

CMA's

JOURNAL COOPERATIVE DIGEST

DECEMBER

Volume
6

Pages
88



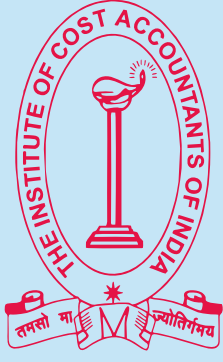
ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA

भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament

(Under the Jurisdiction of Ministry of Corporate Affairs)





ICMAI

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA



भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament

(Under the Jurisdiction of Ministry of Corporate Affairs)

Vision Statement

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

Mission Statement

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

Institute Motto

असतोमा सद्गमय
तमसोमा ज्योतिर् गमय
मृत्योर्मा मृतं गमय
ॐ शान्ति शान्ति शान्तिः

From ignorance, lead me to truth
From darkness, lead me to light
From death, lead me to immortality
Peace, Peace, Peace

Behind every successful business decision, there is always a **CMA**

THE COUNCIL (2023 - 2027) OF THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in



CMA T C A Srinivasa Prasad
President



CMA Neeraj Dhananjay Joshi
Vice President



CMA Bibhuti Bhusan Nayak



CMA Ashwin G. Dalwadi



**CMA (Dr.) Ashish Prakash
Thatte**



**CMA Chittaranjan
Chattopadhyay**



**CMA (Dr.) K Ch A V S N
Murthy**



**CMA Manoj Kumar
Anand**



**CMA Navneet Kumar
Jain**



**CMA Harshad Shamkant
Deshpande**



**CMA Rajendra Singh
Bhati**



**CMA Suresh Rachappa
Gunjalli**



CMA Avijit Goswami



CMA (Dr.) V. Murali



CMA Vinayaranjan P



ICMAI
**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**

भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament

(Under the Jurisdiction of Ministry of Corporate Affairs)





ICMAI
THE INSTITUTE OF COST
ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament (Under the
jurisdiction of Ministry of Corporate Affairs)



**International Year
of Cooperatives**
2025
Cooperatives Build
a Better World

2025: International Year of Cooperatives

**Co-operative Development Board of The Institute of Cost
Accountants of India**

Celebrates

International Year of Cooperatives - 2025



CMA TCA Srinivasa Prasad
President, ICMAI



CMA Neeraj Dhananjay Joshi
Vice President, ICMAI



CMA Navneet Kumar Jain
Chairman
Co-operative Development Board, ICMAI

Behind every successful business decision, there is always a CMA

Contents



INSIDE

1. From the President's Desk 1
2. From the Chairman's Desk 3
3. About the Institute 5
4. New National Cooperative Policy 2025 7

ARTICLES

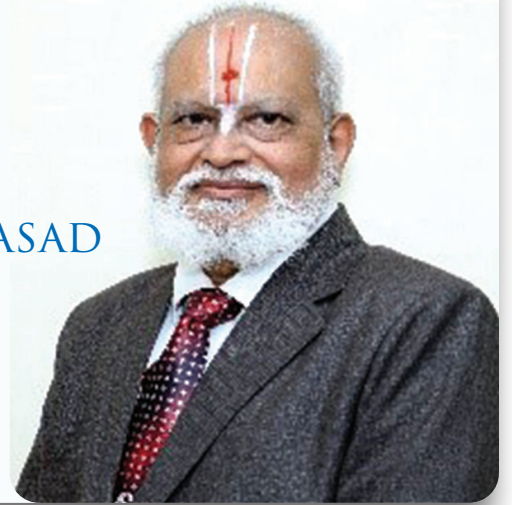
5. Cooperatives in Digital Inclusion: A Pathway to Sustainable Growth 9
6. Cooperatives Build a Better World: Celebrating the International Year of Cooperatives 2025 17
7. National Cooperation Policy – 2025: A Holistic Vision of Cooperative Progress 22
8. Issues and Implications of Digitisation of Cooperative Societies 34
9. Cooperative turns into a Mission – Introspection on Marketing Cooperatives 43
10. Redefining PACs: A Multi Sectoral Analysis of Growth, Challenges and Opportunities 48
11. Transforming Cooperatives through Artificial Intelligence: A Roadmap for India's Digital Future in the International Year of Cooperatives 2025 57
12. People Before Profits: Redefining Economic Democracy through India's Cooperative Model 66
13. Highlights 74

From the President's Desk

CMA TCA SRINIVASA PRASAD

President

The Institute of Cost Accountants of India



Dear Esteemed Readers,

Marking a historic milestone, the year 2025 has been declared as the International Year of Cooperatives by the United Nations and has also witnessed the adoption of India's New National Cooperative Policy. This dual recognition underscores the vital role of cooperatives in fostering inclusive and sustainable growth, positioning them as indispensable partners in advancing the Sustainable Development Goals.

The New National Cooperative Policy 2025 presents a forward-looking roadmap focused on enhancing governance, fostering professionalism, accelerating digital transformation and promoting inclusivity across the cooperative ecosystem. Its vision is to empower cooperatives to become more competitive, resilient and member-centric, while aligning their growth trajectory with the broader national development agenda.

As Cost Accountants (CMAs), our professional acumen places us in a unique position to contribute meaningfully to this vision, by reinforcing cost efficiency, ensuring transparency, upholding accountability and nurturing sustainable financial management within the cooperative sector.

In this context, this journal serves as a valuable platform, curating insightful articles and research that encourage knowledge sharing, inspire innovation and drive excellence in cooperative management.

May this edition enrich your understanding and provide a rewarding reading experience.

Jai Hind!



CMA TCA Srinivasa Prasad

President

The Institute of Cost Accountants of India

From the Chairman's Desk

CMA NAVNEET KUMAR JAIN

Chairman

Cooperative Development Board
The Institute of Cost Accountants of India



Dear Professional Colleagues,

It is with great pride and optimism that I address you through the 6th Volume of the Quarterly Journal: “CMA’s Cooperative Digest” dedicated to illuminating the vital role of Cost and Management Accountants in strengthening India’s cooperative ecosystem. Through its editions, this journal has emerged as a catalyst for knowledge-sharing, innovation, and collective growth in the cooperative sector.

Rooted in India’s journey of inclusive growth, the cooperative movement has consistently empowered communities, encouraged self-reliance, and built resilient local economies. To modernize the cooperative framework and unleash its potential, the Government of India has introduced the New National Cooperative Policy 2025. This policy is designed to strengthen governance and

promote professionalism, ultimately helping cooperatives become a more powerful force for rural prosperity, job creation, and economic empowerment.

As the world celebrates the International Year of Cooperatives 2025, we're excited to be a part of it. The Cooperative Development Board observed the month of July as the "Month of Cooperatives" and took initiatives to involve all Regional Councils and Chapters of the Institute to undertake meaningful activities for the observance for PAN India celebrations. There has been a good response to the same as we see many Chapters participating in the celebrations in different manner. CDB organized its first State Level Programme at Sikkim in the month of June 2025 and a One-day joint Training Program with the Sikkim State Cooperative Union (SICUN) on the topic "Financial Governance and Accountability in Cooperatives." Further, CDB is coming up with Research Studies and Concept Note on various Cooperative Sectors very soon.

Through this journal, we endeavor to present insightful articles, research papers, and practical case studies that shed light on emerging trends, new national cooperative policies, which embodies a holistic vision — uniting agriculture, industry and services under a single cooperative framework, digital inclusion for sustainable growth which ensures that the digitization of cooperatives strengthens, not sidelines our core cooperative principles of trust, participation, and inclusiveness. As we look toward the digital future, Artificial Intelligence offers transformative potential for cooperatives — from predictive analytics in agriculture to smarter supply chain management. Each contribution deepens our collective knowledge and encourages us to explore new avenues for sustainable and equitable development.

I would like to invite our members to contribute to our journal by submitting articles, research papers, and case studies on cooperatives. Your valuable insights and experiences will help enrich the content of the journal, promote knowledge sharing, and strengthen the cooperative movement. Kindly share your submissions for consideration in the upcoming issue.

As we conclude, I express my deep gratitude to every contributor and reader who has made this edition possible. The International Year of Cooperatives 2025 offers us an opportunity to dedicate ourselves to the cooperative movement, ensuring it continues to serve as a powerful engine of inclusive development and sustainable progress.

I hope this edition brings you both insight and enjoyment in your reading.



CMA Navneet Kumar Jain

Chairman

Cooperative Development Board

The Institute of Cost Accountants of India



About the Institute

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA (ICMAI)

- **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA** (erstwhile The Institute of Cost and Works Accountants of India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.
- The Institute of Cost Accountants of India is a premier professional body of Management Accountants in the country established on 28th May, 1959 under the Cost and Works Accountants Act, 1959 enacted by the Parliament in 1959 as ICWAI to regulate the profession of Cost and Management Accountancy in India.
- The Institute has been recognized by the Parliament as The Institute of Cost Accountants of India, w.e.f. 1st Feb, 2012.
- The Institute is governed by a Council in accordance with the provisions of the Cost and Works Accountants Act, 1959 as may be amended from time to time and Rules and Regulations framed thereunder.
- The Institute as a part of its obligation to regulate the profession of Cost and Management Accountancy, enrolls students for Cost Accountancy course, provides coaching facilities to the students, organizes professional development programmes for the members and undertakes research programme in the field of Cost and Management Accountancy.
- The Institute is having 112 Chapters, 11 Overseas Centres and 4 Regional Councils under the administrative control of Ministry of Corporate Affairs, Government of India.
- Over the years the Cost and Management Accountancy profession has registered a tremendous growth and has occupied a prominent role in our economy and society. The Institute has more than 6,00,000 students and more than 1,00,000 qualified members.
- The Institute is a founder member of International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA). The Institute is also an Associate Member of ASEAN Federation of Accountants (AFA) and member in the Council of International Integrated Reporting Council (IIRC), UK.
- The Institute is the largest CMA body in the Globe.

Objectives of the Institute

- To develop the Cost and Management Accountancy function as a powerful tool of management control in all spheres of economic activities.
- To promote and develop the adoption of scientific methods in Cost and Management Accountancy.

- To develop the professional body of members and equip them fully to discharge their functions and fulfil the objectives of the Institute in the context of providing financial leadership of enterprises globally.
- To keep abreast of development in Cost and Management Accounting principles and practices, to incorporate such changes as essential for creating value for the industry and other economic activities.
- To exercise supervision over the entrants to the profession and to ensure strict adherence to the best ethical standards by the professionals.
- To organize seminars and conferences on the subjects of professional interest in different parts of the country for cross fertilization of ideas for professional growth.
- To carry our research activities covering various economic spheres and the publishing of books and booklets for disseminating information of professional interest to members in industrial, commercial and educational units in India and abroad.

CMA PROFESSION

Professional Avenues

- In today's interconnected global landscape, organizations rely on professionals like Cost and Management Accountants (CMAs) who possess specialized expertise in business strategy and value creation. Serving as the bedrock of enterprises, the comprehensive education and training provided by the Institute equip Cost and Management Accountants with multifaceted skills. CMAs play a pivotal role across diverse economic activities, serving as value creators, enablers, preservers and reporters.
- The demand for CMAs spans various sectors including government, private enterprises,

banking and finance, developmental agencies, education, training, research, as well as service and public utility sectors. Leveraging their specialized knowledge and training, CMAs often assume top management positions in both public and private enterprises, such as Chairman cum Managing Directors, Managing Directors, Finance Directors, Chief Financial Officers, Cost Controllers, Marketing Managers, Chief Internal Auditors and other significant roles.

- Entrepreneurial CMAs managing their own businesses effectively assume the roles of managers and accountants, enabling them to control and grow their ventures. The career trajectory for a CMA offers ample opportunities for advancement, with sustained demand for qualified and experienced professionals in India and abroad across various industries and government departments. Many Institute members also engage in providing professional cost consultancy services and teaching cost and management accountancy in reputed universities and colleges.
- Cost accountancy surpasses financial accounting by promoting the study and implementation of scientific methods to maximize efficiency in industrial, commercial and other domains. Unlike financial accounting, which primarily relies on retrospective data analysis, cost accounting facilitates real-time monitoring and regulation of production operations and processes, enhancing management and strategic decision-making.
- Within organizations, CMA members of the Institute serve as integral members of management teams, fulfilling roles as Cost Auditors, Internal Auditors, Auditors for GST, Excise, SEBI, NSDL, and other regulatory bodies, as well as serving as advisors and consultants in practice.



New National Cooperative Policy 2025

The New National Cooperative Policy 2025–2045, introduced by the Ministry of Cooperation under the leadership of Union Minister Amit Shah, represents a landmark initiative to rejuvenate India’s cooperative sector over the next twenty years. Replacing the 2002 framework, the policy envisions cooperatives as catalysts for inclusive, sustainable, and self-reliant rural development. Its key objectives include establishing at least one cooperative in every village within five years, setting up two lakh new Primary Agricultural Credit Societies (PACS) by February 2026, and expanding cooperative membership to nearly 50 crore people. The policy

also aspires to triple the cooperative sector’s contribution to the national GDP by 2034. Structured around six strategic pillars, it focuses on creating model cooperative villages, ensuring professional and transparent governance, diversifying into emerging sectors such as

renewable energy, tourism, and transport, promoting digital transformation, empowering youth and women, and strengthening institutional mechanisms for implementation and oversight. To achieve these goals, a National Steering Committee and an Implementation & Monitoring Committee will guide the process, while states are expected to align their cooperative policies with the national framework by January 2026. Through

Six Pillars of the National Cooperative Policy – 2025



Strengthening the Foundation



Promoting Vibrancy



Preparing Cooperatives for the future



Enhancing inclusivity and Expanding Reach



Expanding into New Sectors



Preparing the Younger Generation for Cooperative Development

its emphasis on democratic participation, innovation, and accountability, the policy seeks to make cooperatives a driving force for rural prosperity, financial inclusion, and entrepreneurship. Despite its promise, successful execution will depend on overcoming challenges like uneven state capacities, governance issues, resource mobilization, and rural digital readiness. Ultimately, the policy supports the broader vision of Viksit Bharat 2047, positioning cooperatives as pivotal agents of an inclusive and resilient national economy.

Cooperatives in Digital Inclusion: A Pathway to Sustainable Growth



DR. DILEEP KUMAR S. D.
Assistant Professor & Coordinator
PG Department of Commerce (M.Com)
PES Institute of Advanced Management Studies

ABSTRACT:

Cooperatives have emerged as pivotal engines of inclusive and sustainable growth, especially in rural India. Rooted in democratic values, they empower marginalized communities while promoting economic resilience, social equity, and environmental stewardship. The digital revolution is transforming cooperatives through improved governance, financial inclusion, and supply chain efficiency. However, challenges like infrastructure deficits, digital illiteracy, and



MR. ABDUL WAHAB
Assistant Professor and HOD
Department of Commerce
Government First Grade College
Pashchapura, Hukkeri (TQ), Belagavi (Dist.)

financial constraints persist. With targeted policy support, strategic partnerships, and grassroots capacity building, digitalized cooperatives can significantly contribute to India's development goals and the United Nations' Sustainable Development Goals. In this dynamic background, this paper explores the synergy between cooperatives and digital inclusion as a pathway to a resilient and equitable Viksit Bharat @2047.

