and boost grassroots economic growth.
2. **Self-Employment Promotion:** Cooperatives promote self-employment by offering affordable credit, raw materials, training, and market access to members, especially farmers, artisans, women, and youth. These resources empower individuals to start and sustain income-generating activities, fostering grassroots entrepreneurship. By encouraging economic self-reliance, cooperatives enhance livelihoods and contribute to inclusive, sustainable economic development within communities.
3. **Sustainable Livelihood Development:** Cooperatives support sustainable livelihoods by promoting stable incomes through local skills, eco-friendly practices, and diverse economic activities. They strengthen sectors like agriculture, handloom, and rural enterprises, reducing dependence on seasonal migration or uncertain labor. By offering training, collective support, and market access, cooperatives help communities sustain incomes while

preserving natural resources and cultural heritage, ensuring long-term resilience.

4. **Support for Women's Economic Participation:** Cooperatives, especially women-led cooperatives and SHGs, enhance women's economic participation by offering access to livelihoods, credit, and skill development. They empower women to earn incomes, make financial decisions, and gain leadership experience. This boosts confidence and social status, particularly in rural areas. By promoting gender-inclusive growth, cooperatives help reduce gender disparities and advance women's empowerment.
5. **Capacity Building and Skill Development:** Cooperatives play a vital role in capacity building and skill development by providing vocational training, technical education, and entrepreneurship workshops. These efforts improve employability and self-reliance, especially in rural areas with limited training access. By enhancing skills in agriculture, handicrafts, marketing, and management, cooperatives boost workforce productivity and strengthen sustainable community and enterprise development.
6. **Market Access and Value Addition:** Cooperatives enhance market access by aggregating members' products and services, boosting bargaining power and securing better prices. This collective model helps small producers bypass intermediaries and overcome market barriers. Through value-addition activities like processing, packaging, and branding, cooperatives increase product profitability, generate local jobs, and strengthen rural economies, supporting sustainable economic growth across value chains.
7. **Linkages with Government and NGOs:** Cooperatives build strong partnerships with government agencies and NGOs to deliver employment-linked services, training, and financial support. These collaborations help implement development schemes, access subsidies, and extend welfare benefits, particularly in underserved areas. By connecting members to resources and expertise, cooperatives expand livelihood opportunities and serve as inclusive platforms for empowering marginalized communities and fostering regional growth.
8. **Revival of Traditional Livelihoods:** In culturally rich regions like Nagaland, cooperatives help revive and sustain traditional livelihoods such as indigenous farming, handloom weaving, and bamboo crafts. By organizing local artisans and farmers, they preserve cultural knowledge while offering training, credit, and market access. This approach generates rural income and protects cultural heritage, creating a development model that unites economic empowerment with cultural preservation.
9. **Reduction in Rural-Urban Migration:** Cooperative curb rural-urban migration by creating sustainable employment within local communities through agriculture, crafts, dairy, and small enterprises. By offering viable livelihoods, especially to youth, they reduce the need to migrate for work. This helps retain the rural workforce, strengthens local economies, preserves traditional lifestyles, and eases pressure on urban areas, promoting balanced regional development.
10. **Inclusive and Equitable Employment:** Cooperatives promote inclusive and equitable employment by offering

opportunities to marginalized groups like tribals, landless laborers, women, and persons with disabilities. Their democratic structure ensures equal participation in work and decision-making. By providing accessible livelihoods and support, cooperatives empower disadvantaged communities, reduce inequalities, and foster social cohesion, ensuring that growth benefits are widely and fairly shared.

By fostering entrepreneurship and collective growth, cooperatives improve livelihoods and reduce unemployment. Strengthening cooperative capacity and expanding support systems can further enhance their impact on sustainable employment and economic stability in Nagaland.

Challenges and Constraints Faced by the Cooperative Sector in Nagaland

The cooperative sector in Nagaland faces several challenges, including limited financial resources, poor infrastructure, lack of skilled management, and low member participation, which hinder its potential to contribute effectively to sustainable development.

