

The Political Economy of Cooperation: A Review of How Political Environments Shape Cooperative Performance in West Bengal

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Abstract

Cooperatives have long been recognised as institutional vehicles for rural development, agricultural modernisation, and poverty alleviation. Yet their performance varies dramatically across regions and political contexts. This article examines the political economy of cooperative performance in West Bengal, a state characterised by profound shifts in governance regimes, partisan competition over cooperative institutions, and uneven developmental outcomes. Through a systematic review of peer-reviewed literature, government databases, and case study evidence, this article analyses how political environments shape cooperative functionality, financial sustainability, and member livelihoods. The review finds that political embeddedness operates as a double-edged sword: cooperative performance flourishes when political commitment supports institutional autonomy, capacity building, and accountable governance, but deteriorates rapidly under conditions of partisan capture, leadership suppression, and administrative neglect. Drawing on district-level data from the National Cooperative Database, case studies of dairy cooperatives, producer companies, and Large Area Multipurpose Cooperative Societies (LAMPS), the article identifies critical junctures where political intervention has either strengthened or undermined cooperative outcomes. The findings contribute to broader theoretical debates on institutional economics, collective action, and developmental state capacity, while offering practical implications for cooperative policy design in politically contested environments.

Keywords: Political economy, cooperatives, West Bengal, governance, institutional performance, rural development

1. Introduction

The cooperative sector in India represents one of the world's largest networks of member-owned enterprises, encompassing approximately 8.5 lakh societies with over 29 crore members (Ministry of Cooperation, 2025). Within this vast landscape, West Bengal occupies a distinctive position. The state hosts 32,128 registered cooperative societies, of which 22,953 remain functional according to the National Cooperative Database. This functional rate of approximately 71.4 percent places West Bengal in the middle range of Indian states, but masks significant intra-state variation and historical volatility in cooperative performance. What explains why some cooperatives thrive while others stagnate or collapse? Traditional explanations have emphasised economic factors—access to capital, market linkages, technical efficiency—and social factors—trust, social capital, member homogeneity. Yet a growing body of scholarship suggests that political environments may be equally, if not more, determinative of cooperative outcomes (Attwood & Baviskar, 1988; Banerjee et al., 2001). Cooperatives, as institutions that mediate between state, market, and community, are inherently political artefacts. Their governance structures, resource flows, and strategic priorities are shaped by the political contexts in which they operate. West Bengal offers a particularly instructive case for examining these dynamics. The state has experienced three distinct governance regimes since Indian independence: a Congress-dominated period (1947-1977), a prolonged Left Front period under Communist Party of India (Marxist) leadership (1977-2011), and the current Trinamool Congress period (2011-present). Each regime has approached the cooperative sector differently, with profound implications for institutional performance. Moreover, West Bengal's cooperatives have become sites of intense partisan competition, with elections to cooperative boards serving as proxies for broader political contests. This article undertakes a systematic review of evidence on how political environments shape cooperative performance in West Bengal. It addresses three interconnected research questions:

1. What is the current state of cooperative functionality and performance across West Bengal's districts?
2. How have different political regimes and governance approaches affected cooperative outcomes?
3. Through what mechanisms does political intervention—whether supportive or extractive—transmit its effects to cooperative institutions and their members?

The article proceeds as follows. Section 2 reviews the theoretical and empirical literature on the political economy of cooperatives. Section 3 outlines the review methodology. Section 4 presents findings organised around cooperative functionality, political competition, and case study evidence. Section 5 discusses implications for theory and policy. Section 6 concludes with directions for future research.

2. Literature Review

2.1 Theoretical Foundations: Cooperatives as Embedded Institutions

The theoretical understanding of cooperatives has evolved significantly over the past century. Early scholarship, influenced by the Rochdale pioneers, emphasised cooperatives as voluntary associations governed by democratic principles—one member, one vote; open membership; and equitable distribution of surplus (International Cooperative Alliance, 1995). This normative vision positioned cooperatives as alternatives to both capitalist firms and state-owned enterprises, occupying a distinct institutional space in which economic efficiency could be reconciled with social solidarity. However, institutional economists have complicated this picture by highlighting the governance challenges inherent in cooperative structures. Hansmann (1996) analysed cooperatives as a form of enterprise ownership that minimises transaction costs for specific classes of patrons—farmers who supply inputs, workers who provide labour, or consumers who purchase products. Yet cooperative governance also generates distinctive problems: collective decision-making costs, horizon problems (members prioritising short-term over long-term returns), and portfolio problems (inability to diversify risk) (Cook, 1995). Political scientists and sociologists have further enriched this analysis by emphasising that cooperatives are not merely economic organisations but are embedded in broader political and social fields (Granovetter, 1985; Evans, 1995). This embeddedness perspective suggests that cooperative performance cannot be understood solely through internal governance variables; external political environments shape access to resources, regulatory treatment, and the very legitimacy of cooperative organising.