Introduction

Cooperative societies have emerged as resilient and inclusive models for promoting sustainable growth, especially in rural and underserved communities. Rooted in principles of democratic governance, mutual aid, and shared ownership, cooperatives offer a unique mechanism for balancing economic viability with social responsibility. In recent years, their role in sustainable development has been significantly enhanced by embracing digital tools, community-based innovations, and green practices. However, these societies contribute to economic sustainability by enabling members often small farmers, artisans, and entrepreneurs to access affordable credit, pooled resources, fair markets, and shared infrastructure. Similarly, agricultural cooperatives, for example, improve productivity through shared access to inputs and technology, while dairy and marketing cooperatives ensure fair prices and market reach. By way of reinvesting surplus earnings back into the community, cooperatives promote local economic resilience and reduce income inequalities.

From a social sustainability standpoint, cooperatives empower marginalized groups particularly women, youth, and the poor by providing opportunities for participation, leadership, and skill development. Through education, health support, and financial inclusion, cooperatives create pathways to upward mobility and social cohesion. They also serve as effective platforms for delivering government welfare schemes and promoting collective decision-making at the grassroots level. Even, in case of environmental sustainability, these are increasingly adopting eco-friendly practices. Many of them engage in organic farming, renewable energy generation, and sustainable natural resource management. For instance, farmer cooperatives are now integrating climate-smart agricultural practices and water conservation techniques to ensure long-term ecological balance.

Moving forward, the advent of digital technology has further empowered cooperatives to scale their impact. Digital platforms facilitate transparent governance, efficient operations, real-time financial transactions, and broader outreach. E-commerce, mobile apps, and cloud-based solutions are helping cooperatives connect rural producers directly with consumers, reducing middlemen and enhancing profitability. In spite of many benefits, they also face some challenges such as limited digital infrastructure, lack of technical skills, and regulatory hurdles. Addressing these requires targeted investments, public-private partnerships, and robust policy support to build digital capacity and organizational efficiency.

In the view of the above, cooperatives are proving to be powerful engines of sustainable growth by fostering inclusive development, economic empowerment, and environmental stewardship. With the right support systems and digital transformation, cooperatives can significantly contribute to national development goals and global sustainability agendas, including the United Nations' Sustainable Development Goals (SDGs). Their bottom-up, people-centric approach makes them vital to building a resilient and equitable future.

Indian Cooperative Sector: An Overview

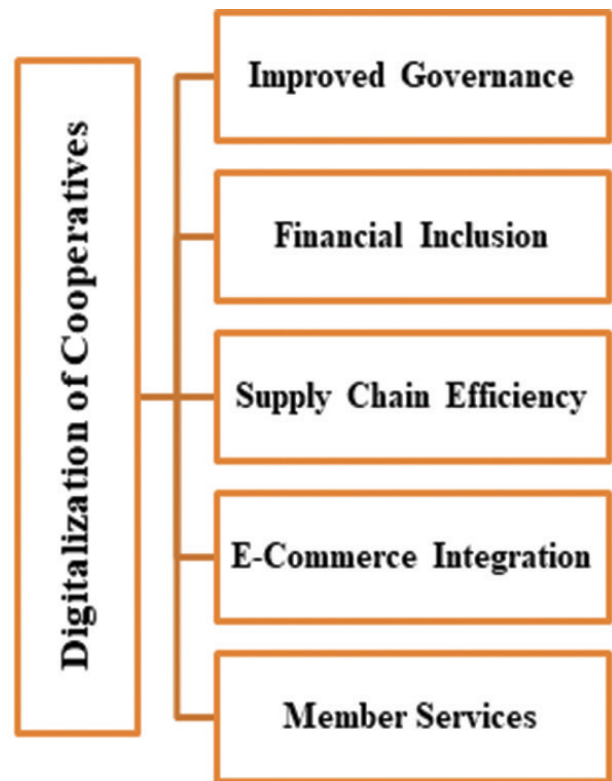
The Indian cooperative sector continues to be a cornerstone of inclusive economic development, rural empowerment, and community-driven growth. With over 8.5 lakh registered cooperatives and more than 30 crore members, India hosts one of the largest cooperative movements in the world, contributing significantly to the national economy, particularly in agriculture, credit, dairy, housing, and rural industries. In the agriculture and allied sectors, cooperatives account for about 20% of total agri-credit disbursement in India. As per (NABARD Annual Report, 2023), about 1.02 lakh Primary Agricultural Credit Societies (PACS), serve as the backbone of rural credit delivery, with plans to digitize all PACS under the Government of India's Digital Cooperative Mission. This move aims to enhance transparency and financial inclusion across rural India. Besides, Cooperatives disburse nearly 17% of total agricultural credit

and manage 35% of total fertilizer distribution, underlining their vital role in food security and rural supply chains. Additionally, the dairy cooperatives led by giants like Amul contribute over 22% to India's total milk production and also contribute more than 60% of the organized milk procurement, directly benefiting over 17 million milk producers, most of whom are small-scale farmers and women, helping India maintain its position as the world's largest milk producer.

Again, in the urban cooperative banking and credit society segments, cooperative banks hold a total asset base of approximately ₹. 11 lakh crore (RBI Annual Report, 2023), and serve millions of low and middle-income customers who are often outside the formal banking network. Moreover, cooperative housing societies have significantly contributed to affordable housing in cities, especially in Maharashtra, Gujarat, and Delhi, with over 2.3 lakh housing cooperatives registered as of early 2024. Further, the Fisheries Cooperatives and Women's Cooperatives are playing an increasing role in financial inclusion, livelihood generation, and gender empowerment.

In this contextual, the Government's recently launched of the Ministry of Cooperation (2021) and subsequent digital initiatives including the Computerization of PACS (₹. 2,516 crore project) aim to modernize cooperative infrastructure, promote transparency, and improve governance. Additionally, under the National Cooperative Database project, real-time tracking of cooperatives' performance and

resources is enabling data-driven policy support. Despite its achievements, the sector faces challenges such as governance inefficiencies, political interference, and capacity gaps. Thus, the Multi-State Cooperative Societies (Amendment) Act, 2023, and the establishment of a separate Ministry of Cooperation reflect the Government's intent to strengthen this vital sector through reform, transparency, and digital empowerment. With increasing emphasis on digitalization, financial reforms, and sustainable practices, the Indian cooperative sector is poised for a transformational leap. Enhanced professionalization, capacity building, and cooperative-friendly policies will be key to leveraging this vast network for achieving inclusive growth and contributing to India's vision of Viksit Bharat @2047.



Cooperatives and Digital Inclusion: Synergy Benefits

The synergy between cooperatives and digital inclusion holds transformative potential for fostering inclusive, equitable, and sustainable development. However, Cooperatives democratically governed, member-driven institutions have deep roots in rural and semi-urban communities. When integrated with digital technologies, they can serve as powerful enablers of last-mile connectivity, financial inclusion, and grassroots empowerment. In this backdrop, how the role of digital transformation is reshaping the cooperative sector and they are identified below (Figure – 1) followed by a brief analysis of the same.

- Improved Governance:** Digital platforms are revolutionizing the governance structure of cooperatives. For instance, under the Computerization of PACS (Primary Agricultural Credit Societies) scheme launched in 2022, more than 63,000 PACS across India are being digitized with Management Information Systems (MIS). This allows for real-time monitoring of operations, loan disbursements, and inventory management, drastically improving transparency and decision-making. Additionally, cooperatives in Kerala and Maharashtra have adopted e-voting systems for member elections, ensuring broader participation, reducing election-related disputes, and cutting costs.

- **Financial Inclusion:** Several cooperative banks, like the Navi Mumbai Co-operative Bank and Saraswat Bank, have integrated UPI services, mobile banking apps, and digital wallets to reach rural and semi-urban populations. In 2023, the National Federation of Urban Cooperative Banks and Credit Societies (NAFCUB) reported a 22% increase in digital transactions among its member banks. This shift enables cooperative members, especially in Tier-2 and Tier-3 cities, to access fast, secure, and paperless banking services.
- **Supply Chain Efficiency:** The Niti Aayog and NDDB (National Dairy Development Board) have piloted blockchain projects in dairy cooperatives to track milk from production to distribution. Similarly, the Agri10x platform is being used by farmer cooperatives in Maharashtra and Gujarat to ensure farm-to-fork traceability of produce, improving buyer confidence and ensuring quality compliance for exports.
- **E-Commerce Integration:** Platforms like Tribes India, eNAM (National Agriculture Market), and Amazon Saheli have partnered with rural and women-led cooperatives to market handlooms, handicrafts, spices, and organic produce. Since 2023, Amul and Nandinidairy cooperatives enhanced their e-commerce presence through app-based ordering and local delivery networks, increasing customer reach and profitability.
- **Member Services:** Mobile apps like SahakarPragya (by NCDC) and eSahakar

provide cooperative members with access to training modules, government schemes, grievance redressal, and cooperative updates. These apps are especially beneficial for youth and women in SHGs and self-employed groups, promoting financial literacy and digital engagement.

Challenges/Operational Constraints in Digitalizing Cooperatives

Despite the transformative potential of digital technologies, cooperatives especially in rural and semi-urban areas face several structural and behavioral barriers to full-scale digital adoption. These challenges must be systematically addressed to unlock the true benefits of digital inclusion.

- **Infrastructure Deficits:** One of the primary barriers is the lack of reliable internet connectivity and electricity, particularly in remote regions. According to TRAI (2023), internet penetration in rural India is still below 40%, and power outages remain frequent in many states. Without a stable infrastructure, digital platforms and services become unreliable and underutilized.
- **Digital Literacy Gap:** A significant portion of cooperative members, especially elderly individuals and women, lack the basic digital skills required to navigate apps, online portals, or digital banking tools. Moreover, the scarcity of vernacular content and interfaces in local languages limits

accessibility and adoption. According to the NSSO survey (2022), only 15% of rural females in India are digitally literate.

- **Financial Constraints:** Many cooperatives operate on thin margins and lack the financial resources to invest in digital tools, hardware, staff training, or cybersecurity infrastructure. Upfront costs related to software licenses, IT equipment, and training programs remain prohibitive, particularly for smaller PACS and self-help groups.
- **Cybersecurity Risks:** As cooperatives go digital, they become vulnerable to data breaches, phishing, and online fraud. However, the awareness and preparedness to manage cybersecurity risks are low. Most cooperatives lack dedicated IT personnel and do not follow standardized protocols for data privacy or digital transactions.
- **Resistance to Change:** There is often a cultural and generational resistance within cooperatives, where both leadership and members prefer traditional paper-based systems. A lack of trust in digital processes, fear of errors, and perceived complexity deter adoption, even when digital solutions are introduced.

Enabling Smart Cooperatives: A Strategy Framework

To fully unlock the potential of cooperatives in advancing digital inclusion and driving sustainable growth, a strategic and inclusive approach is essential. The following key

recommendations/strategies aim to create an enabling environment for cooperative digitalization.

- Robust digital infrastructure is the foundation of digital transformation. The government should promote **public-private partnerships (PPP)** to expand **internet connectivity and mobile network coverage** in rural and underserved areas. Collaborations with telecom providers and satellite internet initiatives like **BharatNet** and **Starlink** can accelerate last-mile connectivity for cooperative societies.
- Digital empowerment must go hand-in-hand with digital access. **Digital skills training should be integrated into cooperative training and capacity-building programs**, with a special focus on **women, elderly members, and rural youth**. Use of local languages and audiovisual content will make learning inclusive and accessible.
- To overcome financial barriers, the government should establish a **dedicated Digital Cooperative Development Fund**, supported by budgetary allocations, **CSR contributions**, and **development finance institutions**. This fund can provide grants or subsidized loans for cooperatives to invest in IT infrastructure, digital tools, and capacity-building.
- Encourage partnerships between **technology startups and cooperatives** to co-create solutions in areas such as **AgriTech (crop advisory, weather forecasting)**, **FinTech**

(digital credit, insurance), and EduTech (member training, governance tools). Platforms like Startup India and Digital India Innovation Hub should prioritize cooperative-led pilots and scale-up projects.

- With rising digital adoption comes increased risk. **Cybersecurity awareness campaigns, training toolkits, and regulatory guidelines** should be made available to cooperatives to ensure **safe, ethical, and resilient digital practices**. Support from state IT departments and cyber cells can help build localized cyber-resilience.

Conclusion

Cooperatives, as democratic, community-led institutions, are proving to be pivotal engines of sustainable growth by aligning inclusive economic development with environmental responsibility and social empowerment. Their integration with digital technologies has catalyzed a transformation enhancing transparency, financial inclusion, and last-mile service delivery. From empowering small farmers through AgriTech to connecting artisans to e-commerce platforms, cooperatives are bridging development gaps while ensuring grassroots participation. India's expansive cooperative network, supported by recent reforms and digital missions, stands at the threshold of a new era. However, overcoming digital divides, governance inefficiencies, and resource constraints remains critical. By investing in infrastructure, digital literacy, and

cooperative-led innovations, policymakers can harness their full potential. **Strengthened by the synergy of technology and community spirit, cooperatives can play a decisive role in achieving *Viksit Bharat @2047* and the UN Sustainable Development Goals building a future that is equitable, resilient, and environmentally sustainable.**

References

- <https://ica.coop/en>
- <https://news.sap.com/india/2022/05/amul-digital-transformation-journey-india/>
- <https://www.amul.com/m/a-note-on-the-achievements-of-the-dairy-cooperatives>
- <https://www.cooperation.gov.in/>
- <https://www.india.gov.in/digital-india-programme>
- <https://www.nabard.org/EngDefault.aspx>
- <https://www.nabard.org/pdf/2024/cooperatives-tackling-challenges-building-opportunities.pdf>
- <https://www.nabard.org/pdf/2024/version-final.pdf>
- <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2039068>
- <https://www.rbi.org.in/>
- <https://www.undp.org/digital/Digital-Strategy>
- Kaurav, P. (2025). DRIVING INNOVATION

IN COOPERATIVE SOCIETIES:
A PATHWAY TO SUSTAINABLE
DEVELOPMENT. *General Academic
Journals-P-ISSN 3050-8711 and E-ISSN
3050-872X, 1(2), 01-09.*

- SD, D. K., & Manjunatha, H. R. (2023).
Innovation and Technology For Making

Indian Cooperatives Future-Ready. *The
Management Accountant Journal, 58(8),
48-51.*

- Thakur, S. C. (2024). Credit Cooperatives
and Income Growth. *International IT
Journal of Research, ISSN: 3007-6706, 2(4),
90-101.*

Cooperatives Build a Better World:

Celebrating the International Year of Cooperatives 2025

INTRODUCTION

Cooperatives have been a vital part of the global socio-economic fabric for over a century, empowering individuals and communities by promoting democratic participation, shared ownership, and equitable growth. Since the United Nations first declared 2012 as the International Year of Cooperatives (IYC), the global cooperative movement has received renewed attention for its role in sustainable development and poverty alleviation. Now, in 2025, the UN has once again designated the year as the International Year of Cooperatives, emphasizing the theme



DR. U. HOMIGA

Faculty
NICM, Chennai

“Cooperatives Build a Better World.” This renewed focus recognizes cooperatives as essential contributors to building inclusive, resilient, and sustainable economies worldwide.

This article explores the significance of IYC 2025, highlighting the global objectives, the role of cooperatives in achieving sustainable development goals (SDGs), the efforts by countries like India to strengthen cooperatives, and the challenges and opportunities facing the cooperative movement today.

