Co-operation is an ideal instrument for achieving economic development and securing social justice. This form of organization is, no doubt, better than the private and public sectors, for while it enjoys the advantages of both, it suffers from the disadvantages of neither. In the post-independence era, Co-operation has been recognized as an effective instrument of economic development along democratic lines particularly of rural areas. In a view of its pervasive nature and potential capacity to arouse people’s active participation in their own development, the cooperative organization has been recognized as the most ideal agent of change for the development of agriculture in particular and rural economy in general.

In its early stage, the cooperative movement was launched in India in 1904, with a very limited purpose of providing an institutional substitute for the proverbial moneylender, who exploited the peasantry in all possible ways. Thus, the cooperative movement in India started with the organization of Primary Agricultural Credit Societies. However, its progress was very slow and tardy until dawn of independence. Various factors were responsible for this state of affairs but nothing concrete was done to improve the situation until the appointment of the committee of direction of the All India Rural Credit Survey (1952-54), which came to the conclusion that “Co-operation has failed but Co-operation must succeed.”

Sugar industry being the second largest agro-based industry after textiles occupies an important place in the economy of our country. It also acts as a catalyst for rural development as it is mainly located in the rural areas. It provides employment opportunities to masses both directly and indirectly. India has been known, as the home of sugar and it was only this country where sugar cane was first grown and later on carried to other parts of the world. Even today India occupies a pride position in the production of sugar. There were 553 sugar mills in the country till 2006-07 with an annual sugar production capacity of about 185.11 lakh tonnes. Out of these 259 sugar mills with an annual sugar production capacity about 104.99 tonnes are in cooperative sector.
Haryana come into existence on 1st November 1966 as a result of bifurcation of erstwhile state of Punjab. But at present, Haryana is one of the leading states in the country with ample infrastructure for the development of economy. Haryana is not rich in mineral resources but agricultural development has taken place to a large extent. The major determinant of its development is the phenomenal growth of agriculture sector, which dominated the economic scene of Haryana particularly after the advent of green revolution.

Moreover, the number of educated unemployed persons is increasing in Haryana at fast rate. Land being limited by nature, agriculture cannot absorb the increasing work force particularly educated one. Under such conditions growth of industrial sector remains the only solution to the problem of unemployment. Processing cooperatives organized on decenterlized basis would go a long way to solve the problem of unemployment in rural areas. The best alternative for its industrialization is the setting up of agro-based industries based on the local agricultural output, like sugar mills, cotton mills spinning mills etc. The role of cooperative sector has been tremendous in upliftment of agro-based industries. Sugar industry is one of the most important industries. With this background I have made an attempt to analyse the working of cooperative sector sugar mills operating in the state of Haryana.