

**Recommendation for Inclusion of 'Cooperative' in the definition of 'Startup'**  
***To Department for Promotion of Industry and Internal Trade (DPIIT)***

The contribution of cooperatives to the state and national economy is significant. New and innovative solutions implemented by cooperatives require recognition and support from government's existing startup scheme as it could enable them to access various support services offered by the Government and face competition in the market. The cooperative model promotes sustainable and equitable economic growth and provides regular livelihoods to workers. This is consistent with the goals of Startup India.

SEWA Cooperative Federation works as an Enterprise Support System (ESS) with women-led, women-run, and women-owned enterprises in the informal economy. The aim is to support them in becoming viable - both financially and in terms of governance and decision making. We do this by providing them with services such as capacity-building, business development, communications and branding, finance management, and linkages to capital support. In the last 30 years, we have promoted 110 cooperatives, 65 of which are still active, and 88% of these are viable. This is six times the success rate of privately owned startups in India.

In our experience, when provided with resources and support, grassroots women have the potential to design contextualized, innovative solutions to address issues faced by them and their communities. For instance, Megha Agricultural Cooperative runs a one-stop centre for farmers in local villages in Tapi district in Gujarat, that not only sells farm inputs and outputs like regular vendors in agricultural business, but also provides training in agriculture and allied activities, hand-holding support, and linkages to schemes and credit to farmers. By employing local women farmers in these centres, it has also created revenue-generating avenues for the community, and provided upskilling opportunities through Federation's support.

Additionally, the COVID-19 pandemic has shown that cooperatives play an important role towards mitigating adverse effects and providing assistance to their shareholders and the larger community during crises. Like even during the ensuing economic distress, cooperatives offered relief kits, paid leave and greater livelihood security to their



employees and members<sup>1</sup>, contributing towards strengthening community resilience, worldwide<sup>2</sup>.

Given the potential of cooperatives in designing context-specific, sustainable, and people-centric business interventions that boost local economies, it is essential to increase their visibility and promote them as essential economic entities.

**In this context, we request DPIIT to include 'cooperatives' in the definition of startup.**

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<sup>1</sup> [Cooperatives and wider SSE enterprises respond to COVID-19 disruptions, and government measures are being put in place](#)

<sup>2</sup> [Cooperatives and Employment: A Global Report](#)