The Theme of IYC 2025: “Cooperatives Build a Better World”

The theme of the International Year of Cooperatives 2025 underscores the transformative potential of cooperative enterprises. Cooperatives are uniquely positioned to address some of the most pressing global challenges, including inequality, unemployment, and environmental degradation. By fostering democratic governance, equitable wealth distribution, and community-driven development, cooperatives embody the principles needed for a better and fairer world.

In an era marked by rapid technological change and social upheaval, cooperatives offer a model that balances economic efficiency with social justice. Their member-centric approach promotes economic participation across diverse populations, including marginalized groups, women, and youth. Thus, the 2025 theme aligns cooperatives with the global agenda for inclusive growth and sustainable development.

Objectives and Goals of IYC 2025

The International Year of Cooperatives 2025 seeks to achieve several key objectives:

- **Raise Public Awareness:** Increase understanding among policymakers, business leaders, and the general public about the vital role cooperatives play in socio-economic development.
- **Promote Cooperative Growth:** Encourage the expansion of cooperative enterprises worldwide, fostering entrepreneurship and innovation within the cooperative sector.
- **Advocate Supportive Legal and Policy Frameworks:** Urge governments to establish and strengthen legal environments that enable cooperatives to thrive.
- **Inspire Leadership and Youth Involvement:** Mobilize young people and leaders to engage with cooperative values and participate actively in the movement.

By focusing on these goals, IYC 2025 aims to enhance the visibility and impact of cooperatives globally, ensuring they continue to contribute effectively to building sustainable economies.

Global Coordination and Support: Role of COPAC and the International Cooperative Alliance (ICA)

The coordination of IYC 2025 is led by the Committee for the Promotion and Advancement

of Cooperatives (COPAC), a partnership of multiple UN agencies, including the International Labour Organization (ILO), Food and Agriculture Organization (FAO), and the International Cooperative Alliance (ICA). COPAC's role is to facilitate global cooperation, resource mobilization, and advocacy efforts that support cooperative development.

The International Cooperative Alliance, representing cooperatives worldwide, serves as a critical partner in championing the cooperative identity, values, and principles. Together, these bodies work to ensure that cooperatives are recognized as key players in achieving the United Nations Sustainable Development Goals.

Cooperatives and Sustainable Development Goals (SDGs)

Cooperatives are instrumental in advancing many of the SDGs, including:

- **No Poverty (SDG 1):** By providing income-generating opportunities and social safety nets to members.
- **Decent Work and Economic Growth (SDG 8):** Creating jobs with fair labor conditions and promoting entrepreneurship.
- **Gender Equality (SDG 5):** Empowering women through leadership roles and economic participation.
- **Reduced Inequalities (SDG 10):** Democratizing economic participation to reduce disparities.
- Sustainable Cities and Communities (SDG

11): Enhancing local development through community-led initiatives.

Examples like agricultural cooperatives in Africa improving food security or worker cooperatives in Europe providing dignified employment illustrate the alignment between cooperative actions and SDGs.

India's Role and Initiatives for IYC 2025

India, with one of the largest cooperative sectors globally, has embraced IYC 2025 enthusiastically. The government's campaign "Prosperity through Cooperation" reflects its commitment to strengthening cooperative institutions, especially Primary Agricultural Credit Societies (PACS), which form the backbone of rural credit delivery.

Efforts to modernize PACS through digitization aim to improve transparency, efficiency, and accessibility for millions of farmers. Besides, successful cooperatives like AMUL (dairy) and institutions like NABARD play critical roles in supporting cooperative growth and innovation.

Policy reforms focus on creating enabling legal frameworks, capacity building, and promoting cooperative entrepreneurship among youth and women, recognizing cooperatives as vehicles for inclusive rural development and poverty reduction.

Challenges and Opportunities for Cooperatives in 2025

Despite their successes, cooperatives face challenges including:

- **Technological Disruption:** Need to adapt to digital transformation and compete with corporate enterprises.
- **Regulatory Hurdles:** Complex or outdated laws in some countries hinder cooperative expansion.
- **Market Competition:** Pressure from large multinational companies and changing consumer preferences.

However, there are also vast opportunities:

- **Digital Inclusion:** Using technology to reach underserved populations.
- **Youth Engagement:** Attracting younger generations to sustain the movement.
- **Sustainable Business Models:** Aligning with environmental and social governance principles.

Addressing these challenges while leveraging opportunities will determine the cooperative sector's future trajectory.

The Future of Cooperatives: Building a Resilient and Inclusive World

The vision beyond 2025 is for cooperatives to be recognized as essential drivers of economic and social progress worldwide. By adhering to cooperative principles of self-help, democracy, equality, equity, and solidarity, cooperatives can foster resilience against future crises, including pandemics, climate change, and economic shocks.

The continued support from governments, international agencies, and communities will be critical to realizing the cooperative potential fully. As we celebrate the International Year of Cooperatives 2025, it is a call to action for all stakeholders to promote cooperative enterprises as key instruments in building a better world.

Conclusion

The International Year of Cooperatives 2025 is more than a celebration; it is a global recognition of the vital role cooperatives play in shaping inclusive, sustainable economies. By building on the momentum from 2012 and embracing new challenges and opportunities, cooperatives are positioned to make an even greater impact on global development goals.

As countries like India demonstrate through their initiatives, cooperatives are central to promoting prosperity, equity, and social cohesion. It is imperative for policymakers, businesses, and citizens to collaborate in supporting the cooperative movement's growth and ensuring it continues to build a better world for generations to come.

References

- Birchall, J. (2011). People-centred businesses: Co-operatives, mutuals and the idea of membership. Palgrave Macmillan.
- Chambo, S. A. (2009). Agricultural cooperatives: Role in food security and rural development. International Labour Organization.

- FAO. (2014). Cooperatives and the Sustainable Development Goals. <http://www.fao.org/3/a-i4752e.pdf>
- International Cooperative Alliance. (2021). Cooperative identity, values & principles. <https://www.ica.coop/en/cooperatives/cooperative-identity>
- ICA & Euricse. (2022). World Cooperative Monitor 2022. <https://monitor.coop>
- ILO. (2021). Cooperatives and the World of Work. <https://www.ilo.org/global/topics/cooperatives/lang--en/index.htm>
- Kurimoto, A. (2015). Role of cooperatives in the 21st century. *International Journal of Cooperative Studies*, 4(1), 1–7.
- Ministry of Cooperation, Government of India. (2023). Initiatives and reforms in cooperative sector. <https://cooperation.gov.in>
- NABARD. (2022). Cooperative credit structures in India. <https://www.nabard.org>
- National Dairy Development Board. (2023). About AMUL. <https://www.nddb.coop/amul>
- United Nations. (2012). International Year of Cooperatives. <https://www.un.org/en/events/coopsyear>.

National Cooperation Policy – 2025:

A Holistic Vision of Cooperative Progress

INTRODUCTION

The Indian cooperative movement, with over a century of resilience and evolution, stands as a multidimensional and inclusive socio-economic model that has touched every facet of life—from agriculture and credit to housing, dairy, fisheries, transport, education, and welfare for marginalized communities (Bedi, 1991). With 6.51 lakh functional cooperatives encompassing more than 29 crore members and employing around 70 lakh people, the movement has institutionalized a bottom-up development framework that empowers local communities and democratizes



S.DHARMARAJ

Assistant Professor
VAMNICOM – Pune

access to resources (Ministry of Cooperation, 2023). It plays a pivotal role in both rural and urban India, covering 98% of villages and fostering participation across sectors—credit, non-credit, and services (NABARD, 2022). Cooperatives have especially served the “Bottom of the Pyramid,” enabling economically weaker populations to organize and access markets, capital, and livelihoods, thus facilitating inclusive growth and integrated rural-urban development (ICA-AP, 2021). From women’s cooperatives and tribal cooperatives to student, transport, and welfare-based cooperative societies, this diverse ecosystem exemplifies how collective enterprise can act as a powerful instrument for nation-building, equity, and sustainable development.

Indian Cooperative Movement at a Glance: Legacy, Growth, and Transformation

With the release of the **National Cooperation Policy 2025 (NCP-2025)**, it is both timely and pertinent to reflect on the achievements and contributions of the Indian cooperative sector. At this crucial juncture, it becomes essential to revisit and reflect upon the legacy, achievements, and transformative contributions of the Indian cooperative sector. From its historical foundations to its present-day diversification, digital integration, and institutional reforms, the cooperative movement has consistently played a pivotal role in shaping rural livelihoods and economic inclusion. In alignment with the vision of NCP-2025, to professionalize, modernize,

and expand the cooperative ecosystem, this overview offers a contextual backdrop for understanding the sector’s evolving role in fostering Atmanirbhar Bharat and sustainable rural development.

1. Inception and Early Developments

The **cooperative movement** in India emerged in the early 20th century as a grassroots response to the widespread problem of rural indebtedness and the exploitation of farmers by informal credit sources. In 1904, the enactment of the Co-operative Credit Societies Act laid the legal foundation for the formation of credit cooperatives, enabling rural communities to pool resources and access institutional finance (Government of India, 1904). This initiative expanded with the Co-operative Societies Act of 1912, which facilitated the registration of non-credit cooperatives, including those in sectors such as marketing, housing, and consumer services (Government of India, 1912). Over time, cooperatives evolved as a significant self-help mechanism, gaining momentum during the national movement and later becoming instrumental in India’s socio-economic development following independence (Bedi, 1991).

2. Important Events and Milestones

In 1919, cooperation was made a **provincial subject** under the **Government of India Act, allowing provinces to independently legislate on matters related to cooperatives (Government of India, 1919)**. After India’s independence, cooperatives were integrated into the

country's development agenda through the First Five-Year Plan (1951–56), particularly for rural credit delivery and agricultural marketing (Planning Commission, 1951). A significant milestone was the release of the All India Rural Credit Survey Committee Report (1954), which emphasized the need for State partnership in cooperatives, professional management, and the establishment of dedicated cooperative training institutions (Reserve Bank of India, 1954). Even after the nationalization of commercial banks in 1969, cooperative institutions continued to play a critical role in rural finance and financial inclusion (RBI, 2019).

To facilitate and regulate inter-state cooperative societies, the Multi-State Cooperative Societies (MSCS) Act, 1984 was enacted, and later replaced by the updated MSCS Act, 2002 (Ministry of Cooperation, 2002). A landmark constitutional reform was introduced through the 97th Constitutional Amendment Act, which came into effect on 15th February 2012. This amendment granted constitutional status to cooperatives by adding Part IXB (Articles 243ZH to 243ZT), including cooperatives under Article 19(1) (c) (as a fundamental right to form associations), and inserting Article 43B into the Directive Principles of State Policy, which calls for the promotion of cooperative societies (Ministry of Law and Justice, 2012).

In a significant institutional development,

the Ministry of Cooperation (MoC) was established by the Government of India on 6th July 2021 as a dedicated ministry with the mandate to provide focused administrative, legal, and developmental support to the cooperative sector (Press Information Bureau [PIB], 2021). Further legislative strengthening was achieved through the passage of the Multi-State Cooperative Societies (Amendment) Act, 2023, which introduced key reforms to enhance transparency, improve governance, and enable the formation of a Cooperative Election Authority, Cooperative Rehabilitation and Development Fund, and provisions for digital registration and filing of returns (Ministry of Cooperation, 2023).

3. Latest Trends in the Indian Cooperative Movement

The cooperative sector in India has progressively diversified beyond its traditional focus on agriculture and rural credit, expanding into a wide range of sectors including dairy, fisheries, housing, marketing, consumer services, healthcare, education, and even renewable energy (National Cooperative Union of India [NCUI], 2023). This diversification reflects the growing relevance of cooperatives in addressing varied socio-economic needs across rural and urban landscapes. A key trend is the digital transformation of the sector, notably through the computerization of over 63,000 Primary Agricultural Credit Societies (PACS) under a Central Sector Scheme aimed at enhancing

efficiency, transparency, and integration with the formal financial system (Ministry of Cooperation, 2023). Simultaneously, the introduction of **Core Banking Solutions (CBS)** in cooperative banks is modernizing their operations and enabling real-time, technology-driven service delivery (National Bank for Agriculture and Rural Development [NABARD], 2022).

In terms of governance, legal and institutional reforms are being undertaken through the revision of cooperative laws and the promotion of Model Bye-Laws, aiming to ensure standardized practices, increased accountability, and greater autonomy (Ministry of Cooperation [MoC], 2023). As of July 31, 2025, the National Cooperative Database (NCD) records a total of 23,615 Multi-Purpose Primary Cooperatives in India, comprising 6,196 Multi-Purpose Primary Agricultural Cooperative Credit Societies (MPACS), 15,766 Multi-Purpose Dairy Cooperative Societies (MDCS), and 1,653 Multi-Purpose Fisheries Cooperative Societies (MFCS) (MoC, 2025). These societies represent a strategic transformation of traditional cooperative structures to meet evolving rural needs through diversified services. Earlier, as of December 18, 2024, 1,00,174 PACS, including LAMPS and FSS, were reported across the country, serving approximately 12.22 crore members (National Cooperative Database, 2024). MPACS are broadening their role in rural development by operating Common Service Centers (CSCs), Jan Aushadhi

Kendras, LPG distribution points, petrol pumps, and other commercial services (MoC, 2025).

To further enhance the capacity and utility of these institutions, particularly in the dairy sector, the National Dairy Development Board (NDDB) has initiated a scheme under the umbrella of White Revolution 2.0 to support the upgradation of 1,000 MPACS into dairy-operational units. Each participating society will receive a grant of ₹40,000 to procure essential milk procurement and testing equipment, with a total financial outlay of ₹4.00 crore fully funded by NDDB (NDDB, 2025). The scheme has already garnered responses from several States submitting their Expressions of Interest (EoI). Complementing this initiative, about 46,000 existing village-level Dairy Cooperative Societies (DCS) and PACS are targeted for modernization with equipment like Automatic Milk Collection Units (AMCUs), Data Processor Milk Collection Units (DPMCU), Bulk Milk Coolers, and testing apparatus, aiming to operate these units as technologically enabled, efficient, and inclusive cooperative institutions (NDDB, 2025; MoC, 2025). These developments mark a progressive shift toward integrated, multi-sectoral cooperative models aligned with rural transformation goals.

The cooperative network has played a pivotal role in delivering agricultural credit, accounting for over 20% of the total agricultural lending in India through a three-tier structure: PACS, District

Central Cooperative Banks (DCCBs), State Cooperative Banks (SCBs) (RBI, 2023). Overall, the cooperative sector is a major employment generator, providing direct and indirect employment to over 20 million people (NCUI, 2023). Additionally, cooperatives foster social empowerment, democratic participation, and mutual self-help, thereby reinforcing the ideals of inclusive growth and community development.

