

INTERNATIONAL YEAR OF COOPERATIVES

NEWS: The **Union Ministry of Cooperation** organized an event to commemorate **the International Year of Cooperatives (IYC) 2025**.

- This event focused on **launching important initiatives for the development and revitalization of the cooperative sector in India**.

WHAT'S IN THE NEWS?

National Cooperative Policy 2025–2045: A Long-Term Vision

- **Futuristic Framework:** The Government of India will soon introduce a comprehensive *National Cooperative Policy* to guide the cooperative sector from **2025 to 2045**, coinciding with the 100th year of India's independence.
- **Decentralized Policy Formulation:** States will be **mandated to draft their own cooperative policies** tailored to regional needs, conditions, and cooperative strengths.
- **Deadline for States:** All state-level cooperative policies must be **announced by January 31, 2026**, to ensure nationwide uniformity in cooperative reforms.

Replication of the Gujarat Model: "Cooperation Amongst Cooperatives"

- **Successful State Model:** The **Gujarat model** of cooperative development, known for its grassroots success, will be replicated across other Indian states.
- **National Cooperative Network:** The model emphasizes **inter-cooperative linkages**, enabling smaller cooperatives to benefit from larger and better-performing ones.
- **Goal:** To build a **strong, interconnected national cooperative ecosystem** that supports economic empowerment at the local level.

Review of Progress on Key Cooperative Initiatives

- **Multi-Purpose Primary Agricultural Credit Societies (M-PACS):**
 - The event assessed the progress on forming **two lakh M-PACS**, which aim to serve as **multi-functional rural institutions** offering credit, agri-inputs, and services.
- **Dairy and Fisheries Cooperatives:**
 - Special emphasis was given to **expanding dairy and fisheries cooperatives**, key to **boosting income generation and rural service delivery**, particularly in underserved areas.
- **Grain Storage Scheme:**

- Reviewed the implementation of the **world's largest grain storage program** in the cooperative sector.
- Objective is to enhance **grain storage capacity, reduce post-harvest losses**, and strengthen food distribution networks under cooperative ownership.

UN International Year of Cooperatives 2025 (UN-IYC 2025)

- **Global Launch in India:**
 - The **official launch** of UN-IYC 2025 took place at the **ICA Global Cooperative Conference and General Assembly** in **New Delhi**.
 - This showcases India's leadership role in promoting global cooperative development.
- **UN Proclamation:**
 - On **June 19, 2024**, the **United Nations General Assembly** formally declared **2025 as the International Year of Cooperatives**, recognizing the growing importance of cooperatives in global development.

Theme and Global Significance of IYC 2025

- **Theme: "Cooperatives Build a Better World"**
 - Reflects the transformative role cooperatives play in addressing **global challenges**, such as inequality, unemployment, food security, and environmental degradation.
 - Reaffirms cooperatives' contribution toward achieving the **UN Sustainable Development Goals (SDGs)** by **2030**.
- **Socio-Economic and Environmental Role:**
 - Cooperatives are recognized for promoting **inclusive and participatory economic models**.
 - They help in **building resilient communities**, reducing social inequality, and creating **sustainable livelihood opportunities**, especially for the marginalized.

Global Institutional Support and Advocacy

- **COPAC as Host Agency:**

- The UN-IYC 2025 is being coordinated by **COPAC (Committee for the Promotion and Advancement of Cooperatives)**, a coalition of UN agencies and the **International Cooperative Alliance (ICA)**.
- **Advocacy Focus:**
 - COPAC promotes **people-centered, self-sustaining, and democratically-governed cooperative enterprises** as strategic tools for sustainable development.
 - It aims to foster global awareness and policy advocacy in favor of the cooperative movement.

How did Cooperatives Evolve in India?

- **About Cooperatives:**
 - **These are people-centred enterprises** owned, controlled, and run by and for their members to realise their **common economic, social, and cultural needs** and aspirations.
 - India has one of the **world's largest cooperative networks**, with over 800,000 cooperatives spread across various sectors like agriculture, credit, dairy, housing, and fisheries.
 - The cooperative sector's significant contributions include 20% in agricultural loans, 35% in fertilizer distribution, 31% in sugar production, 13% in wheat purchase, and 20% in paddy purchase.
- **Cooperatives in Pre-Independence Era:**
 - **First Cooperative Act in India: Indian Famine Commission (1901)** led to the enactment of the first Cooperative Credit Societies Act in 1904 followed by the (amended) Cooperative Societies Act, 1912.
 - **Maclagan Committee:** In 1915, a committee headed by Sir Edward Maclagan, was appointed to study and report whether the cooperative movement was proceeding on economically and financially sound lines.
 - **Montague-Chelmsford Reforms:** Through the **Montague-Chelmsford Reforms of 1919**, co-operation became a provincial subject which gave further impetus to the movement.
 - **Post Economic Depression, 1929:** Various committees were appointed in Madras, Bombay, Travancore, Mysore, Gwalior, and Punjab **to examine the possibilities of restructuring** the Cooperative societies.
 - **Gandhian Socialist Philosophy:** Cooperation according to **Gandhiji** was necessary for the creation of a socialistic society and complete decentralisation of power.
 - He was of the opinion that cooperation was one of the important means to empower people.