1. **Lack of Professional Management:** One of the key challenges faced by cooperatives is the lack of professional management. Many are led by individuals with limited skills in finance, business planning, and leadership, leading to poor decisions and inefficiencies. Without trained staff, cooperatives struggle with transparency, modern practices, and scalability. Strengthening managerial capacity is essential for improving performance and realizing their full developmental impact.
2. **Weak Financial Base:** A weak financial base poses a major challenge for many cooperatives, particularly in rural and resource-poor areas. Limited capital, irregular contributions, and low internal savings restrict their capacity to invest or modernize. Difficulty in accessing external finance due to poor creditworthiness or lack of collateral further hampers growth. Strengthening financial management and improving access to institutional credit are crucial for boosting cooperative sustainability and impact.
3. **Poor Infrastructure and Connectivity:** Poor infrastructure and limited connectivity significantly hinder the growth of rural cooperatives. Inadequate roads, storage, transport, and market facilities restrict access to inputs and markets, raise operational costs, and reduce profitability. These challenges limit expansion and service delivery. Enhancing rural infrastructure and connectivity is essential to improve cooperative efficiency and fully realize their role in sustainable local development.
4. **Low Member Participation and Awareness:** Low member participation and limited awareness of cooperative principles hinder effective functioning. Many members are unaware of their rights and roles, leading to weak engagement in governance, decision-making, and elections. This reduces transparency, accountability, and collective ownership. Strengthening member education, awareness, and capacity is vital to enhance participation, reinforce democratic governance, and ensure cooperative sustainability.
5. **Inadequate Government Support and Monitoring:** Inadequate and inconsistent government support is a

major challenge for cooperatives. Delays in funding, limited subsidies, and lack of technical assistance hinder their growth and sustainability. Weak monitoring and outdated policy frameworks reduce accountability and impact. To ensure cooperative success, there is a pressing need for streamlined policies, effective implementation, regular capacity-building, and stronger government-cooperative collaboration.

6. **Political Interference and Mismanagement:** Political interference and mismanagement seriously undermine the integrity and effectiveness of cooperatives. Local political influence often leads to biased leadership, poor decision-making, and fund misuse, eroding democratic governance and member trust. Without operational autonomy, cooperatives struggle to function transparently. Ensuring their sustainability requires safeguarding independence, enforcing accountability, and promoting professional, ethical management practices.
7. **Limited Market Access and Competitiveness:** Many cooperatives struggle to access broader markets and compete with private players due to low-scale production, poor product standardization, and weak branding. Limited marketing strategies and low digital adoption further restrict their reach and visibility. Without market intelligence and technological integration, scaling operations is difficult. Enhancing digital literacy, branding, and market linkages is essential to boost their competitiveness and long-term sustainability.
8. **Regulatory and Legal Bottlenecks:** Regulatory and legal challenges hinder cooperative growth, with many operating under outdated laws misaligned with current economic needs. Cumbersome registration and licensing processes discourage new formations, while weak audit and compliance systems lead to financial mismanagement and reduced transparency. These issues impact credibility and efficiency. Legal reforms and streamlined administrative procedures are essential to create a supportive environment for cooperative development.
9. **Technological Backwardness:** Technological backwardness severely limits many cooperatives, particularly in rural areas. Reliance on manual systems for production, record-keeping, and financial management reduces efficiency and transparency. Poor internet access, limited devices, and low digital literacy hinder the adoption of e-commerce, digital marketing, and online services. Bridging this digital divide through technology integration and capacity-building is crucial for improving cooperative competitiveness and sustainability.
10. **Social and Cultural Barriers:** Social and cultural barriers pose significant challenges to cooperative effectiveness in some regions. Divisions based on caste, tribe, gender, or clan can foster mistrust and hinder collective action. Traditional hierarchies and resistance to shared ownership further limit participation and inclusivity. To address these issues, cooperatives must promote awareness, inclusivity, and social cohesion while fostering a shared vision for equitable development.

Addressing financial, managerial, and infrastructural

challenges is essential to revitalize the cooperative sector in Nagaland. Enhanced policy support, capacity building, and community engagement can strengthen cooperatives as effective tools for inclusive and sustainable growth.

Strategies for Strengthening the Cooperative Sector for Sustainable Development

Strengthening the cooperative sector is essential for achieving sustainable development in Nagaland. Strategies such as capacity building, financial access, digitalization, and policy reforms can enhance cooperatives' efficiency, inclusiveness, and impact on local communities.