4. Current Status and Way Forward

India currently has over 8.63 lakh registered cooperative societies, of which approximately 6.5 lakh are functional, collectively representing a membership base exceeding 29 crore individuals (National Cooperative Union of India [NCUI], 2023). In an effort to modernize and strengthen the cooperative movement, the Government of India has introduced several forward-looking initiatives through the Ministry of Cooperation. These include the digitization of Primary Agricultural Credit Societies (PACS), the formation of two lakh new cooperatives over the next five years, and the establishment of national-level multi-state cooperative societies focused on exports, organics, and seeds. These newly formed institutions; National Cooperative Export Limited (NCEL), National Cooperative Organics Limited (NCOS), and Bharat Bheej Sahkari Sangh Limited (BBSSL) are aimed at boosting the cooperative sector's role in specialized markets and value chains (Press Information Bureau [PIB], 2023). To provide a long-

term strategic framework, the National Cooperation Policy – 2025 has now been unveiled, offering clear direction for the sector's development in the 21st century. The policy emphasizes professionalizing cooperative governance, strengthening institutional capacity, and digitally integrating cooperatives to ensure greater sustainability, enhanced competitiveness, and improved member benefits.

National Cooperation Policy (NCP) – 2025: A New Dawn for Cooperation

The National Cooperation Policy – 2025, launched on July 24, 2025, by Union Home and Cooperation Minister Shri Amit Shah, marks a significant milestone in India's cooperative movement. Replacing the 2002 policy, this forward-looking document envisions the cooperative sector as a key contributor to India's socio-economic transformation. Rooted in the philosophy of “*Sahkar Se Samridhi*” (Prosperity through Cooperation), the policy aligns with national missions such as *Viksit Bharat@2047* and *Aatmanirbhar Bharat*, aiming to modernize and democratize the cooperative landscape. Formulated by a 48-member expert committee chaired by Shri Suresh Prabhu, the new cooperative policy is the result of extensive consultations with stakeholders across diverse sectors. It aims to infuse modern professionalism, technology adoption, and a grassroots-centric approach into the cooperative ecosystem. With a focus on enhancing the sector's contribution to GDP, promoting self-employment, and ensuring

efficient last-mile service delivery through democratic and transparent institutions, the policy sets out 16 key objectives grouped under six strategic mission pillars. These are designed to strengthen and transform the cooperative movement over the period 2025 to 2045.

Policy Blueprint for a Self-Reliant Rural Economy: Advancing Inclusivity, Driving Innovation, Strengthening Institutions, and Ensuring Grassroots Impact

1. Strengthening Foundations: Village-Level Cooperative Expansion

The vision of ‘Sahkar Se Samridhi’ encompasses more than just contributing to the Gross Domestic Product (GDP); it aspires to generate meaningful employment opportunities and foster a sense of individual dignity and self-respect among members. At its core, the policy is anchored in a member-centric model, ensuring that the needs, aspirations, and active participation of cooperative members remain the driving force behind all initiatives and reforms.

A central pillar of the policy is the goal to establish a cooperative presence in every Indian village within five years, thus ensuring universal access to cooperative services. To achieve this, the government has set a target of forming 2 lakh Multipurpose Primary Agricultural Credit Societies (MPACS) by February 2026.

These PACS will provide a broad array of services, including agricultural credit, marketing support, and essential rural services.

Additionally, each State is expected to draft and adopt its own “State Cooperative Policy” in alignment with the national framework. These policies will address local needs while maintaining coherence with national objectives. The government has already taken steps to support this expansion by approving PACS-specific computerization schemes and linking PACS with district central cooperative banks for integrated service delivery.

2. Model Cooperative Villages & Rural Transformation

Under the objective of “Development of a Cooperative Business Ecosystem,” the policy envisions the establishment of model cooperative villages as catalysts for grassroots transformation. Specifically, it proposes the development of at least one model cooperative village per district, anchored by a Multipurpose Primary Agricultural Cooperative Society (MPACS) as the local growth engine. Additionally, to accelerate cooperative development, the policy suggests creating five model cooperative villages in each Tehsil. These villages will serve as demonstration hubs, showcasing best practices in cooperative governance, service delivery, and community participation. Functioning as knowledge and resource centers, they will support training, technology dissemination, and cooperative entrepreneurship. The

overarching aim is to promote sustainable livelihoods, boost rural incomes, and foster active participation of youth in the cooperative movement.

In parallel, a technology-driven, transparent management model for Primary Agricultural Credit Societies (PACS) has already been developed, serving as a benchmark for modernizing governance across the cooperative sector. In the coming years, all categories of cooperatives are expected to adopt similar technology-based, transparent systems to ensure greater efficiency, accountability, and member-centric service delivery. The policy also emphasizes advancing the cooperative movement through environmental sustainability and the enduring principle of “Cooperation Amongst Cooperatives,” encouraging synergy, resource sharing, and mutual growth among cooperative institutions nationwide.

3. Inclusivity at the Core: Serving the Underserved

One of the most defining features of the National Cooperation Policy – 2025 is its unwavering emphasis on inclusivity and social equity. The policy places marginalized communities; women, tribes, small farmers, and other vulnerable groups at the center of cooperative development. It seeks to empower these groups through livelihood opportunities, capacity building, and active participation in governance structures. It also aims youth for facilitating direct and indirect employment opportunities through embedded functions

expected to manifold in the sector. The policy aims to bring 50 crore people into the cooperative fold, envisioning a mass movement of economic democracy where every citizen, particularly from rural India, is a stakeholder in national development. Through a member-centric model of cooperative functioning, it champions not only collective economic progress but also individual dignity and empowerment. To institutionalize this inclusivity, the policy enables free, fair, and regular elections in cooperatives, transparent recruitment and accountable decision-making. The policy will pave the way for implanting social justice into the very fabric of cooperative governance by incorporating gender-sensitive provisions, ensuring representation for socially and economically weaker section members, and introducing focused schemes tailored for tribal and backward regions.

4. Expanding Horizons: Cooperatives in New and Emerging Sectors

Traditionally associated with agriculture and dairy, cooperatives are now being encouraged to diversify into non-traditional and high-growth sectors such as tourism, renewable energy, insurance, health services, and logistics, real estate, and taxi services. This strategic shift aligns with evolving rural aspirations and emerging economic opportunities, flooring the way for cooperatives to become engines of inclusive growth in both rural and semi-urban areas. To facilitate this diversification, the government will simplify registration procedures, offer

sector-specific training, and promote strong market linkages. The policy supports this transformation through initiatives such as the launch of the 'Bharat Brand', which aims to consolidate and promote cooperative products and services both domestically and globally. Additionally, the encouragement for setting up Common Service Centers (CSCs) and access to e-commerce platforms will enhance the competitiveness of cooperatives in national and international markets. Institutions such as the National Cooperative Export Limited (NCEL) and the National Cooperative Organics Limited (NCOL) have been established to support export-oriented growth, especially in agriculture, organic products, and processed goods. These efforts are designed to unlock new income-generating avenues, increase rural employment, and transform cooperatives into globally competitive, multi-sectoral enterprises.

5. Capacity Building and Technology Integration: Professionalizing Cooperatives and Preparing for the Future

To ensure that cooperatives are professionally managed, transparent, and efficient, the National Cooperation Policy – 2025 places strong emphasis on governance, capacity-building, and institutional development. Central to this vision is the establishment of Tribhuvan Sahkari University, India's first cooperative university, offering degree and diploma programs in cooperative management, finance, and rural development, aimed

at nurturing a skilled workforce and leadership rooted in cooperative values. The policy also promotes the skilling and reskilling of cooperative personnel through partnerships with institutions like the National Council for Cooperative Training (NCCT), Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM). Special focus will be placed on empowering women, youth, and tribal communities to assume leadership roles within cooperatives. The computerization of Primary Agricultural Credit Societies (PACS) and adoption of technology across all tiers will not only enhance operational efficiency but also foster trust and financial resilience.

6. Institutional & Legal Reforms: Building Trust and Autonomy

To address longstanding challenges related to governance, autonomy, and legal fragmentation within the cooperative sector, the policy outlines a comprehensive set of institutional and legal reforms aimed at fostering trust, efficiency, and self-reliance. A key recommendation is the enactment of a Model Cooperative Act by States, which will serve as a guiding framework to ensure the autonomous, democratic, and member-driven functioning of cooperatives across the country. Recognizing the financial needs of cooperatives, especially in rural areas, the policy advocates for the establishment of a National Cooperative Bank dedicated to providing long-term and affordable credit. Additionally, Primary Agricultural Credit Societies (PACS) will be appointed

as Bank Mitras, empowering them to deliver doorstep banking services and expand financial inclusion in underserved regions.

As a key branding initiative, the policy seeks to encourage the promotion of organic, agricultural, and dairy products under the unified ‘Bharat’ Brand, serving as an umbrella identity for cooperative products across the country. This will be complemented by leveraging well-established regional brands developed by individual states, thereby enhancing market reach and consumer trust. Incentives for high-performing cooperative banks are also envisioned. Together, these measures will pave the way for strengthening cooperative democracy, enhancing professionalism, and rebuilding trust among members, ultimately transforming cooperatives into self-sustaining and competitive entities in a modern economy. These efforts are supported by a provision for legal reforms, including a mandatory review of cooperative policies and legislations, to ensure adaptability and relevance in a dynamic economic environment. Collectively, these measures aim to build institutional trust, enhance operational autonomy, and position cooperatives as resilient pillars of grassroots economic development.

7. Digital Transformation & Data-Driven Governance

At the core of the National Cooperative Policy – 2025 is the vision of a digitally empowered cooperative sector, with the proposed “Cooperative Stack” emerging

as a transformative tool for modernizing governance and enhancing service delivery and will serve as a comprehensive digital infrastructure that enables real-time monitoring, seamless digital service delivery, financial transparency, and data-driven decision-making across all levels of the cooperative ecosystem. This technological backbone is expected to bring about a paradigm shift in how cooperatives operate, ensuring greater accountability, operational efficiency, and member trust.

As a key enabler, the computerization of over 65,000 Primary Agricultural Credit Societies (PACS) and their integration with the broader cooperative banking structure and NABARD will significantly improve service outreach and responsiveness, especially in rural areas. Complementing this is the development of the “National Cooperative Database”, which already compiles detailed data on more than eight lakh cooperative societies. This database will serve as the foundation for policy formulation, targeted interventions, and performance tracking. The digital transformation also extends to critical functions such as auditing, elections, credit delivery, and capacity building—ensuring that cooperatives are not only efficient but also resilient and future-ready in an increasingly digital economy.

8. Legacy of Indian Knowledge System: An Indian Model of Cooperation

A distinctive feature of the National Cooperative Policy – 2025 is its deep connection to India’s civilizational

ethos and the Indian Knowledge System (IKS). Drawing inspiration from ancient wisdom, the policy echoes the Rig Vedic invocation—“Sangachhadhwam Samvadadhvam Samvomanamsi Janatam”—which calls upon people to walk together, “speak together, and think together”. This philosophical foundation reflects the timeless Indian belief in collective action, mutual aid, and shared prosperity. The policy revives traditional models of cooperation found in India’s historical practices, such as community-managed water systems, village guilds, and collective farming, which were built on the principles of inclusivity, ethical conduct, and social harmony. By embedding these indigenous values within the framework of modern governance, the policy offers a culturally rooted yet forward-looking approach to cooperative development. This convergence of tradition and modernity not only lends authenticity to India’s cooperative movement but also positions it as a globally relevant model; one that is sustainable, democratic, and inherently just.

Implementation Mechanism: Ensuring Policy Delivery and Accountability

A distinctive feature of the National Cooperation Policy – 2025 is the strong institutional mechanism it establishes for effective implementation and sustained monitoring. As a key policy impetus, this mechanism ensures that the ambitious vision of the policy translates into

actionable outcomes on the ground. Central to this framework is the formation of a “*National Steering Committee on Cooperation Policy*”, chaired by the Union Minister of Cooperation, which will provide overall strategic guidance, facilitate inter-ministerial coordination, and undertake periodic policy reviews.

Complementing this is the creation of a “*Policy Implementation and Monitoring Committee*”, to be chaired by the Union Cooperation Secretary. This committee will play a crucial role in ensuring central–state coordination, addressing implementation challenges, and conducting regular monitoring and evaluation of progress. Together, these institutional arrangements underscore the government’s commitment to making the policy outcome-driven, adaptive, and responsive; ensuring that the cooperative movement remains dynamic, accountable, and aligned with national development goals.

Critical Challenges

However, while the policy is visionary in scope, its success centers on several practical challenges. First, the rapid scale-up of two lakh PACS by 2026 may face bottlenecks in terms of capacity, skilled manpower, and infrastructure, especially in under-developed regions. State cooperation and alignment are crucial, yet many states still lack strong cooperative gear or enabling legal frameworks. The policy’s dependence on digital transformation and the creation of a “Cooperative Stack” is promising, but the digital divide and lack of literacy in remote areas may limit adoption unless accompanied by targeted training and infrastructure investment.

Moreover, institutional reforms such as the Model Cooperative Act must navigate India's complex federal structure and entrenched political interests within cooperative bodies. Without strong accountability mechanisms and depoliticized leadership, these reforms may be diluted in execution. While the policy commendably integrates traditional Indian cooperative models within a modern framework, realizing its vision in measurable terms will require sustained political will, consistent implementation, and a sturdy system of monitoring and evaluation. Overall, the policy sets a strong foundation but must be backed by vibrant execution strategies to realize its transformative potential.

Conclusion

The National Cooperation Policy – 2025 serves as a transformative roadmap aligned with the vision of Viksit Bharat @2047, positioning cooperatives as key drivers of inclusive and sustainable development. With a focus on institutional reform, grassroots empowerment, and digital innovation, the policy envisions cooperatives as engines of economic growth, financial inclusion, and entrepreneurship, particularly in rural India. By blending modern governance with India's civilizational ethos and knowledge systems, it offers a uniquely Indian model of cooperative advancement. This forward-looking policy holds the potential to strengthen self-reliance and social equity, paving the way for a prosperous, empowered, and developed India.

References

- 1) Bedi, R. D. (1991). Theory, history and practice of cooperation, Loyal Book Depot.
- 2) Department of Fisheries. (2022). Annual report 2021–22. Ministry of Fisheries, Animal Husbandry & Dairying, Government of India.
- 3) Government of India. (1904). The Co-operative Credit Societies Act, 1904.
- 4) Government of India. (1912). The Co-operative Societies Act, 1912.
- 5) Government of India. (1919). Government of India Act, 1919.
- 6) ICA-AP. (2021). Cooperatives and the bottom of the pyramid in India. International Cooperative Alliance Asia-Pacific.
- 7) Ministry of Cooperation. (2002). The Multi-State Cooperative Societies Act, 2002.
- 8) Ministry of Cooperation. (2023). Annual report 2022–23. Government of India.
- 9) Ministry of Cooperation. (2023). Model bye-laws for primary cooperative societies. Government of India.
- 10) Ministry of Cooperation. (2025). National Cooperative Database. Government of India.
- 11) Ministry of Law and Justice. (2012). The Constitution (Ninety-Seventh Amendment) Act, 2011. Gazette of India.

- 12) NABARD. (2022). Status of cooperative banks in India. National Bank for Agriculture and Rural Development.
- 13) NABARD. (2022). Status of microfinance and cooperative credit institutions in India. National Bank for Agriculture and Rural Development.
- 14) National Cooperative Database. (2024). Status of PACS and multi-purpose cooperatives in India. Retrieved from <https://cooperation.gov.in>
- 15) National Cooperative Union of India. (2023). Statistical profile of Indian cooperatives. NCUI.
- 16) National Dairy Development Board. (2023). Annual report 2022–23.
- 17) National Dairy Development Board. (2025). White Revolution 2.0: Strengthening dairy cooperatives through MPACS. NDDB Policy Circular.
- 18) Planning Commission. (1951). First Five-Year Plan (1951–56). Government of India.
- 19) Press Information Bureau. (2021, July 6). Cabinet approves formation of Ministry of Cooperation. Government of India. <https://pib.gov.in>
- 20) Press Information Bureau. (2023). Govt launches three new national-level multi-state cooperative societies. Retrieved from <https://pib.gov.in>
- 21) Reserve Bank of India. (1954). Report of the All India Rural Credit Survey Committee.
- 22) Reserve Bank of India. (2019). Report on trend and progress of banking in India.
- 23) Reserve Bank of India. (2023). Handbook of statistics on Indian states.

