

# LIBERAL COOPERATIVES AND MICROFINANCE IN INDIA: DIAGNOSTIC STUDY OF A COOPERATIVE FEDERATION

by

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## Abstract

This case study looks at the processes and functioning of mutually aided cooperative societies (MACS), the “liberal” cooperatives created through special legislation by Andhra Pradesh, India in a drive to make the cooperative structure more member- and growth-centric and less government-dependent. It is argued that in the Indian context, where cooperatives historically have remained under the protective and paternalistic care of the state, promotion of liberal cooperative may yield desired results only when appropriate systems of leadership, governance, and user friendly systems are built using a process-oriented approach.

**Keywords:** mutually aided cooperative societies, liberal cooperatives, microfinance, India, Andhra Pradesh