2.2 Political Economy Approaches to Cooperative Development

The political economy literature on cooperatives has developed along several complementary tracks. One strand examines how state formation and regime type shape cooperative sectors. In many post-colonial societies, cooperatives were established or promoted by states seeking to extend administrative reach into rural areas, mobilise agricultural surpluses, and consolidate political control (Hyden, 1980; Bratton, 1989). This statist origin created enduring tensions: cooperatives were expected to serve both member interests and state developmental objectives, often leading to goal displacement and bureaucratic capture. A second strand focuses on partisan competition and cooperative governance. Where cooperatives control significant economic resources—credit, marketing infrastructure, procurement contracts—they become attractive targets for political appropriation. Studies from Maharashtra's sugar cooperatives (Attwood & Baviskar, 1988) and Gujarat's dairy cooperatives (Shah, 1995) demonstrate how political factions compete for control of cooperative boards, with consequences for both governance quality and developmental outcomes. Importantly, political competition can produce divergent effects: robust multi-party competition may enhance accountability where cooperatives remain autonomous, but may also intensify extractive behaviour where institutional safeguards are weak. A third strand examines the micro-politics of cooperative membership and leadership. Scholarship on India's cooperative sector has documented how caste, class, and gender hierarchies shape who participates in and benefits from cooperative institutions (Harriss-White, 2003; Pattenden, 2016). Political environments interact with these social structures, either reinforcing or challenging existing inequalities.

2.3 The West Bengal Context: From Left Front to Trinamool Congress

West Bengal's political trajectory provides rich material for analysing cooperative-political dynamics. The Left Front government (1977-2011) came to power with a stated commitment to agrarian reform and rural institutional development. Its record on land reform—particularly Operation Barga, which registered sharecroppers and provided tenancy security—has been extensively documented (Banerjee et al., 2002; Bardhan & Mookherjee, 2006). Less attention has been devoted to its cooperative sector policies. Under the Left Front rule, cooperatives were conceptualised as instruments of class-based mobilisation and rural economic transformation. Primary Agricultural Credit Societies (PACS) were strengthened, elections to cooperative boards were conducted regularly, and linkages were established between cooperatives and panchayati raj institutions. The transition to Trinamool Congress rule in 2011 marked a significant shift. The new government inherited a cooperative sector with established institutional structures but faced pressures to consolidate political control. Reports from Bankura suggest that elected PACS boards were "forcibly" taken over, with ruling party activists assuming management positions. Cooperative elections, once regular, ceased for extended periods. The number of PACS in Bankura declined from 398 during the Left Front period to 165 under Trinamool governance. However, this narrative requires qualification. The Trinamool government has also initiated programmes to expand cooperative reach, including efforts to use cooperative societies to extend banking services to unbanked gram panchayats and shield villagers from ponzi schemes. More recently, the state has participated in national initiatives such as the PACS Computerisation Project and White Revolution 2.0 launched by the Union Ministry of Cooperation. The picture is thus one of contradiction: simultaneous expansion and contraction, innovation and capture.

2.4 Empirical Evidence on Cooperative Performance in West Bengal

The empirical literature on West Bengal's cooperatives, while limited, provides important insights. Sarker and Ghosh (n.d.) examined the physical and financial performance of primary dairy cooperatives, finding that financial performance indicators dominated over physical ones and had long-term positive impacts on society's viability. This suggests that financial sustainability is both a driver and a consequence of cooperative effectiveness. Singh (2023) studied producer companies (PCs)—a new generation cooperative form introduced in the early 2000s—in West Bengal, finding mixed results. While PCs were inclusive of small farmers in membership, input and output linkages remained weak, reaching only a small proportion of members. Critically, the study identified that access to institutional linkages—specifically the Sufal Bangla public supermarket franchise—made substantial differences to PC performance and member impact. This finding underscores how political and administrative connections shape cooperative outcomes.

Das and Singh (2024) assessed the financial performance of Farmer-Producer Companies in Alipurduar district using ratio analysis. Their study revealed concerns about non-utilisation of current assets even during the handholding period, suggesting that financial management capacity remains a constraint. The authors emphasised that "the capacity of member farmers must be raised in terms of financial management, which is a very sensitive and crucial aspect of business".