Issues and Implications of Digitisation of Cooperative Societies

ABSTRACT

The digital transformation of India's cooperative societies is emerging as a policy imperative within the larger framework of Digital India. Cooperatives, with their grassroots democratic structure and socio-economic importance in rural India, represent a critical sector for inclusive growth. Nonetheless, the pathway to digitisation is characterised by challenges related to infrastructure, social issues, regulatory processes and capacity issues. This article examines these multifaceted challenges and their implications by presenting recent studies illustrating a range of successful approaches. An integrated, holistic roadmap is



OM PRAKASH PRASAD
CMA, M Com, MBA(F), FIII

presented which seeks to empower cooperative institutions through digitisation without compromising their core values. This article emphasises the need for a phased, inclusive, locally adaptive digitisation process.

Introduction

For a long time, cooperative societies in India have been important for community development and giving power to the people. These societies work in finance, agriculture, housing, dairy, and labour. They are based on mutual aid, member ownership, and democratic control. The Indian government sees cooperatives as a way to help the economy grow in a way that includes everyone, especially in rural and semi-urban areas.

As India advances its vision for a \$5 trillion

economy, the role of cooperative institutions in achieving sustainable and inclusive development is gaining policy focus. Simultaneously, the national flagship program Digital India aspires to ensure that India is a digitally empowered society within a knowledge economy. This intersection offers a distinctive opportunity and a challenge in digitally enabling cooperatives without jeopardising their socio-ethical fabric.

The Ministry of Cooperation, formed in 2021, significantly emphasised digital transformation as a key reform. It announced schemes to digitise over 63,000 Primary Agricultural Credit Societies (PACS) to enhance transparency, operational efficiency, and financial inclusion. In addition, national agencies like NABARD, NAFSCOB, and NDDDB have introduced digital tools and platforms tailored for various cooperatives.

Table 1: Status of Computerisation of PACS (as of 21.11.2024)

S. No	States	PACS selected for Computerisation	PACS tendered for hardware	Digitisation of records (DCT) Completed	PACS Computerised as of 21.11.24	PACS is yet to be onboarded on ERP
1.	Maharashtra	12,000	12,000	11,631	9,161	2,839
2.	Rajasthan	6,781	5,492	3,834	3,025	3,756
3.	Gujarat	5,754	5,754	5,423	3,838	1,916
4.	Uttar Pradesh	5,686	3,062	2,949	2,505	3,181
5.	Karnataka	5,491	5,491	4,046	487	5,004
6.	Madhya Pradesh	4,536	4,534	4,531	4,524	12
7.	Tamil Nadu	4,532	4,532	4,530	4,494	38
8.	Bihar	4,495	4,477	4,345	4,043	452

S. No	States	PACS selected for Computerisation	PACS tendered for hardware	Digitisation of records (DCT) Completed	PACS Computerised as of 21.11.24	PACS is yet to be onboarded on ERP
9.	West Bengal	4,167	4,167	521	148	4,019
10.	Punjab	3,482	3,482	1,973	1,580	1,902
11.	Andhra Pradesh	2,037	2,037	30	30	2,007
12.	Chhattisgarh	2,028	2,028	2,028	2,019	9
13.	Himachal Pradesh	1,789	870	865	829	960
14.	Jharkhand	1,500	1,500	1,435	1,403	97
15.	Haryana	710	710	703	687	23
16.	Uttarakhand	670	670	185	185	485
17.	Assam	583	583	579	567	16
18.	J&K	537	537	533	532	5
19.	Tripura	268	268	254	247	21
20.	Manipur	232	232	50	23	209
21.	Nagaland	231	231	33	33	198
22.	Meghalaya	112	112	108	108	4
23.	Sikkim	107	107	106	104	3
24.	Goa	58	58	37	32	26
25.	ANI	46	46	46	44	2
26.	Puducherry	45	45	42	31	14
27.	Mizoram	25	25	25	25	0
28.	Arunachal Pradesh	14	14	14	14	0
29.	Ladakh	10	10	10	9	1
30.	DNH&DD	4	-	-	0	4
	Total	67,930	63,074	50,866	40,727	27,203

Source : <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2080081>

It can be seen that a total of 67,930 PACS from 30 States/ UTs have been sanctioned under the project.

A total of 40,727 PACS (60 %) have been onboarded on ERP Software, and 29 States/UTs have procured hardware.

However, digitisation is not merely a technological upgrade but a structural and behavioural transformation. Adopting cloud platforms, mobile apps, biometric systems, AI-led member analytics, and e-governance frameworks within cooperative settings requires significant changes in workflows, mindsets, and institutional culture.

Cooperatives frequently find themselves in low-digitally penetrated environments, operate on low budgets, and are run by leaders who may not be classified as digital natives. Thus, digitisation is about supplying hardware or software and developing an ecosystem to enable capacity building, inclusivity, localised innovation, and equitable access.

This article examines various challenges and opportunities of cooperative digitisation, critiques the present policy landscape, offers case studies of practice, and proposes actionable and scalable solutions to achieve a more equitable and human-centred digital transition.

Evolution of Digitalisation in India's Cooperative Sector

The digitisation of India's cooperative sector has become increasingly complex due to government policies, donor initiatives, innovative practices in organisations, and technology. Some cooperatives, especially those in dairying or finance, have made significant progress, but many are lagging in systematic

challenges. The Indian government has initiated several programs to modernise cooperatives' functionality through a digital lens, given their prominent role in rural development.

Not all states have experienced the same level of progress, however. Gujarat, Maharashtra and Kerala have shown leadership by digitising over 80% of PACS. Conversely, some states such as Bihar, Jharkhand and parts of North East India have exhibited slower progress as progress is impeded by infrastructure and capacity challenges.

The National Dairy Development Board (NDDB) has also introduced ICT tools into dairy cooperatives on a large scale. Mobile applications like "i-Milk" enable members to monitor real-time milk purchases, payments, and quality measurements. Digital sensors installed in bulk milk coolers and SMS alerts have improved clarity.

The integration of Core Banking Solutions (CBS) and e-KYC has been advocated for use within financial cooperatives. NABARD, with the assistance of IT partners, launched software systems targeting small and medium-sized credit cooperatives. To date, many PACS continue to perform semi-automated systems due to limitations in funding or experience.

Notwithstanding these initiatives, digitisation is hindered by fragmented policymaking, limited interoperability of cooperative databases, and insufficient digital literacy training for cooperative stakeholders. Furthermore, there is a digital divide between urban and rural cooperatives and within federations where apex

bodies have been digitised, while grassroots societies use manual protocols.

To help Multi-State Cooperative Societies process applications and service requests on time, the Central Registrar's office has been computerised to create a digital ecosystem.

The government has approved a Centrally Sponsored Project to computerise RCS Offices to make it easier for cooperative societies to do business and to set up a digital ecosystem for precise, paperless regulation in all the States and Union Territories. States and UTs get grants to buy hardware, make software, etc. The Government of India has approved proposals from 35 States and Union Territories.

The government has approved a project to computerise 1,851 units of Agriculture and Rural Development Banks (ARDBs) in 13 States and Union Territories. This will help make the long-term cooperative credit system stronger. The project will be carried out by NABARD. So far, proposals from 10 States and Union Territories have been received and approved. Additionally, ₹ 4.26 crore from the GOI has been given to 8 States/UTs in FY 2023-24 and FY 2024-25 to buy hardware, digitise data, and set up a support system.

Key Issues in the Digitisation of Cooperative Societies

1. Infrastructure Deficiency

One of the most persistent barriers to digitisation is inadequate digital infrastructure. Many cooperative societies

operate in villages with erratic electricity, poor internet connectivity, and inconsistent mobile network coverage. This hampers the regular use of web-based software, cloud storage, or real-time monitoring systems.

For example, a dairy cooperative in interior Odisha was provided with a centralised procurement software tool. However, the system was seldom used due to unreliable power supply and frequent network failures, and records continued to be maintained manually. Such situations create a digital façade where equipment is procured and systems installed, but remain non-functional due to fundamental infrastructural gaps.

2. Limited Technical Capacity

Numerous cooperative staff members and duly elected representatives have relatively infrequent engagement with digital tools. If there is insufficient training and hand-holding, this can easily lead to under-utilisation or misuse of digital systems. Technological interventions tend to overestimate digital literacy in rural cooperative contexts.

Sri, G. M., Devi et al. (2025) pointed out that digitisation progress in women-led cooperatives was highly contingent on local women leaders trained in mobile banking and digital bookkeeping. These women served as intermediaries, trainers, and champions, helping others in the community navigate digital platforms.

3. Uniform Policy Frameworks

A major critique of current digitisation

efforts is the imposition of standard technology platforms without adequate customisation. Software systems designed for urban banking cooperatives may not suit the needs of agricultural or dairy cooperatives operating in remote areas. This mismatch results in high failure rates and disenchantment with digitisation.

For instance, the CBS platform mandated for PACS under central schemes does not include offline capability, a significant drawback in villages with inconsistent internet access. As a result, many PACS continue parallel manual operations, increasing workload and duplication.

4. **Regulatory Ambiguity and Compliance Overload**

While cooperatives are being pushed to digitise operations, there is little clarity on data governance, cybersecurity, or regulatory liability. The Digital Personal Data Protection Act (2023) is not yet fully extended to cooperatives, creating ambiguity in data protection standards.

Narula, S., and Singh, M. K. (2024) warn that overregulation without capacity building can stifle the sector. Many cooperatives are now expected to create digital audit trails, file online compliance forms and do e-KYC without legal or operational support.

5. **Socio-Cultural and Behavioural Challenges**

Digitisation is also met with resistance of this sort from behaviours. Older members, women, and marginalised communities

often do not have smartphones or bank accounts, which is a barrier. Distrust in technology, concerns regarding surveillance, and loss of interpersonal connection are reasons for not readily accepting digital tools.

Abad & Maaz (2025) found that uptake of digital tools was low when introduced without community-based sensitisation, trust-building efforts, and culturally relevant outreach strategies.

Implications of Digitisation for Cooperative Transformation

1. **Financial Inclusion and Credit Accessibility**

Digitisation can facilitate financial inclusion by allowing individuals to obtain financial services via mobile applications or internet portals. E-wallets, UPI-based transactions, and applications for loans provide convenience with no reliance on middlemen and faster access to funds. These items provide convenience when an area has no physical branches or the nearest branch is very far away.

A case from Maharashtra's sugar cooperative sector exemplifies this issue. Farmers were used to being paid by cheque, and subsequent payment delays were due to long bank queues or the processing of cheque payments. Since adopting a digital ledger system to allow direct payment through bank transfer, the time it took for members to be paid was halved, which led to greater satisfaction of members, as they could view payment

deductions for loans, fertilisers or seeds from their dashboards, leading to reduced default on loan repayment.

2. Governance and Accountability Improvements

The shift towards digitisation can enhance cooperatives' transparency, internal governance, and accountability. Automated and systematic recordings of meeting minutes, election results, financial statements, and audit findings can all occur in real time. Giving all members access to the minutes and audit findings promotes participatory democracy and mitigates power imbalances or elite capture.

For example, implementing biometric-enabled voting and electronic dissemination of audit reports in cooperatives will increase member turnout during annual general meetings and trust in the management committee's decisions.

3. Member Engagement and Customised Services

Digital systems allow cooperatives to better understand and serve their members through data analytics and CRM tools. By tracking member preferences, transaction history, and demographic profiles, cooperatives can tailor training programs and financial services.

4. Integration with Broader Ecosystems

Digitally enabled cooperatives with the ability to interface with governmental portals, fintech, e-commerce platforms, and agricultural value chains, enter new

revenue streams and increase cooperative sustainability.

A tribal women's cooperative in Chhattisgarh partnered with a digital B2B e-commerce startup. Using a cooperative-owned app to sell minor forest produce directly to an urban retailer, through a digital connection, eliminating other agents. The app included digital weighing machines and barcoding, inventory management and real-time sales dashboards.

Recommendations for a Sustainable Digital Transition

1. Context-Aware Digitisation Strategy

Digitisation strategies must be tailored to cooperatives' socio-economic, geographical, and functional characteristics. A uniform digital framework is impractical for a sector marked by diversity in size, capacity, and sectoral affiliation.

2. Strengthening State-Level Digital Ecosystems

State Cooperative Departments must build dedicated IT cells to provide localised hand-holding support, coordinate training, resolve technical bugs, and audit implementation. These cells can serve as policy translators, ensuring national guidelines are contextualised at the state and district levels.

3. Capacity Building and Incentivised Learning

Digital literacy is essential to effective

transformation. Capacity building should go beyond employees and include elected board members, women leaders, and youth so they feel ownership of the digital ecosystem and the sustainability of the work ahead.

Incentives for participation could include digital literacy certificates, stipends, or subsidised internet data packs. Peer-to-peer learning models and digital ambassador schemes should be scaled up through SHGs and Farmer Producer Organisations (FPOs).

4. **Public–Private Partnerships for Innovation**

Cooperatives should partner with startups, social enterprises, and academia to co-design affordable, user-centric digital tools. Innovation hubs, sponsored by NABARD or the Ministry of Cooperation, could fund prototypes, conduct field pilots, and disseminate best practices.

For instance, in Telangana, a cooperative incubator worked with a tech company to make a voice-based banking assistant in Telugu that lets blind people check their loan balances and get reminders.

5. **Regulatory and Cybersecurity Frameworks**

A data governance framework that is specific to cooperatives is fundamental. It needs to set rules for how to collect, store, share, and respond to data breaches. Cooperatives that handle a lot of member data or financial transactions should get help paying for cyber insurance.

Conclusion

Digitalisation is necessary and a chance for the cooperative sector to reform India. If designed well and takes a holistic view, it can empower members, better deliver services, be more transparent, and stabilise the organisation. However, if digitisation occurs without regard for the needs of the communities it wishes to serve, it could separate them more..

The studies show that success comes from putting things in context, working together, and creating things together. Technology should help people rather than keep them out. Every part of the digital ecosystem needs attention and money, from teaching members and improving policies to building new infrastructure and developing new ideas.

An inclusive, digital cooperative India is possible, but not through directions from above. Instead, it will happen through community-led change, from below, through innovative policies and adaptive governance.

