

Vision 2031
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Government of Kerala
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Cooperation for Economic Development

Cooperatives in Kerala play a critical role in mobilising people and pooling resources to meet the shared needs of their members, while also contributing to the wider social and economic fabric of the State. Kerala has developed an extensive cooperative network that spans a wide range of activities, including credit, procurement, production, construction, marketing, agricultural processing, traditional industries, public health, education, insurance, women's development, and fisheries. Owing to their broad reach and local presence, cooperatives have made a sustained contribution to economic development, demonstrating resilience by supporting communities and maintaining services during periods of economic slowdown and systemic disruptions.

The future of Kerala's cooperative movement depends on strengthening cooperative credit, a critical foundation of the sector. This session will present a modern and well-governed credit system as an essential component in the sector's development. It will examine how primary cooperative banks and societies can expand beyond basic savings and loan services to function to operate as effective financial institutions. The focus will be on measures such as adopting digital lending platforms, introducing credit products for green technologies and agro-processing, and the strengthening of financial governance and risk management to support local entrepreneurship. A transparent and technology-enabled cooperative credit structure forms the base on which diverse cooperative activities, from production to marketing, can be developed and sustained.

With a stronger credit system in place, the session will outline its impact across the cooperative value chain. It will assess how targeted credit can help cooperative production units invest in machinery, quality control, and how it can support the creation of infrastructure for cooperative marketing, including cold chains, packaging units, and ecommerce platforms. A key part of the discussion will address the role of cooperatives in revitalising traditional industries. By facilitating access to capital for design improvements, raw material sourcing, and market diversification, cooperatives can traditional industries including handloom, and coir, and help them remain viable and competitive. This session seeks to define how strong cooperative credit system can function as a driver of a more equitable and resilient Kerala economy.