Qualitative evidence from Bankura district paints a starker picture. Farmers report loss of faith in cooperatives following alleged corruption cases involving crores of rupees, with loans being fraudulently recorded across multiple seasons and subsidy funds looted. The number of farmers receiving loans in Bankura declined from 96,000 in 2011 to 73,000 by 2024, while loan amounts disbursed dropped from Rs 151 crore to just Rs 21 crore. Cooperative employees report salaries of Rs 2,000-4,000 per month, often unpaid for years, hardly conditions conducive to effective service delivery.

2.5 Research Gaps and Contribution

This review identifies several gaps in existing scholarship. First, while case study evidence exists for specific cooperative types (dairy, producer companies) and districts (Bankura, Alipurduar), no comprehensive analysis integrates district-level data on cooperative functionality with political and institutional variables. Second, the mechanisms through which political environments affect cooperative performance remain underspecified. Third, comparative analysis across governance regimes—Left Front versus Trinamool—has been largely absent from academic literature, despite its centrality to understanding West Bengal's cooperative trajectory. This article addresses these gaps by synthesising available evidence, presenting district-level functionality data, and developing a framework for analysing political-cooperative dynamics. In doing so, it contributes to broader theoretical debates about institutional performance in developing country contexts.

3. Research Methodology

3.1 Review Design and Approach

This study employs a systematic review methodology informed by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guidelines. Given the heterogeneous nature of available evidence—including quantitative data, case studies, and qualitative reports—a mixed-methods synthesis approach was adopted, allowing for integration of different evidence types while maintaining analytical rigour.

3.2 Search Strategy and Information Sources

A comprehensive search of academic databases and grey literature sources was conducted during January-February 2026. Databases searched included:

- Scopus
- Web of Science
- Google Scholar
- Shodhganga (Indian electronic theses and dissertations)
- X-MOL academic platform

Search terms combined keywords related to cooperatives ("cooperative" OR "PACS" OR "producer company" OR "LAMPS" OR "dairy cooperative"), geography ("West Bengal" OR "Bengal"), and political economy ("political economy" OR "governance" OR "politics" OR "regime" OR "state"). Reference lists of included studies were hand-searched for additional relevant publications.

3.3 Inclusion and Exclusion Criteria

Studies were included if they met the following criteria:

1. Geographic scope: Focus on West Bengal or include West Bengal as a significant case site
2. Institutional focus: Examined cooperatives, producer companies, or similar member-owned enterprises
3. Thematic relevance: Addressed political, governance, or institutional dimensions of cooperative performance
4. Publication type: Peer-reviewed journal articles, books/book chapters, government reports, and high-quality grey literature
5. Language: English or Bengali (with translation where necessary)
6. Time period: 1990-2026, with emphasis on post-2000 literature

Studies were excluded if they focused solely on technical aspects without governance dimensions, were purely prescriptive without empirical grounding, or lacked geographic specificity.

3.4 Data Extraction and Synthesis

Data were extracted using a standardised template capturing: author(s), year, publication type, study location, cooperative type, methodology, key findings, and political/governance variables addressed. Extracted data were synthesised thematically around:

- Cooperative functionality and performance indicators
- Political regime characteristics and changes
- Mechanisms of political influence
- Member experiences and outcomes

Quantitative data from government sources were compiled into district-level tables and analysed for patterns of variation. Case study evidence was analysed using framework analysis techniques to identify recurrent themes and causal configurations.

3.5 Quality Assessment

Included studies were assessed for quality using appropriate tools: the Mixed Methods Appraisal Tool (MMAT) for empirical studies, and adapted criteria for grey literature based on source authority, transparency, and corroboration. No studies were excluded based on quality assessment, but lower-quality sources were interpreted with appropriate caution and triangulated against other evidence.

4. Findings and Analysis

4.1 Cooperative Functionality in West Bengal: A District-Level Portrait

The National Cooperative Database, maintained by the Union Ministry of Cooperation, provides the most comprehensive available data on cooperative presence and functionality across Indian states. As of November 2025, West Bengal recorded 32,128 registered cooperative societies, of which 22,953 (71.4 percent) were classified as functional. Table 1 presents the district-wise distribution.