References

- Abad, A., & Maaz, M. A. M. (2025). Factors Influencing Farmers' Intention to Join Agricultural Marketing Cooperative Societies. *The Society of Economics and Development*, 1.
- Abdykaliyeva, Z., Baidybekova, S., Abdykalyk, S., et al. (2025). The role of agricultural cooperatives in economic sustainability. *International Review of*

Applied Economics. Scopus ID: 2-s2.0-105004067975

- Sri, G. M., Devi, V. V., Swaroop, K., & Suneetha, P. B. (2025). A Model of Financial Empowerment for Women Through Cooperatives in Telangana: Stree Nidhi. In Corporate Management in the Digital Age (pp. 283–312). IGI Global Scientific Publishing.
- <https://www.dpdpa.in/>
- <https://www.indiastat.com/data/cooperatives>
- <https://ijritcc.org/index.php/ijritcc/article/download/10342/7877/12643>
- <https://imilk.in/>
- <https://www.indiancooperative.com/cooperative-coffee-shop/from-sugar-to-sustainability-maharashtras-cooperatives-redefining-rural-prosperity/>
- <https://learnproacademy.in/sanchar-mitra-scheme-mobilizing-indias-youth-for-telecom-awareness/>
- Ministry of Cooperation. (2023). Model Bye-laws for Primary Cooperative Societies. Government of India.
- Narula, S., & Singh, M. K. (2024). Do creditors punish weak banks? Evidence from the failure of Indian urban cooperative banks. Pacific-Basin Finance Journal, 88, 102517.
- National Cooperative Development Corporation. (2021). Operational Frameworks and Performance Metrics. Government of India.
- https://www.newindianexpress.com/nation/2019/Sep/08/chhattisgarhs-tribal-women-cooperative-collaborates-with-amazon-india-2030671.html?utm_source=chatgpt.com
- <https://www.promptdairytech.com/bulk-milk-coolers-smart-box/>
- <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2073319>
- Reserve Bank of India. (2021). Report on Urban Cooperative Banks. RBI Publications.
- <https://www.technologyforyou.org/computerization-and-strengthening-of-primary-cooperative-societies/>
- <https://www.nddb.coop/>
- <https://www.tarupublications.com/doi/10.47974/JDMSC-1764>
- <https://telanganatoday.com/iiit-h-working-on-telugu-voice-assistants>
- <https://www.pib.gov.in/FactsheetDetails.aspx?Id=148588>
- <https://www.policycircle.org/policy/national-cooperative-policy/>

Cooperative turns into a Mission – Introspection on Marketing Cooperatives



DR. RUPAK KARMAKAR
Faculty Member, Department of Commerce
& Management
Barasat College, Kolkata

ABSTRACT:

A marketing cooperative can be defined as a group of producers who are basically the farmers/members having come together to sell their marketable surplus at the most attractive prices for their own interest. Cooperative marketing societies are expected to ensure a better return to the farmer. The success of cooperative credit societies depends largely on the development of cooperative marketing societies basically development of storage and processing unit. This article highlights on marketing movement of cooperative societies in India.



**PROF. DR. CMA UTTAM KUMAR
DUTTA**

Professor, School of Professional Studies
Netaji Subhas Open University, Kolkata

Introduction

The history of cooperatives in India is more than a decade old. After independence, cooperatives developed rapidly in India. In the initial stage cooperative movement in India stood up slowly, but understanding the role of cooperative in several sectors, government took initiative to build strong cooperatives in Indian economic scenario. The cooperative movement in India plays a crucial role in the agriculture, banking, housing, dairy and others sector also. India has one of the world's largest cooperative networks. The cooperative society has played a significant role in development of the weaker sections of the society. Since its inception, India has more than eight lakh registered cooperatives. The cooperatives are raising their hands towards the stakeholders such as its members, suppliers, consumers and workers.

Literature Review

Sankar and Reddy (2014) observed that in Indian economy agricultural sector provides high share in employment, but day by day agricultural credit can create a major problem in rural employment. After the establishment of cooperative banks the credit problem has less compared to the previous year. In this study the authors try to focus on the movement of cooperative banks in India.

Dhananjaiiah (2015) revealed that cooperative societies untidily meet the economic, social and cultural needs in a great extent. Cooperatives like retail, banking, housing, marketing, agriculture, manufacturing continuous working

in a employment sector. Some of the renowned cooperatives like Amul, Lijjatpapad, IFFCO can carry cooperatives in a successful world. In future prospects the different cooperation can carry the rural economy in another level.

Singh (2016) explained that in India, cooperative system has the capacity and potentiality to neutralize the adverse effects emerging from the process of globalization. After economic liberalization, cooperatives are making efforts to reorient their functions according to the market demand. The paper focuses on several pitfalls and shortcomings of cooperatives like poor infrastructure, lack of quality management and lack of human resources.

Laxman and Ravi (2023) examined that after post independence era cooperative development found a place in national place. Several challenges like; political interference, mismanagement and lack of professionalism can cause a great effect of cooperative members and government support has changed the overall scenario. Basically cooperative movement success has been combination of grass roots innovation and general policies.

Bhullar and Mohan (2025) focused that public as well as private sector have failed to make an impact in the rural areas, but cooperative sector makes an impact in rural economy in a great way. Even in emerging world, cooperative system has the capacity and potentiality to neutralize the adverse effects emerging from the process of globalization. This article highlighted the problems and prospects of growth of cooperative sector in India.

Objectives

- (1) To study the effect of cooperative movement in rural marketing.
- (2) To analyze the role of marketing cooperative on storage and processing.

Methodology

The methodology adopted for the study is the systematic review of scholarly work on cooperative movement in India. A few select articles and books have been reviewed to understand the role of marketing cooperatives in storage and processing unit in overall cooperative sector.

Purpose Of Marketing Cooperative

Collective Marketing – Collective marketing is where producers/farmers pool together for purposes of marketing their products. Collective marketing has the advantage of spreading costs over a larger crop volume, creating a larger presence in the market place and focusing marketing and selling efforts. The collective marketing approach has been profitable to the growers involved through reducing marketing, selling and distribution costs and accessing different markets with higher prices.

Eliminating Middleman – Marketing cooperative strive to eliminate middleman and enhance the competitive position of their members by securing a favorable market for their products. Direct marketing is eliminating the middleman. The government promotes the idea of marketing

in the country by facilitating the farmers with a farmers market. Direct marketing aims to shorten the marketing channel, reduce marketing costs and maximize the farmers share.

Increased Bargaining Power – Cooperatives assist farmers by providing them with better seeds, tools and training to plant more crops. Cooperatives assist farmers in selling their produce at good price to enable them to make more money. Cooperative marketing is an initiative to democratize marketing and provide a level playing field for producers. As a result, individual chances and risks are significantly reduced and members have less reason to be concerned.

Storage and Processing Facilities – Cooperatives play a vital role in supporting storage and processing facilities by providing a framework for collective action, resource pooling and market access. Government of India has approved a plan to create warehouses, primary processing units and other storage at PACS level. The proper storage system will reduce wastage of food grains and transportation costs. National Cooperative Consumers Federation (NCCF) and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), have primarily identified 1711 PACS for creation of storage capacity under the pilot project.

Access to Credit – Marketing cooperative assists small producers in marketing their products by collectively selling on their behalf. The cooperative credit society provides financial assistance to members by accepting deposits and granting loans at reasonable interest rates. The

main advantages of this kind of credit facilities will enable farmers to avoid distress sales and secure better prices post harvest.

Storage System

To improve the storage facilities, the Government of India has implemented Agricultural Marketing Infrastructure (AME), a sub scheme of the

Integrated Scheme for Agricultural Marketing (ISAM) under which the improvement of storage facilities in rural areas. This scheme is implemented on 01.04.2001 and from then up to 30.06.2024 a total of 48512 infrastructure storage i.e. godowns, with storage capacity of 93.99 million MT have been sanctioned. Till now the project of ₹. 4734.73 crore has been released.

Table:1 – Top 5 state-wise progress of storage infrastructure as on 30.06.2024

State	No. of Project Sanctioned	Capacity Sanctioned (MT)	Subsidy Released (₹. In lakh)
Gujarat	12376	5992142	35442.91
Madhya Pradesh	8324	28484839	168412.14
Karnataka	5062	4490366	21616.63
Maharashtra	4071	8096142	35109.50
West Bengal	2626	1737343	5521.11

Source: Press Information Bureau, Government of India.

Effect of Storage and Processing Unit

Effective storage facilities minimize post harvest losses, while processing allows cooperatives to offer a wider range of products and reach more markets. In India, cooperatives are constantly working on processing plants and storage facilities. The processing units and storage facilities will help the people from economics of scale, improved market access and enhanced their product quality. This several collective approach altogether supports rural development and provides a platform for members to achieve greater economic stability and sustainability. According to India Brand Equity Foundation (IBEF), India's food processing sectors market

size is estimated double to ₹. 6040300 crore in 2030 compared to ₹. 2649103 crore in 2023, driven by growing demand for processed products, according to industry body PHDCCI. The IBEF also told that, the food processing sector has average annual growth rate around 7.3% during 2015-2022. They also noticed that the food processing sector contributed 10.54% of the Gross Value Added (GVA) in manufacturing and 11.57% of GVA in agriculture sector in 2020-21.

Conclusion

In developing countries agriculture contributes in a large measure to national income and output basically on GDP. It is significant important that the government should ensure

large support to the agricultural industries. The government should provide financial support and marketing process activities at reasonable rate. The cooperative societies are the one of the important resource that government should engage them in this particular area. India is the larger producer of milk and spices and one of the leading producer of vegetables, poultry and meat. The several states in India are leading in front of the production of vegetables and poultry. West Bengal is one of the examples of the larger producer of vegetables and poultry. West Bengal has achieved unprecedented success in the cooperative sector, especially in poultry production.

References

- Bhullar, Gurinder Jit Singh., and Mohan, Harinder. (2025). Cooperative Sector in India: Challenges and Future Prospects. *International Journal for Research Publication and Seminar*, 16(1), 71-77. <http://doi.org/10.36676/jrps.v16.i1.31>.
- B H, Laxman., and B, Ravi., (2023). History and Growth of the Cooperative Movement in India: An Empirical View. *Journal of Emerging Technology and Innovative Research (JETIR)*, 10(7), 719-724.
- Sankar, S. Siva., and Reddy, B. Ramchandra., (2014). Cooperative Movement and Progress of Cooperative Banks in India. *Indian Journal of Applied Research*, 4(11), 126-136.
- Singh, Saroj Kumar. (2016). Problems and Prospects of the Cooperative Movement in India Under the Globalization Regime. *The International Journal of Indian Psychology*, 3(4)(59), 154-165. DIP: 18.01.073/20160304.
- T, Dhananjaiah. (2015). A Historical Study of Cooperative Movement in India. *International Journal of Innovative Research in Technology (IJIRT)*, 1(9), 204-208.

Redefining PACs:

A Multi Sectoral Analysis of Growth, Challenges and Opportunities

ABSTRACT

Primary Agricultural Credit Societies traditionally focused on disbursing credit and offering financial services at village level are emerging as multifaceted rural institutions. PACs have diversified operational scope into new ventures such as Common Service Centers and value chain projects rapidly across rural communities nationwide. Published secondary data informs analysis of performance challenges and emerging opportunities thoroughly across various domains from 2019 through 2023. Findings signify a robust upswing across sectors showcasing PACs'



DR. RAJESH KHATRI

Assistant Professor
Centre for Professional Courses, Gujarat
University, Ahmedabad.

knack for adapting and bolstering services quite effectively for rural economic growth sustainability. Operational inefficiencies and capacity gaps persist keenly alongside somewhat pressing policy constraints despite considerable underlying growth. A critical evaluation of PACs' diversification strategy is provided here and recommendations for enhancing their role within rural economic ecosystems are proposed.

Keywords

PACs, Common Service Centers, Warehousing, Water Cooperatives, Petrol Pumps, Value Chain, Rural Economy, Cooperative Development

Introduction

Primary Agricultural Credit Societies form foundational layer of India's rural credit system serving mostly farmers and households in rural areas quite effectively. PACs have diversified considerably beyond traditional credit services lately under various government initiatives across state and central levels. PACs now offer myriad digital services like Aadhaar enrollment and sundry government transactions by integrating somewhat obscure Common Service Centers. They've diversified into warehousing for storing grain scientifically and petrol pumps providing fuel access alongside water cooperatives serving irrigation and drinking needs. PACs are increasingly venturing into processing and marketing thereby retaining greater value deep within rural economies naturally over time. Significant shifts emerge from credit provision towards comprehensive rural service delivery frameworks operating

under revised institutional guidelines nationwide suddenly. Success of such ventures relies heavily on having requisite technical know-how and garnering policy support alongside ensuring considerable financial stability. Evaluating performance of PACs in emerging sectors identifies gaps and assesses their role somewhat effectively in inclusive rural development initiatives nationwide.

Literature Review

- NABARD Annual Report (2023), "Expanding PACS beyond Credit". The report documents how PACS are being integrated with new services like Common Service Centers (CSCs), agri-warehousing, and value chain finance, showcasing a substantial rise in sanctioned infrastructure projects under the Agri Infra Fund. This supports the paper's focus on diversification and performance.
- CSC e-Governance Services India Ltd. (2024), PACS-CSC Integration Update. This publication reveals that over 40,000 PACS have been onboarded as CSCs, improving rural access to digital services, G2C schemes, and financial products. It highlights both performance (uptake) and issues (training, bandwidth) at the PAC level.
- Ministry of Cooperation (2023), Guidelines on PACS Diversification into Petrol Pumps & Water Units. The policy framework allowing PACS to run petrol pumps and water purification plants identifies operational, compliance, and infrastructure issues, but

also emphasizes the revenue potential and employment generation in rural areas.

- FICCI-KPMG (2020), Agri Value Chain Financing and Role of Cooperatives. This industry report shows how PACS can be key players in farm-to-market value chains. It justifies the inclusion of value chains in the study by identifying the opportunity to improve farmer income, reduce post-harvest loss, and localize agri-processing.
- Indian Oil Corporation (2022), Rural Fuel Partnerships with PACS. IOC's collaboration model with PACS for setting up petrol pumps demonstrates strong commercial performance in rural fuel sales but also flags logistical and licensing challenges supporting both performance and issue aspects of the study.

Research Design

This study employs a research design that is both descriptive and analytical in nature relying heavily on secondary data sourced from published NABARD reports Ministry of Cooperation documents and CSC-SPV records between 2019 and 2023. Performance metrics at PACs level like Common Service Centers

and value chain projects have been scrutinized using trend analysis and comparative methods thoroughly. Data presentation involves charts highlighting growth patterns and emerging opportunities alongside performance fluctuations over considerable time spans very effectively. Drawing meaningful insights for policy reforms and cooperative overhaul happens effectively thereby facilitating related decision-making processes quite significantly.

Objectives of the Study

- To evaluate the performance of PACs in new economic areas (2019–2023).
- To identify key challenges.
- To explore future potential and policy recommendations.

Limitations of the Study

- The study is based on secondary data and is limited to the last 5 years.
- Variations among states/regions are not individually analyzed.
- Lack of standardized reporting across PACs may affect comparability.

Data Presentation

Year	Common Service Centers (No. of PACs using)	Warehousing Capacity (in MT)	Petrol Pumps (Revenue in Cr INR)	Water Cooperatives (Villages Served)	Value Chain Projects (Implemented)
2019	1200	250000	320	800	50
2020	1500	300000	370	850	80
2021	1800	350000	410	920	120

Year	Common Service Centers (No. of PACs using)	Warehousing Capacity (in MT)	Petrol Pumps (Revenue in Cr INR)	Water Cooperatives (Villages Served)	Value Chain Projects (Implemented)
2022	2200	420000	460	1000	160
2023	2600	500000	520	1100	200

Source: NABARD reports (2019–2023) and Ministry of Cooperation press releases.

