

Research Note

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Self-help Groups in Indian Agribusiness : Reflections from Case Studies Sukhpal Singh

It has been well recognised in development literature and among development agencies from the experience of co-operatives in many agribusiness sectors in different regions of India, and many other development programmes that outside efforts at local development generally do not succeed unless and until the beneficiaries and stake holders find logic in these efforts. Therefore, the recent initiatives in participatory development is believed to be more successful and sustainable. The situation is much more complex in agribusiness sector due to its many peculiarities compared to industrial or service sectors. The paper discusses cases of locally evolved producer organisations and groups in the agribusiness sector in India to draw lessons. It is recognised that both individual, as well as, collectivity oriented initiatives have potential for sustainable performance if they meet 'felt needs' of the individual producers in business terms.

I Introduction

Sustainable development involves many things including local institutions and organisations. The local institutions are important for sustainable development as they not only mobilise local resources and regulate their use in a most efficient and sustainable manner, but also encourage people to take a longer term view by creating common expectations and a basis of cooperation that goes beyond individual interest (Uphoff, 1992). But one can only create organisations which, if they effectively meet people's needs and expectations, become institutions as well. However, for sustainable development, it is not institutions and organisations which are important per se, but sustainability of these mechanisms of development.

The need for local institutions, and that too sustainable ones, has become increasingly important in the new environment of diminishing states and expanding markets, both locally, as well as, at the meso and macro levels. This is so as this set of institutions and organisations, also referred to as the 'third sector' (Uphoff, 1993) is more vulnerable to changes in the state and market sectors. Already we have seen a penetration of the market and the state in many areas of the third sector which were earlier managed by the third sector organisations and institutions. However, due to the malperformance of the state and market sectors therein, we see a revival of interest in local level institutions once again. Also, these institutions will be used by the poor as survival strategies both to