Table 1: District-wise Cooperative Societies in West Bengal

District	Total Societies	Functional Societies	Functional %
Maldah	672	665	99.0%
24 Paraganas North	5,596	5,227	93.4%
Medinipur West	1,645	1,468	89.2%
Medinipur East	1,614	1,433	88.8%
Bankura	1,152	996	86.5%
Jhargram	453	387	85.4%
Howrah	813	653	80.3%
Birbhum	972	766	78.8%
Nadia	1,925	1,369	71.1%
Kalimpong	232	158	68.1%
Alipurduar	333	225	67.6%
Coochbehar	862	537	62.3%
Dinajpur Dakshin	541	330	61.0%
Hooghly	2,052	1,244	60.6%
Purba Bardhaman	2,363	1,403	59.4%
Murshidabad	2,590	1,507	58.2%
Kolkata	2,438	1,412	57.9%
Jalpaiguri	642	369	57.5%
Dinajpur Uttar	621	353	56.8%
24 Paraganas South	1,756	993	56.5%
Darjeeling	772	420	54.4%
Purulia	914	474	51.9%
Paschim Bardhaman	1,170	564	48.2%
Total (State Average)	32,128	22,953	71.4%

Source: National Cooperative Database via PIB

Several observations emerge from these data. First, functionality varies dramatically across districts, from Maldah's remarkable 99.0 percent functional rate to Paschim Bardhaman's 48.2 percent. This variation suggests that local factors—including political dynamics, administrative capacity, and economic conditions—significantly influence cooperative viability. Second, districts with a historically strong Left Front presence (Bankura, Purulia, Medinipur) show mixed functionality. Bankura's 86.5 percent functional rate appears high, but this masks the decline in absolute numbers of societies and the qualitative deterioration documented in field reports. Functionality, as officially defined, may not capture substantive performance. Third, the concentration of societies in North 24 Paraganas (5,596 societies, 93.4 percent functional) reflects the district's proximity to Kolkata and more developed cooperative infrastructure. Yet even here, functionality cannot be equated with member benefit.

4.2 Political Competition and Cooperative Governance

Cooperative elections in West Bengal have become arenas of intense partisan competition, reflecting the broader political salience of these institutions. The Print's coverage of cooperative polls in East Midnapore district illustrates these dynamics vividly. In November 2022, elections were held for the Mahishadal Keshabpur Jalpai Radhakrishna Cooperative Farmers Association, a body that disburses loans to poor farmers. Seventy-six board seats were contested, with candidates backed by Trinamool Congress, BJP, and CPI(M). Notably, the ideologically opposed BJP and CPI(M) formed an informal alliance—the 'United Farmers' Morcha'—to challenge the ruling party, a strategy that had succeeded in the Nandakumar cooperative election two weeks earlier, where the alliance blocked TMC from winning a single seat.

The outcome was decisive: TMC-backed candidates won 69 seats, the BJP-CPI(M) alliance eight. TMC spokesperson Kunal Ghosh declared: "A small victory once doesn't really mean anything. See how they've been wiped out in Mahishadal". Yet the election also revealed troubling patterns. Allegations emerged of voter intimidation, money distribution, and the bringing of outsiders to vote. BJP leader Ramkrishna Das claimed: "For the last three days, people were being threatened by the ruling party leaders to not cast their ballot".

These electoral dynamics have institutional consequences. Where cooperative boards are captured by partisan factions, governance quality often deteriorates. Former Meghalaya governor and BJP leader Tathagata Roy expressed concern about the "politicisation" of cooperatives, tweeting: "Are the cooperative societies of East Midnapore district created for the welfare of the people of the region, or as a political barometer for party leaders in Kolkata?".

The suspension of cooperative elections represents a more fundamental intervention. In Bankura, following alleged corruption cases, the state government dissolved all PACS management boards, replacing elected committees with government nominees—who were, according to local sources, "also leaders and activists of the ruling party". This substitution of appointment for election undermines the democratic character of cooperatives and severs the accountability link between members and managers.

4.3 Mechanisms of Political Influence on Cooperative Performance

Synthesising evidence from the reviewed studies, several mechanisms emerge through which political environments shape cooperative outcomes.

4.3.1 Leadership Selection and Tenure

The most direct mechanism is control over who leads cooperatives. During the Left Front period, cooperative leadership emerged through regular elections, with management committees composed of local farmers. This generated "a family-like relationship" between cooperatives and members, as farmers in Bankura described. Leaders were accountable to members through electoral mechanisms, and their legitimacy derived from local standing rather than partisan affiliation.

