

COOPERATIVES: ECONOMY

NEWS: Amit Shah to lay foundation for India's first national cooperative university in Gujarat

WHAT'S IN THE NEWS?

India laid the foundation stone for its first national-level cooperative university, *Tribhuvan Sahkari University* in Anand, Gujarat, to strengthen education, research, and capacity-building in the cooperative sector.

This reflects India's vision to empower grassroots economic institutions and promote cooperative-driven development as part of Atmanirbhar Bharat.

Context

- The Union Cooperation Minister laid the foundation stone of **Tribhuvan Sahkari University (TSU)** in Anand, Gujarat.
- TSU will be India's **first national-level cooperative university**, aiming to support education and research in the cooperative sector.

What are Cooperatives?

- A **cooperative (co-op)** is a **member-owned** organization that operates on the principle of **democratic control**—one member, one vote.
- Its **objective** is to fulfil the **economic, social, or cultural needs** of its members, not to maximise profits.
- Members collectively contribute capital, take part in decision-making, and share benefits equitably.

Types of Cooperatives in India

- **Agricultural Cooperatives**
 - Provide access to **inputs** (seeds, fertilisers), marketing and equipment.
 - Sub-types include:
 - **Dairy cooperatives** (e.g., Amul)
 - **Farmers' marketing cooperatives**
 - **Fishermen cooperatives**
- **Consumer Cooperatives**
 - Offer **goods and services** at fair prices by eliminating middlemen.
 - Examples: cooperative stores, fair price shops.
- **Worker Cooperatives**

- Workers collectively **own and manage** businesses, usually in **manufacturing** or **artisanal sectors**.
- **Credit Cooperatives**
 - Provide **financial services** like savings and loans to members.
 - Includes **Cooperative Banks** and **Rural Credit Societies**.
- **Housing Cooperatives**
 - Facilitate **affordable housing** by pooling resources and managing construction/maintenance jointly.

97th Constitutional Amendment Act, 2011

- Added **Article 19(1)(c)**: Right to form cooperative societies as a **fundamental right**.
- Introduced **Article 43B** in DPSP: State shall promote cooperative societies.
- Inserted **Part IX-B (Articles 243-ZH to 243-ZT)**: Framework for regulation of cooperatives.
- Division of powers:
 - **Parliament**: Multi-State Cooperative Societies (MSCS)
 - **States**: Local cooperative societies

Role of Cooperatives in India's Economy

- **Empowerment**:
 - Empower **farmers, artisans, women, and workers** through collective bargaining and income generation.
 - Example: **Amul** supports millions of marginal dairy farmers.
- **Rural Development**:
 - 65% of India's population is rural; cooperatives are key to **credit, marketing, and supply-chain access**.
 - **Primary Agricultural Credit Societies (PACS)** serve as the first credit point in villages.
- **Promoting Self-Reliance**:
 - Encourages **local production** and reduces dependence on corporate chains or exploitative intermediaries.

Legal and Institutional Support

- **State Cooperative Societies Acts:** Govern local cooperatives.
- **Multi-State Cooperative Societies (MSCS) Act, 2002:**
 - Regulates cooperatives functioning in more than one state.
- **National Cooperative Policy, 2002:**
 - Focuses on member participation, governance reform, and financial sustainability.
- **Ministry of Cooperation** (established in 2021):
 - Focused on strengthening the cooperative movement, digitalising societies, and capacity building.

Success Stories of Cooperatives in India

- **Amul (Gujarat):**
 - India's largest dairy brand.
 - Created a **White Revolution**, turning India into the world's largest milk producer.
- **Irrigation Cooperatives (Maharashtra):**
 - Effective in **water management** and equitable irrigation distribution.
- **Kerala Cooperative Model:**
 - Strong presence across **banking, consumer goods, housing, and farming**.
 - Known for high transparency and participation.

Key Challenges

- **Weak Governance:**
 - Instances of **corruption**, mismanagement, and **political interference** reduce efficiency.
- **Limited Credit Access:**
 - Many co-ops struggle with obtaining **capital** to expand or modernize.
- **Private Sector Competition:**
 - Compete with **large companies** and multinationals with greater branding and logistics capacity.
- **Technological Gaps:**
 - **Rural cooperatives** often lack access to **modern IT systems**, impacting productivity.

Concluding Remarks

- Cooperatives form a **third economic pillar**—alongside public and private sectors—central to **inclusive growth** and **Atmanirbhar Bharat**.
- With legal empowerment, institutional support, and grassroots participation, cooperatives are vital to **rural upliftment**, **self-sufficiency**, and **democratic economic participation**.
- Establishing **Tribhuvan Sahkari University** is a step toward strengthening this model through **education, training, and innovation** in the cooperative sector.

Source: <https://www.thehindu.com/news/national/amit-shah-to-lay-foundation-for-indias-first-national-cooperative-university-in-gujarat/article69772709.ece>