- In South Africa, **Mahatma Gandhi instituted the 'Phoenix Settlement'** as a cooperative in a socialistic pattern.
- He established the **Tolstoy Farm as a rehabilitation cooperative settlement** for the families affected by the South African freedom struggle during the period.

▪ **Cooperatives in Post- Independence India:**

- **First Five-Year Plan (1951-56):** Highlighted the promotion of cooperatives for comprehensive community development.
- **Multi-State Co-operative Societies Act, 2002:** Provides for the formation and functioning of multi-state co-operatives.
 - **Multi-State Co-operative Societies (Amendment) Act, 2022** introduced the **Co-operative Election Authority** to oversee board elections in multi-state co-operative societies.
- **97th Constitutional Amendment Act of 2011:** Established the right to form cooperative societies as a **fundamental right (Article 19)**.
 - Introduced a new Directive Principle of State Policy on Cooperative Societies (**Article 43-B**).
 - Added a new Part IX-B to the Constitution titled "The Co-operative Societies" (**Articles 243-ZH to 243-ZT**).
 - Empowered Parliament to enact laws governing **multi-state cooperative societies (MSCS)** and delegated authority to state legislatures for other cooperative societies.
- **Establishment of Union Ministry of Cooperation (2021):** Assumed responsibility for cooperative affairs, previously overseen by the Ministry of Agriculture.

▪ **Impact of Cooperatives:**

- **Empowering Marginalised Communities:** The **Amul Dairy Cooperative in Gujarat**, with over 3.6 million milk producers (many from small & marginal farms), empowers rural communities by providing fair prices for milk and fostering economic independence, particularly for women.
- **Boosting Agricultural Productivity and Marketing:** **Indian Farmers Fertiliser Cooperative Limited (IFFCO)** is the world's largest fertiliser producer. Cooperatives like IFFCO provide farmers with **essential agricultural inputs** like fertilisers, seeds, and credit at competitive prices, leading to increased productivity and farm incomes.
- **Facilitating Access to Essential Services:** **Kerala State Milk Marketing Federation (Milma)**, a dairy cooperative, procures milk from farmers and supplies it

to consumers in Kerala at affordable prices. This ensures market access for producers and provides essential dairy products to the population.

- **Promoting Inclusive Growth and Job Creation:** A NITI Aayog report highlights that **sugar cooperatives in Maharashtra** provide employment to over 5 lakh people (direct and indirect), contributing significantly to rural job creation and income generation.

Government Initiatives to Strengthen Cooperatives

- **Umbrella Organization for UCBs:** RBI has accorded approval to the National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) for the formation of an Umbrella Organization (UO) for the UCB sector, which will provide necessary IT infrastructure and operation support to around 1,500 UCBs.
- **Ensuring Transparency and Sustainability:**
 - **Model Bye-Laws** for PACS making them multipurpose, multidimensional and transparent entities.
 - **World's Largest Decentralised Grain Storage Plan (2023)** in the Cooperative sector.
 - The government aims to ensure **every panchayat has a PACS by 2029**, fulfilling Prime Minister Modi's vision of 'Sahkar se Samridhi' (Prosperity through Cooperation).
- **Other Initiatives:**
 - National Cooperative Database for authentic and updated data repository.
 - Issuance of Rs 2000 crore bonds by **National Cooperative Development Corporation (NCDC)** for cooperative welfare.
 - Inclusion of Cooperatives as 'buyers' on the GeM portal.
 - Expansion of NCDC to increase its range and depth.
 - **National Cooperative Organic Limited (NCOL)** was established to promote organic farming and ensure fair pricing.
 - Launch of **Bharat Organic Atta**.

What are the Challenges Faced by the Cooperatives?

- **Governance Challenges:** Cooperatives struggle from the challenges of lack of transparency, accountability, and democratic decision-making processes.
 - Limited member participation, inadequate representation of marginalised communities, and concentration of power within a few individuals can undermine the inclusive nature of cooperative enterprises.

- **Limited Access to Financial Resources:** Many cooperatives, particularly those serving marginalised communities, face challenges in accessing financial resources. They often lack collateral or formal documentation required by traditional financial institutions, making it difficult to obtain loans.
- **Socio-economic Disparities and Exclusion:** Cooperatives often face issues related to lack of inclusivity, existence of structural inequalities etc.
- **Infrastructural Constraints:** Infrastructural constraints and lack of connectivity affects their efficiency and effectiveness leading to limited outreach.
- **Lack of Technical and Managerial Capacities:** Lack of training and skill development initiatives is another challenge that leads to outdated human resources.
- **Social and Cultural Factors:** Lack of awareness about the cooperative model and its benefits among potential members limits their participation.
 - In some cases, social hierarchies and caste-based divisions create barriers for equitable participation and representation within cooperatives.

Source: <https://ddnews.gov.in/en/amit-shah-chairs-manthan-baithak-to-mark-international-year-of-cooperatives-2025/>