Under subsequent governance, this pattern shifted. Elected boards were dissolved, administrators appointed, and cooperative leadership became contingent on political alignment. The consequences, according to farmers, included loss of trust, reduced loan access, and deterioration of services. Even where elections continue, as in Mahishadal, the intensity of partisan competition may undermine the cooperative's service orientation.

4.3.2 Resource Allocation and Capture

Cooperatives control significant resources: credit, subsidies, procurement contracts, and marketing infrastructure. Political actors seek to influence how these resources are allocated. The Bankura corruption cases illustrate extreme outcomes—alleged diversion of Rs 15 crore meant for bond purchases, fraudulent loan recording across multiple seasons, and looting of subsidy funds for women's self-help groups.

Yet resource capture need not involve outright theft. More subtly, political connections may determine which cooperatives receive government contracts, access programmes like Sufal Bangla franchising, or benefit from infrastructure investments. Singh's (2023) finding that Sufal Bangla access "made a large difference to the PC performance and its impact on member farmers" underscores how political-administrative linkages shape cooperative outcomes.

4.3.3 Regulatory Treatment and Administrative Support

Cooperatives operate within regulatory frameworks that governments administer. The quality of this administration—timely audits, responsive supervision, capacity-building support—affects cooperative viability. During the Left Front period, farmers recalled regular meetings with bank officers, training programmes, and supportive oversight. More recently, reports describe cooperative employees being unpaid for years, administrative neglect, and failure to address documented corruption. Conversely, positive political intervention is possible. The WE-LAMPS programme in Bankura and Purulia, led by Caritas India with government support, demonstrates how structured capacity building can strengthen cooperatives as "accountable, member-driven cooperatives rooted in tribal communities". The programme's focus on institutional development, governance training, and women's leadership (targeting 30-50 percent women's participation) represents a model of constructive political-administrative engagement.

4.3.4 Market Linkages and Institutional Connectivity

Political environments shape cooperatives' access to markets and connectivity with other institutions. The Monachitura Farmers Producers Company in Birbhum illustrates both possibilities and constraints. With support from the APFP-FO4A programme through IMSE, the FPC gained structure, staff support, and access to revolving funds. It established a milk hub, coordinated collection and storage, and achieved 100 percent loan repayment on its revolving fund. Yet the FPC's efforts to link with larger buyers such as Amul have not succeeded. Farmers continue selling primarily in local markets, limiting scale and bargaining power. Political connections might facilitate such linkages, but in this case have not materialised. The FPC's experience suggests that while political environments can enable cooperative development, they do not automatically translate into market access.

4.4 Comparative Case Analysis

To illuminate how different political-institutional configurations affect cooperative performance, this section compares three cooperative types operating in West Bengal.

Table 2: Comparative Case Analysis of Cooperative Types in West Bengal

Dimension	Primary Agricultural Credit Societies (Bankura)	Monachitura FPC (Birbhum)	WE-LAMPS (Bankura/Purulia)
Governance History	Regular elections under the Left Front; suspended post-2011	Registered 2022; board-managed	New initiative (2026); structured governance
Political Relationship	Captured/dissolved under the current regime	Autonomous, limited political engagement	Collaborate with government departments
Membership	Declining: 96,000 (2011) to 73,000 (2024)	Growing: ~300 members	Targeting tribal women, PVTGs
Financial Health	Loan disbursement fell from \$Rs\ 151\ cr\$ to \$Rs\ 21\ cr\$	100% repayment on revolving fund; \$25,000\$ dairy loan	Initial phase; external funding
Member Trust	Severely eroded; "lost faith"	Positive but early-stage	Building through participatory approaches
Key Constraint	Political capture, corruption	Scale, buyer linkages	Sustainability beyond the project cycle

Source: compilation from NewsClick (2024), APFP/FO4A (2025), Caritas India (2026), and The Company Check (2025)

This comparison reveals that cooperative outcomes are not determined solely by political environment but by the interaction of political relationships with governance structures, capacity-building support, and member engagement. The Bankura PACS, once vibrant, deteriorated under conditions of partisan capture and leadership suppression. The Monachitura FPC, while small, has maintained autonomy and achieved financial discipline—but faces growth constraints. The WE-LAMPS initiative, still in its infancy, embodies an attempt to construct accountable cooperatives through deliberate institutional design, with political support structured to enable rather than capture.