Parameter Insight

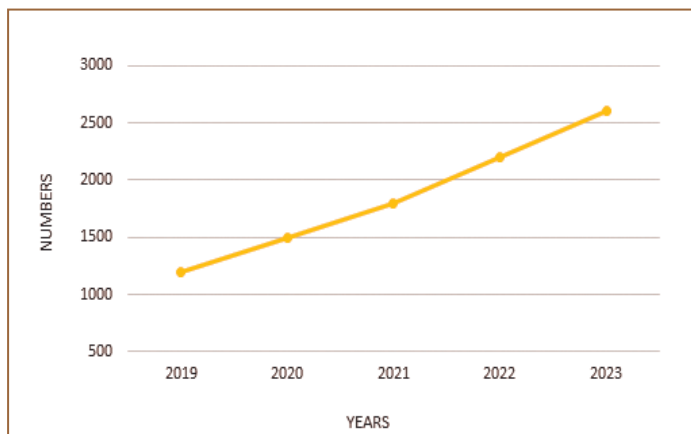
- **Common Service Centers (No. of PACs using):** Indicates the digital and administrative service reach of PACs in rural areas, enabling access to e-governance, financial services, and online facilities.
- **Warehousing Capacity (in MT):** Reflects PACs’ role in agricultural logistics and food security, helping farmers store produce, reduce wastage, and access credit against stored goods.
- **Petrol Pumps (Revenue ₹. In Crore):** Shows PACs’ diversification into energy

distribution, generating consistent revenue streams and supporting rural mobility and agri-logistics.

- **Water Cooperatives (Villages Served):** Highlights PACs’ contribution to rural water management, ensuring equitable water access, particularly in drought-prone and underserved areas.
- **Value Chain Projects (Implemented);** Captures PACs’ involvement in agricultural value addition and processing, enhancing farmer incomes and integrating them into larger market systems.

Table:1. Common Service Centers (No. of PACS Using)

Year	2019	2020	2021	2022	2023
Common Service Centers	1200	1500	1800	2200	2600



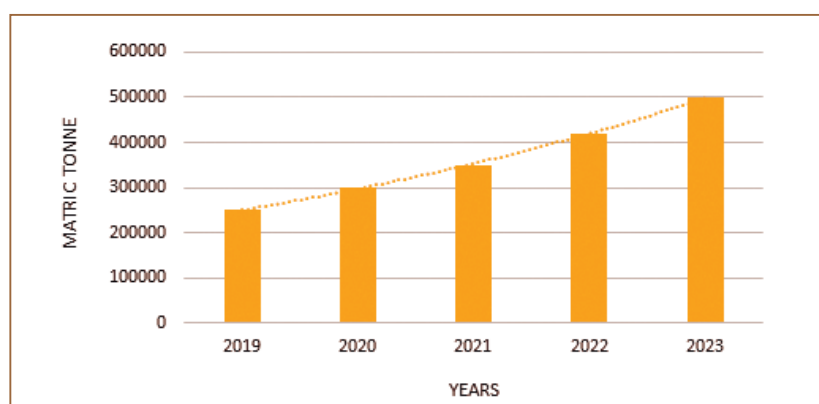
Interpretation

Primary Agricultural Credit Societies operating Common Service Centers jumped from 1200 in 2019 quite sharply to 2600 by 2023 gradually. Over five years PACs in rural governance and service delivery exhibited more than 116% growth reflecting growing digital capacity and a multifunctional role. CSCs functioning as digital hubs under Digital India initiative offer crucial services like Aadhaar enrolment PAN registration e-KYC online banking and G2C

services nationwide. Rural populations have gained access to information and financial inclusion through integration within PACs thereby acquiring considerable digital literacy. Adoption rates are surging and cooperatives are morphing into pivotal entities bridging digital chasms pretty quickly in rural India for development that includes everyone. PACs managing CSCs bolster trust in cooperative institutions as credible facilitators of rural development.

Table:2. Warehousing Capacity (in MT)

Year	2019	2020	2021	2022	2023
Warehousing Capacity	250000	300000	350000	420000	500000



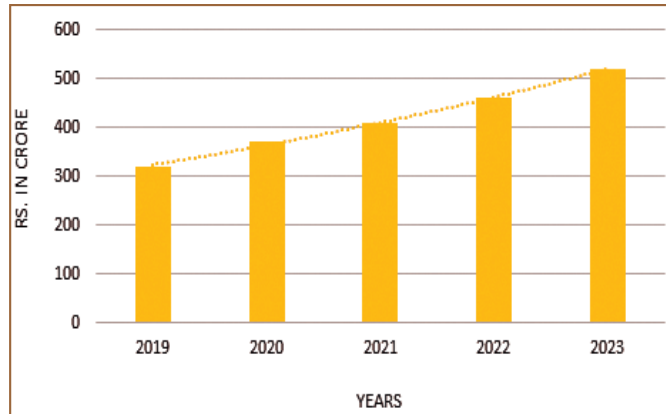
Interpretation

PACs warehousing capacity has nearly doubled from 2.5 lakh MT in 2019 and stood at 5 lakh MT by 2023 showing considerable growth. This growth bolsters crucial government initiatives like Gramin Bhandaran Yojana and converges with objectives of National Agriculture Infrastructure Fund initiatives suddenly. Greater storage capacity at cooperative level lets farmers stash produce safely and wait for better market conditions thereby boosting income noticeably.

It contributes significantly towards diminishing post-harvest losses that have perennially impacted food security and rural livelihoods badly over time. Infrastructural expansion signifies PACs morphing into agribusiness enablers supporting procurement logistics and commodity management pretty effectively nowadays. Enhancement of warehousing bolsters collateralized lending allowing farmer's access credit against stored produce thereby strengthening rural credit delivery systems quite significantly nowadays.

Table:3. Petrol Pumps Revenue (₹. In Crore)

Year	2019	2020	2021	2022	2023
Petrol Pumps Revenue	320	370	410	460	520



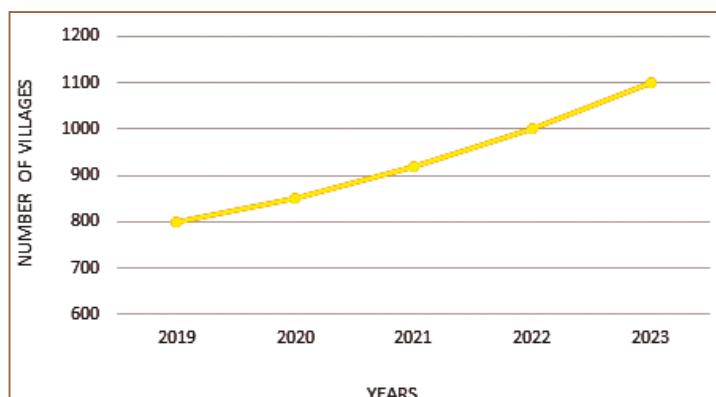
Interpretation

The petrol pump operations under PACs have generated increasing revenue, from ₹.320 crore in 2019 to ₹.520 crore in 2023, indicating a 62.5% growth. This data reflects the diversification of cooperative business models, where PACs are entering non-agricultural but essential services like energy distribution. Rural areas often suffer from fuel accessibility issues, and PAC-operated petrol pumps help bridge this gap by ensuring last-mile energy delivery. The rise in

revenue highlights increasing rural demand, operational efficiency, and the viability of PACs as rural commercial enterprises. Additionally, this revenue supports internal capital generation for PACs, which can be reinvested into developmental or credit activities. By integrating fuel services, PACs not only support agricultural mechanization (by providing diesel for tractors and irrigation) but also strengthen the rural transport and mobility ecosystem.

Table:4. Water Cooperatives (Villages Served)

Year	2019	2020	2021	2022	2023
Water Cooperatives	800	850	920	1000	1100



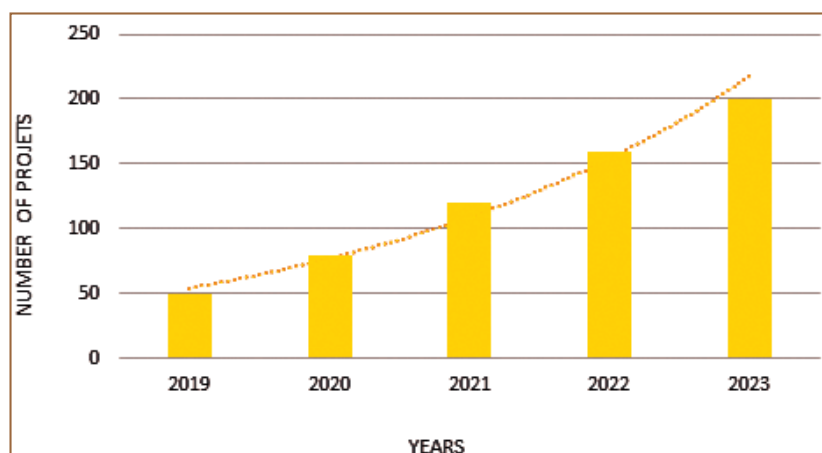
Interpretation

PACs steadily expanded their role as water cooperatives serving villages with numbers surging from 800 in 2019 to 1100 by 2023. This trend signifies a burgeoning role of cooperatives rather quietly in community water management mostly for drinking purposes and also irrigation. PACs are stepping in as service providers in India illustrating their rather impressive decentralized problem-solving ability amidst water scarcity and unequal distribution. Cooperatives have played quite a critical role implementing schemes

like Har Ghar Jal and Atal Bhujal Yojana by managing bore wells pipelines water tanks and various distribution systems effectively. Their involvement addresses rural water stress pretty effectively and strengthens community ownership alongside resource sustainability with participatory governance somehow. Serving more villages increasingly renders PACs as trusted local institutions capable of managing shared resources thus expanding scope beyond financial services into public utilities.

Table:5. Value Chain Projects (Implemented)

Year	2019	2020	2021	2022	2023
Value Chain Projects (Implemented)	50	80	120	160	200



Interpretation

PACs implemented 50 value chain projects in 2019 but a whopping 200 by 2023 marking quite a fourfold substantial rise suddenly. This signals a seismic shift toward end-to-end agri-value chain integration within cooperative movement where PACs facilitate market linkages and sales. Such projects entail multifaceted stages including aggregation of sundry produce quality grading primary processing secondary

processing bespoke packaging snazzy branding and direct marketing endeavors. Their implementation boosts economic resilience of rural producers particularly small marginal farmers by increasing their share significantly in consumer prices. Such value chain interventions help PACs generate non-interest income thereby ensuring financial sustainability pretty much for their own good. Such trends eerily mirror govt initiatives somewhat like forming

Farmer Producer Organizations and rather ambitiously aiming to double farmers' income by 2022. Data suggests PACs morph into rural agribusiness hubs offering multifaceted support across production finance and marketing pretty seamlessly nowadays.

Findings

Primary Agricultural Credit Societies are evolving rapidly beyond traditional roles of providing agricultural credit and emerging quite swiftly as diversified rural financial hubs now. Significant growth has occurred across key areas between 2019 and 2023 rapidly and pretty substantially nationwide. PAC count swelled remarkably from 1,200 to 2,600 in rural areas functioning as Common Service Centers indicating vastly improved digital access. Warehousing capacity doubled rapidly from 250,000 MT reaching 500,000 MT thereby significantly reducing post-harvest losses for farmers with better price realization. Revenue from PAC-managed petrol pumps jumped substantially to ₹.520 crore from ₹.320 crore reflecting a growing rural footprint suddenly nationwide. Water cooperatives vastly expanded services across roughly 1,100 villages from a previous count of 800 addressing essential irrigation and drinking water needs simultaneously. Value chain projects skyrocketed from 50 projects initially up 200 eventually enabling farmers benefiting greatly from integrated production processing and various marketing activities. PACs encounter myriad hurdles including dearth of skilled staff pretty frequently under poor infrastructural conditions with somewhat limited tech access.

Upward trend nevertheless indicates PACs can play transformative role in rural development with support from appropriate policies and sporadic capacity building measures.

Conclusion

Research concludes PACs are transitioning successfully from credit only cooperatives and becoming vital multi-service institutions for rural development slowly nowadays. Strategic diversification manifests pretty evidently in emerging areas like CSCs and value chain integration reflecting broader rural empowerment goals. Such ventures provide essential services locally and create sustainable income models for PACs but addressing systemic issues is crucial for long-term success. Essential issues related to capacity building infrastructure support digitization and policy facilitation must be tackled effectively now. Evolving PACs showcase potential for driving fairly decentralized development in rural India through somewhat cooperative institutional frameworks lately.

Future Scope

Future research endeavors will likely examine PAC performance across various states and understand how differing socio-economic milieus influence success greatly. High-performing PACs showcase exemplary models worthy of emulation through meticulously documented case studies that yield valuable lessons. Research ought to also assess impact of digitization and computerization on efficiency of PACs and their overall service delivery

mechanisms. Analyzing financial viability of diversified services like warehousing and petrol pumps alongside CSCs remains pretty darn important evidently. Farmer centric studies are needed badly nowadays mainly to measure effects on income of women and youth amidst rapid rural migration. Policymakers and stakeholders can design rather effective cooperative models inclusively with fresh insights gathered from various sources effectively.

References

1. NABARD. (2023). *Annual Report 2022–23: Expanding PACS Beyond Credit*. National Bank for Agriculture and Rural Development. <https://www.nabard.org>
2. CSC e-Governance Services India Ltd. (2024). *Integration of PACS with Common Service Centres (CSCs): Status Update*. Press Information Bureau. <https://pib.gov.in>
3. Ministry of Cooperation, Government of India. (2023). *Guidelines on PACS Diversification into Petrol Pumps and Water Units*. <https://cooperation.gov.in>
4. FICCI & KPMG. (2020). *Agri Value Chain Financing and the Role of Cooperatives in India*. Federation of Indian Chambers of Commerce and Industry. <https://ficci.in>
5. Indian Oil Corporation Ltd. (2022). *Collaborative Model of Rural Fuel Distribution through PACS*. <https://iocl.com>
6. NABARD. (2023). *Agri Infrastructure Fund–PACS Sanction Data*. National Bank for Agriculture and Rural Development. <https://www.nabard.org>
7. CSC e-Governance Services India Ltd. (2024). *Digital Outreach through PACS-CSC Linkages*. Press Information Bureau. <https://pib.gov.in>
8. Ministry of Cooperation. (2023). *Operational Guidelines for Diversified PACS Services*. <https://cooperation.gov.in>
9. Indian Oil Corporation Ltd. (2022). *Performance Metrics of PACS Petrol Pumps in Rural Areas*. <https://iocl.com>
10. FICCI. (2020). *Cooperative-Led Agri Processing Models and Value Chains*. Federation of Indian Chambers of Commerce and Industry. <https://ficci.in>

Transforming Cooperatives through Artificial Intelligence:

A Roadmap for India's Digital Future in the International Year of Cooperatives 2025

ABSTRACT

The International Year of Cooperatives 2025 arrives at a critical inflection point for India's cooperative movement, anchoring the national ambition of "Sahkar Se Samridhi" (Prosperity through Cooperation) against a backdrop of rapid digital transformation. Artificial Intelligence (AI), coupled with next-generation technologies, offers transformative potential to enhance efficiency, equity and resilience across India's diverse cooperative sector. This paper explores the practical applications, opportunities, challenges and strategic recommendations for driving an AI-powered cooperative resurgence in India.



