

The Evolution of Cooperatives: A Pillar of Socio-Economic Development

Cooperatives have played a transformative role in fostering economic empowerment, social inclusion, and sustainable development across the world. Rooted in the principles of mutual aid and self-reliance, the cooperative movement has evolved over centuries, adapting to changing economic and social conditions. Today, cooperatives operate in diverse sectors, including agriculture, banking, consumer goods, healthcare, housing, and technology.

Evolution of Cooperatives

The **origins of the cooperative movement** can be traced back to the **Rochdale Pioneers** in England in 1844. This group of workers established the first successful cooperative society, laying down the **Rochdale Principles** of cooperation, which include **voluntary membership, democratic control, economic participation, autonomy, education, and concern for the community**.

In **India**, the cooperative movement began in the late **19th century** to address challenges faced by farmers and artisans, particularly in accessing credit. The **Co-operative Credit Societies Act, 1904**, passed during British rule, marked the formal beginning of cooperatives in India. Post-independence, the **All India Rural Credit Survey (1951)** emphasized the role of cooperatives in rural credit delivery. The **Green Revolution** further highlighted their importance in **agriculture and food security**.

Today, India has **over 8.5 lakh cooperative societies** operating in various sectors, including **agriculture, dairy, fisheries, credit, housing, and industry**. Prominent cooperative organizations like **Amul, IFFCO, KRIBHCO, and NAFED** have set global benchmarks.

Advantages of Cooperatives

Cooperatives offer numerous economic and social benefits, making them a **viable alternative to capitalist and state-controlled enterprises**.

1. Economic Empowerment and Financial Inclusion

- Cooperatives provide **credit and financial services** to farmers, artisans, and small businesses, ensuring access to capital.
- They eliminate the **exploitation of middlemen**, helping members secure fair prices for their products.

2. Employment Generation

- Cooperatives employ **over 280 million people globally**, contributing significantly to rural employment.
- In India, **Amul and IFFCO** have created **millions of direct and indirect jobs**.

3. Democratic Control and Collective Decision-Making

- Unlike corporations, cooperatives follow a **democratic governance model** where each member has **one vote**, ensuring equal participation.

4. Sustainable and Community-Oriented Development

- Cooperatives prioritize **local needs** and reinvest profits into the community.
- They promote **sustainable agricultural practices, renewable energy, and ethical trade**.

5. Women Empowerment and Social Inclusion

- Cooperatives have played a crucial role in **empowering women**, particularly through **self-help groups (SHGs) and dairy cooperatives**.
- Organizations like **Lijjat Papad** showcase how cooperatives can uplift marginalized communities.

Constitutional Provisions Related to Cooperatives in India

The **importance of cooperatives in India** is recognized under the **Constitution**, ensuring their democratic functioning and legal protection.

1. 97th Constitutional Amendment (2011)

The **97th Amendment Act** gave constitutional status to **cooperative societies**, adding:

- ☐ **Article 19(1)(c)** – Right to form cooperative societies as a **fundamental right**.
- ☐ **Article 43B** – States must **promote cooperative societies** as part of **Directive Principles of State Policy (DPSP)**.
- ☐ **Part IXB** – Provides a **framework for governance, elections, and autonomy** of cooperatives.

2. State Laws on Cooperatives

- **Cooperative societies fall under the State List (Entry 32, List II)**, allowing states to regulate them.
- Some states have their own cooperative laws, while others follow the **Multi-State Co-operative Societies Act, 2002**.

Ministry of Cooperation: Strengthening the Cooperative Movement

In **2021**, the **Government of India** created the **Ministry of Cooperation**, recognizing the need for a **dedicated authority to regulate and promote cooperatives**. The ministry, led by **Union Home Minister and Minister of Cooperation Amit Shah**, focuses on:

- ☐ **Strengthening the legal framework** to ensure transparency and efficiency.
- ☐ **Modernizing cooperatives** through **digitalization and financial reforms**.
- ☐ **Expanding cooperatives into new sectors**, including **organic farming, fisheries, and exports**.
- ☐ **Promoting women-led cooperatives** and improving **PACS (Primary Agricultural Credit Societies)**.
- ☐ **Setting up a National Cooperative University** to provide training and research in cooperative governance.

United Nations' International Year of Cooperatives 2025

The **United Nations (UN)** has declared **2025 as the International Year of Cooperatives**, recognizing the **vital role of cooperatives in global economic development**.

Why is 2025 Important for Cooperatives?

- ☐☐ **Global Recognition** – The UN acknowledges cooperatives as **key drivers of sustainable development**.
- ☐☐ **Poverty Reduction** – Cooperatives uplift **farmers, small entrepreneurs, and marginalized communities**.
- ☐☐ **Financial Inclusion** – They ensure **access to credit and fair wages**.
- ☐☐ **Social and Economic Resilience** – Cooperatives promote **community-based economic models** that withstand global crises.

India's Role in International Year of Cooperatives 2025

India has **one of the world's largest cooperative networks**. The **Global Cooperative Conference 2024**, inaugurated by **Prime Minister Narendra Modi**, marked the official launch of the **International Year of Cooperatives 2025**.

PM Modi emphasized:

- **Expansion of 2 lakh new PACS to cover every village.**
- **Introduction of a new National Cooperative Policy.**
- **Encouraging exports of Indian agricultural products through cooperatives.**

Conclusion: The Future of Cooperatives

The cooperative movement has **stood the test of time**, evolving into **a global force for economic democracy and social justice**. With **government support, legal protection, and technological advancements**, cooperatives are set to play an even **greater role in inclusive and sustainable development**.

As the **world gears up for the UN's International Year of Cooperatives 2025**, India's cooperative model serves as **an inspiration for nations worldwide**, reinforcing the principle that **cooperation is key to prosperity**.

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