5. Discussion

5.1 Theoretical Implications

The evidence reviewed in this article contributes to several theoretical debates. First, it reinforces institutionalist perspectives that emphasise the embeddedness of economic organisations in political and social fields (Granovetter, 1985; Evans, 1995). Cooperatives in West Bengal cannot be understood solely through internal governance variables; their trajectories are shaped by regime transitions, partisan competition, and administrative practices. Second, the findings complicate simple narratives about political effects. Political intervention is not uniformly beneficial or harmful. The Left Front period demonstrated that political commitment to cooperative development—when combined with regular elections, administrative support, and accountability mechanisms—can strengthen cooperative institutions. The current period reveals that political interest, absent those enabling conditions, can become extractive and destructive. The critical variable is not political involvement per se but the institutional framework within which political engagement occurs. Third, the evidence speaks to debates about democratic decentralisation and institutional performance. Where cooperative elections are suspended and boards replaced with appointed administrators, the accountability link between members and managers is severed. Members become beneficiaries rather than owners, passive recipients rather than active participants. This transformation has consequences not only for service delivery but for the broader civic capacity of rural communities.

5.2 Policy Implications

For policymakers concerned with cooperative development in West Bengal and beyond, several implications emerge.

Strengthen democratic governance: The suspension of cooperative elections undermines the fundamental character of these institutions. Restoring regular, credible elections—with effective safeguards against intimidation and fraud—would re-establish member control and accountability. As Caritas India's programme emphasises, "revitalising cooperatives requires members to claim ownership rather than wait for external direction".

Invest in capacity building: The financial management challenges documented by Das and Singh (2024) and the governance training needs addressed by WE-LAMPS point to the importance of systematic capacity building. Cooperatives require members and managers with skills in financial management, business planning, and accountable governance.

Create enabling linkages: Singh's (2023) finding about Sufal Bangla's transformative potential and the Monachitura FPC's struggle to access larger buyers highlight the importance of institutional connectivity. Governments can facilitate linkages between cooperatives and markets, public procurement systems, and support programmes—without capturing cooperative autonomy.

Address corruption systematically: The Bankura cases demonstrate that corruption, once entrenched, erodes member trust and cooperative viability. Effective responses require not only investigation and enforcement but also systemic reforms that reduce opportunities for capture and increase transparency.

Support women's leadership: The WE-LAMPS target of 30-50 percent women's participation in governance reflects growing recognition that gender-inclusive leadership strengthens cooperative performance. Women's SHGs and federations represent important constituencies for cooperative revitalisation.

5.3 Limitations and Future Research

This review has several limitations. The evidence base remains uneven, with some districts and cooperative types better documented than others. Official functionality data may not capture substantive performance. Causal claims must be treated cautiously, given the observational nature of available evidence. The recent timing of some initiatives (WE-LAMPS launched January 2026) means long-term outcomes cannot yet be assessed. Future research should address these gaps through: (1) longitudinal studies tracking cooperative performance across governance transitions; (2) comparative analysis of districts with differing political trajectories; (3) member-level surveys measuring trust, participation, and livelihood impacts; (4) examination of newly emerging cooperative forms, including producer companies and LAMPS; and (5) analysis of how national cooperative initiatives (PACS computerisation, White Revolution 2.0) interact with state-level political dynamics.

6. Conclusion

This review has examined how political environments shape cooperative performance in West Bengal, synthesising evidence from academic studies, government data, and case reports. The findings reveal a sector marked by profound contradictions: thousands of functional societies alongside widespread dysfunction; innovative new cooperative forms alongside captured and declining institutions; political rhetoric supporting cooperation alongside practices that undermine cooperative autonomy. The political economy lens adopted here illuminates why these contradictions persist. Cooperatives are not technical instruments that can be designed and deployed irrespective of context. They are political institutions, embedded in relationships of power, resource competition, and partisan struggle. Their performance depends not only on internal governance and business models but on the character of political engagement they attract. The West Bengal experience offers both warnings and hope. The deterioration of once-vibrant PACS in Bankura warns of the damage that political capture can inflict. Yet the emergence of new cooperative forms—producer companies in Birbhum and Alipurduar, LAMPS revitalisation in Bankura and Purulia—suggests that renewal is possible. Whether these initiatives achieve lasting impact will depend on whether they can maintain member control, financial discipline, and institutional autonomy while navigating the political environments in which they operate. For scholars of political economy and development, West Bengal's cooperatives offer a continuing laboratory for studying how institutions evolve under conditions of political change. For policymakers and practitioners, they offer reminders that institutional performance requires not only technical capacity but political foundations—democratic governance, accountable leadership, and state commitment to enabling rather than capturing member-owned enterprises.

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