



Mains Marathon

Day 9: What are the challenges faced by the cooperatives in India and discuss how the formation of the Ministry of Cooperation will act as a panacea of the problems faced by them?

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Approach / Explanation / Answer

- Introduce by defining what cooperatives are.
- Discuss the challenges faced by the cooperatives in India.
- Discuss how the Ministry of cooperation will act as a panacea for the problems faced by India.
- Conclude suitably.

Introduction

- According to the **International Labour Organisation (ILO)**, a cooperative is an **autonomous association of persons united voluntarily** to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
- There are many types of cooperatives such as **Consumer Cooperative Society, Producer Cooperative Society, Credit Cooperative Society, Housing Cooperative Society and Marketing Cooperative Society**.

Challenges

- **Mismanagement and Manipulation:**
 - A hugely large membership turns out to be mismanaged unless some secure methods are employed to manage such co-operatives.
 - In the elections to the governing bodies, money became such a powerful tool that the top posts of chairman and vice-chairman usually went to the richest farmers who manipulated the organization for their benefits.
- **Lack of Awareness:**
 - People are not well informed about the objectives of the Movement, rules and regulations of co-operative institutions.
- **Restricted Coverage:**
 - Most of these societies are confined to a few members and their operations extended to only one or two villages.
- **Functional Weakness:**
 - The Co-operative Movement has suffered from inadequacy of trained personnel.

The newly formed the Ministry of Cooperation will give impetus to the cooperative movement in India and

will help in strengthening it in the following way:

- It would help in realisation of vision “from **cooperation to prosperity**” so that cooperatives could become self-sustainable.
- **It will help in strengthening the cooperative movement** in the country and deepening its reach up to the grassroots.
- **It will promote the cooperative-based economic development models**, including the spirit of responsibility among its members to develop the country.
- **The creation of appropriate policy, legal and institutional framework** will help cooperatives realise their potential.
- **Incorporation, regulation and winding up of Co-operative societies** with objects not confined to one State including administration of ‘the Multi-State Co-operative Societies Act, 2002 (39 of 2002)’. Provided that the administrative Ministry or Department shall be ‘the Central Government’ for the purpose of exercising powers under the Multi-State Co-operative Societies Act, 2002 (39 of 2002), for Co-operative units functioning under its control.
- **Training of personnel of co-operative departments** and co-operative institutions (including education of members, office bearers and non-officials).

Conclusion

- Various studies conducted by institutions like Vaikunth Mehta Institute of Cooperative Management have shown the cooperative structure has managed to flourish and leave its mark only in a handful of states. Under the new Ministry, the cooperative movement would get the required financial and legal power needed to penetrate into other states also
- Over the years, the cooperative sector has witnessed drying out of funding. under the new Ministry, the cooperative structure would be able to get a new lease of life.

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