- 1. Capacity Building and Skill Development:** Strengthening the cooperative sector demands regular capacity building and skill development for members, leaders, and staff. Training in governance, finance, marketing, and digital tools improves efficiency and accountability. Partnerships with institutions like NABARD, NCDC, and NGOs offer technical support and resources. Empowered members make informed decisions, drive innovation, and ensure the sustainability and success of cooperative enterprises.
- 2. Professionalization of Management:** Professionalizing cooperative management is crucial for enhancing efficiency, transparency, and sustainability. Hiring qualified experts in finance, operations, and marketing enables better decision-making and resource optimization. Adopting modern management practices and fostering leadership development, along with clear succession planning, ensures continuity and institutional growth. These measures build member trust, improve performance, and position cooperatives for long-term success.
- 3. Access to Finance and Credit Support:** Improving access to finance is crucial for the cooperative sector's growth. Ensuring timely, low-interest loans, subsidies, and financial aid through cooperative banks and government schemes can boost their capacity. Revitalizing Primary Agricultural Credit Societies (PACS) strengthens grassroots credit delivery. Enhanced financial support enables cooperatives to invest in infrastructure, expand services, and drive inclusive, sustainable development.
- 4. Adoption of Digital Technology:** Adopting digital technology is key to modernizing cooperatives and enhancing service delivery. Implementing digital record-keeping, mobile banking, and e-commerce platforms improves efficiency and market reach. ICT tools streamline data management, boost transparency, and strengthen member communication. Embracing digital transformation makes cooperatives more competitive, adaptive, and better equipped to meet the changing needs of the economy and their communities.
- 5. Policy and Legal Reforms:** Policy and legal reforms are essential for fostering cooperative growth. Simplifying registration and easing compliance can promote the formation and smooth functioning of cooperatives. Strengthening the implementation of the Nagaland Cooperative Societies Act and aligning it with national policies will enhance governance, legal clarity, and autonomy. Such reforms boost accountability, attract investment, and ensure long-term sustainability of the cooperative sector in the state.
- 6. Market Linkages and Value Addition:** Strengthening

market linkages and promoting value addition are vital for increasing cooperatives' profitability and sustainability. Support in branding, packaging, and marketing helps access broader markets and secure better prices. Investments in agro-processing, storage, and cold chain infrastructure preserve product quality and reduce losses. These measures boost member incomes and enhance the competitiveness and resilience of cooperative enterprises.

- 7. Promoting Youth and Women Participation:** Enhancing youth and women participation is essential for inclusive cooperative growth. Targeted programs offering training, mentorship, and startup support can engage youth in cooperative entrepreneurship. Empowering women through SHGs and women-led cooperatives promotes economic independence and leadership. Their active involvement brings diverse perspectives, fosters innovation, strengthens social equity, and makes cooperatives more dynamic and responsive to community needs.
- 8. Environmental Sustainability Measures:** To ensure long-term sustainability, cooperatives should adopt eco-friendly practices such as organic farming, afforestation, and renewable energy use like solar and biogas. Supporting climate-resilient agriculture and resource conservation enhances environmental protection and livelihood security. These green initiatives align cooperatives with sustainable development goals, reduce ecological impact, and build resilience to climate change, benefiting both communities and the environment.
- 9. Strengthening Institutional Linkages:** Enhancing institutional linkages is vital for strengthening cooperatives' reach and impact. Improved coordination with bodies like the Department of Cooperation, NSCB, NABARD, and NCDC provides access to financial, technical, and policy support. Partnerships with the private sector and civil society bring in expertise, innovation, and market access. Such collaboration fosters a robust ecosystem for cooperative growth and sustainable development.
- 10. Incentivizing Innovation and Best Practices:** Recognizing and rewarding high-performing cooperatives fosters innovation and motivates ongoing improvement. Incentives like awards, grants, and public recognition boost morale and encourage excellence. Sharing success stories across regions promotes replication and scaling of effective practices. This cultivates a culture of innovation, accountability, and efficiency, strengthening the cooperative sector's role in inclusive and sustainable development.
- 11. Monitoring, Evaluation, and Accountability:** Establishing strong systems for regular auditing, performance monitoring, and grievance redressal is essential for cooperative transparency and efficiency. These mechanisms track progress, identify gaps, and ensure financial discipline. Encouraging democratic governance through regular elections, member involvement, and transparent decisions strengthens accountability and trust. A robust monitoring framework keeps cooperatives member-focused, ethical, and aligned with development goals.

A strategic, holistic approach integrating policy support,

capacity building, market integration, and social inclusion can transform Nagaland's cooperative sector into a catalyst for sustainable, inclusive development. Targeted strategies empowering cooperatives through improved governance, stronger market linkages, and enhanced institutional support will enable them to drive economic, social, and environmental progress across the region.

Conclusion

The cooperative sector holds immense potential as a catalyst for sustainable development in Nagaland, particularly in fostering inclusive growth, reducing poverty, and strengthening rural livelihoods. This study has highlighted the multifaceted contributions of cooperatives not only in generating employment and enhancing income but also in promoting social equity, environmental sustainability, and democratic participation at the grassroots level.

Despite these strengths, the sector continues to face significant challenges, including poor financial management, limited infrastructure, lack of professional capacity, and weak policy implementation. However, with targeted strategies such as capacity building, digital transformation, policy reform, and greater institutional support cooperatives can be revitalized to effectively align with the Sustainable Development Goals (SDGs).

To realize their full potential, it is essential for stakeholders including the government, financial institutions, NGOs, and the cooperative members themselves to work collaboratively. By doing so, cooperatives in Nagaland can become powerful instruments of people-centred development, ensuring economic resilience, social justice, and environmental stewardship for future generations.

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