CS SHALINI IYENGAR

CSA
Indian Bank, Kolkata

Introduction

India's cooperative movement, with its rich history spanning over a century, has been instrumental in empowering marginalized communities and fostering inclusive economic development. Today, with over 8.5 lakh cooperative societies across the country, the sector faces unprecedented opportunities and challenges in the digital era. The government's vision of establishing at least one cooperative institution in every village over the next five years aligns perfectly with the transformative potential of Artificial Intelligence.

Artificial Intelligence emerges as a transformative force capable of addressing longstanding challenges in cooperative governance, operational efficiency and member

engagement. The integration of AI technologies presents an unprecedented opportunity to modernize cooperative operations while preserving the fundamental principles of democratic participation, mutual aid and community empowerment.

Current Landscape of Cooperatives in India

(a) Sectoral Distribution and Scale

India's cooperative sector encompasses a diverse range of activities across multiple sectors, serving as the backbone of rural economy and social development. The National Cooperative Database reveals the extensive reach and impact of the cooperative movement across the country.

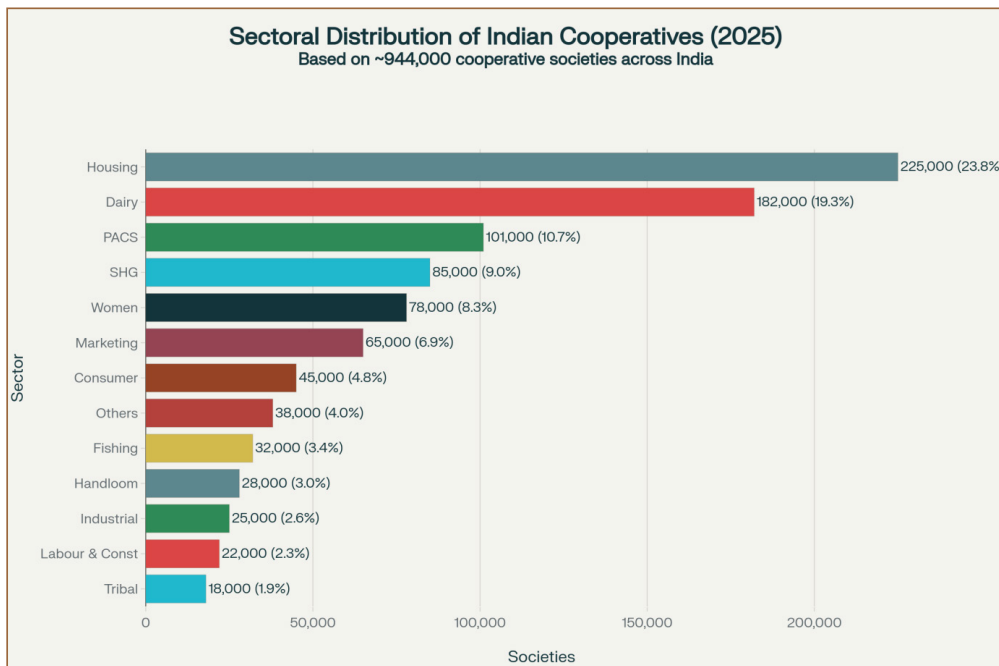


Fig: Sectoral Distribution of Indian Cooperatives showing the diversity and scale of the cooperative movement across different economic sectors

1 <https://www.indiancooperative.com/cooperative-coffee-shop/ai-next-gen-tech-accelerating-evolution-of-indias-cooperatives/>

The sectoral distribution demonstrates the multifaceted nature of India's cooperative ecosystem, with housing cooperatives and dairy cooperatives leading the way, followed by Primary Agricultural Credit Societies (PACS), which serve as the foundational units of rural credit delivery. This diversity creates unique opportunities for AI implementation across various domains, from agricultural productivity enhancement to financial service delivery.

(b) Geographic Distribution and Membership

The cooperative movement's geographic spread reflects India's federal structure, with Maharashtra accounting for over 25% of total cooperatives, followed by Gujarat, Telangana, Madhya Pradesh and Karnataka. This concentration in economically progressive states indicates the correlation between cooperative density and economic development, suggesting that AI implementation could accelerate similar growth patterns in other regions.

With a collective membership exceeding 29 crore individuals, Indian cooperatives represent approximately 20% of the country's population, significantly higher than the global average of 12%². This extensive membership base creates both opportunities and challenges for AI implementation, requiring scalable solutions that can serve diverse demographic profiles across urban and rural contexts

2 <https://www.un.org/en/desa/cooperatives-launch-2025-international-year>

The Indian Cooperative Ecosystem: Challenges and Opportunities

1. Traditional Strengths

- ☐ Democratic, member-driven structures rooted in local needs.
- ☐ Significant contributions to rural livelihoods, food security and financial inclusion (e.g., Amul, IFFCO).
- ☐ Networked reach into "last-mile" communities.

2. Emerging Challenges

- ☐ Inefficient resource and supply chain management.
- ☐ Limited real-time data and decision-support capabilities.
- ☐ Difficulty in scaling operations while maintaining member engagement.
- ☐ Competition from private sector and digital platforms

Artificial Intelligence: A Transformative Force

What Can AI Offer?

- **Data-driven Insight:** Leveraging big data for precise decision-making and forecasting.
- **Automation:** Streamlining repetitive processes while improving accuracy.
- **Personalization:** Customizing member services and communications.

- **Sustainability:** Optimizing resource use and tracing supply chains for environmental accountability.

AI Applications Across Cooperative Sectors

1. Agriculture and Allied Sectors

- ☐ **Precision Farming:** AI-driven agronomy tools (satellite imaging, IoT sensors) monitor soil, weather and crop health, boosting yields and lowering inputs³.
- ☐ **Market Linkages:** Predictive analytics for commodity prices help farmers time sales to maximize profits. For example, Telangana cooperatives leverage AI to predict global demand for red chillies, while those in Gujarat forecast selling windows for groundnuts⁴.
- ☐ **Supply Chain Optimization:** Platforms like Amul use AI to anticipate demand, optimize logistics and reduce wastage.

2. Financial Services and Credit Cooperatives

- ☐ **AI-powered Credit Scoring:** Advanced algorithms analyze transaction data to assess rural borrowers' creditworthiness, reducing dependence on collateral and expanding access to tailored loans.

4 <https://opinionexpress.in/cooperatives-ai-the-future-of-rural-india-a-new-economic-era>

- ☐ **Fraud Detection:** Machine learning identifies patterns indicative of fraud, enabling early intervention.

3. Governance and Member Engagement

- ☐ **Chatbots and Virtual Assistants:** Automate member queries, feedback and onboarding.
- ☐ **Mobile Apps:** Assist in seamless transactions and personalized advisory—critical for geography-spanning societies with diverse member profiles

4. Sustainability and Social Impact

- ☐ **Resource Optimization:** AI-driven energy management in cooperative facilities lowers costs and environmental footprints.
- ☐ **Disaster Resilience:** Real-time analytics strengthen preparedness and mitigate agricultural and climate risks
- ☐ **Inclusive Growth:** By making digital tools accessible to women and marginalized groups, AI promotes participation and economic empowerment.

The Role of Artificial Intelligence in Indian Cooperatives

- **Enhancing Operational Efficiency:** AI can optimize supply chains—predicting demand, reducing waste and streamlining

logistics, as demonstrated by Amul’s use of AI for inventory and distribution planning. In agriculture, precision farming techniques powered by machine learning and IoT help optimize input use and maximize yields, mitigating risks stemming from unpredictable weather and market trends

- **Improving Financial Inclusion:** AI-powered credit scoring enables cooperatives to provide loans to previously underserved members, especially in rural areas lacking traditional credit histories. Sahaj Cooperative’s AI-driven credit assessment models have expanded their lending portfolios while managing default risks
- **Data-Driven Decision-Making and Governance:** Cooperatives can use AI to analyze large datasets (sales, member feedback, transaction histories) to support transparent, timely and strategic decision-

making. The National Cooperative Database (Ministry of Cooperation), leveraging AI, aids systematic mapping and planning across 8.5 lakh societies, standardizing governance and accountability

- **Strengthening Member Engagement:** AI chatbots and virtual assistants improve communication and accessibility, handling member queries in multiple languages and assisting with personalized financial guidance, as seen in Tumkur Merchants Credit Cooperative (TMCC)’s AI-powered banking experiences.
- **Promoting Sustainability:** AI analytics help optimize resource utilization (water, fertilizers, energy), reduce environmental impact and facilitate sustainable cooperative business models.

Case Studies: AI in Action in

Indian Cooperatives

Cooperative	AI Application	Impact
Amul	Supply chain and demand prediction	Reduced waste, improved delivery, cost optimization
IFFCO	Precision farming with AI & satellite data	Higher productivity, targeted crop management
Sahaj Cooperative	AI-based credit scoring	Expanded lending, lower defaults
TMCC	AI-driven customer service	Enhanced accessibility and service personalization
WCOOPEF & IRMA	AI, IoT, geospatial intelligence in agri	Data-driven crop and resource management; digital transformation

Future Potential: Transformative AI Applications

- **Personalized Member Services:** AI tailoring product recommendations and 24/7 multi-language support for members
- **Predictive Analytics:** Early warnings for crop yield risks, market price shifts and supply shortages, enhancing strategic planning
- **Blockchain and AI Integration:** Smart contracts and AI systems enhance trust, transparency and fraud detection within cooperative processes
- **Platform Economy:** AI-driven digital platforms connect cooperative producers directly with consumers, optimize pricing and manage bulk procurement efficiently

Challenges and Barriers to Adoption

(a) Technical and Infrastructure Constraints

The successful deployment of AI in Indian cooperatives faces significant technical challenges. Limited internet connectivity in rural areas, inadequate computing infrastructure and inconsistent power supply create barriers to AI implementation. Many cooperatives lack the technical expertise required to develop, deploy and maintain AI systems, necessitating substantial capacity building investments.

Data quality and availability represent

another critical challenge. AI systems require large volumes of high-quality data for training and operation. Many cooperatives have limited digital records, inconsistent data formats and inadequate data governance practices, hampering AI implementation efforts.

(b) Financial and Resource Constraints

The cost of AI implementation can be prohibitive for many cooperatives, particularly smaller organizations with limited financial resources. The initial investment in technology infrastructure, software licenses and staff training can strain cooperative budgets. Additionally, the ongoing costs of system maintenance, upgrades and technical support require sustained financial commitments.

The cooperative sector's traditional focus on member welfare rather than profit maximization can create tensions when justifying investments in expensive technologies. Boards and members may question the allocation of resources to AI initiatives when basic services and infrastructure needs remain unmet.

(c) Regulatory and Governance Challenges

The regulatory environment for AI in financial services and cooperative governance is still evolving. Cooperatives must navigate complex compliance requirements while ensuring that AI systems align with cooperative principles and member interests. Data privacy regulations, consumer protection laws and financial sector guidelines create additional complexity for AI implementation.

Democratic governance structures within cooperatives can slow decision-making processes related to technology adoption. The need for member consensus and board approval can delay AI initiatives, particularly when members have limited understanding of technology benefits and risks.

(d) Cultural and Social Resistance

The cooperative movement's emphasis on human relationships and community bonds may create resistance to AI adoption. Members and staff may perceive AI as threatening traditional ways of working or reducing human interaction. Overcoming this resistance requires careful change management and demonstration of AI's potential to enhance rather than replace human capabilities.

Digital literacy levels among cooperative members vary significantly, with older members and those in rural areas potentially struggling to adapt to AI-powered services. This digital divide can create inequities in service access and member participation.

Future outlook and emerging opportunities-

- (a) **Phased Implementation:** Launch pilot projects focused on clear member benefits before scaling; prioritize foundational digitization and automation
- (b) **Collaborative Ecosystems:** Shared infrastructure among federations, partnerships with tech innovators

and national centers of excellence (e.g., Tribhuvan Sahkari University, VAMNICOM AI labs)

- (c) **Integration with National Digital Initiatives:** The integration of cooperative AI initiatives with national digital programs such as Digital India, JAM Trinity (Jan Dhan-Aadhaar-Mobile) and the India Stack can amplify benefits and create synergies. Cooperatives can leverage existing digital infrastructure and identity systems to accelerate AI adoption. The development of cooperative-specific modules within national digital platforms can provide standardized AI capabilities while maintaining cooperative autonomy and member control.

- (d) **Sustainable Development Goals Alignment:** AI-powered cooperatives can contribute significantly to achieving Sustainable Development Goals (SDGs), particularly those related to poverty reduction, food security and economic inclusion. The ability to measure and track SDG impact through AI analytics can attract international funding and support.⁵

Climate change adaptation and mitigation efforts can benefit from AI applications in agricultural cooperatives, enabling more sustainable farming practices and resource management.

- (e) **Innovation and Entrepreneurship:** The combination of cooperative principles with AI capabilities can create new models of social entrepreneurship and innovation. Cooperative incubators and accelerators can support the development of AI-

powered social enterprises that address community needs.

The creation of cooperative technology companies can provide AI services specifically designed for cooperative organizations, ensuring that technology development aligns with cooperative values and requirements.

- (f) **Capacity Building:** Customized training for board members, staff and youth ambassadors targeting digital literacy and ethical AI use in cooperatives
- (g) **Ethical Governance:** Develop cooperative-driven AI ethics standards, emphasizing member consent, algorithmic transparency and data protection
- (h) **Policy and Financial Support:** Government incentives (subsidies, grants, tax breaks), data governance reforms and regulatory sandboxes to accelerate responsible AI adoption

Conclusion

The integration of Artificial Intelligence into India's cooperative sector represents both a significant opportunity and a complex challenge. As the country celebrates the International Year of Cooperatives 2025, the potential for AI to transform cooperative operations, enhance member services and strengthen democratic governance is becoming increasingly apparent.

The journey toward AI-powered cooperatives will require careful navigation of technical, financial

and cultural challenges. Success will depend on collaborative efforts among cooperatives, supportive government policies and sustained commitment to preserving cooperative values while embracing technological innovation.

The future of Indian cooperatives lies not in choosing between traditional community-based approaches and modern AI technologies, but in thoughtfully integrating both to create more effective, efficient and inclusive organizations. By embracing AI as a tool for enhancing rather than replacing human capabilities, cooperatives can strengthen their role as drivers of sustainable development and social progress.

As we look toward the future, the vision of AI-powered cooperatives that maintain their commitment to democratic participation, member welfare and community development offers hope for a more inclusive and sustainable economic model. The successful integration of AI into the cooperative sector will require ongoing learning, adaptation and commitment to the fundamental principles that have made cooperatives a vital force for social and economic transformation.

The path forward demands courage, collaboration and careful consideration of both opportunities and challenges. With proper planning, adequate support and unwavering commitment to cooperative values, AI can indeed serve as a catalyst for India's cooperative renaissance in the digital age, creating a model that other nations can emulate and adapt to their own contexts.

References:

1. <https://2025.coop/iyc/>
2. <https://www.indiancooperative.com/cooperative-coffee-shop/ai-next-gen-tech-accelerating-evolution-of-indias-cooperatives/>
3. <https://www.copac.coop/international-year-of-cooperatives-2025/>
4. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2147170>
5. <https://www.questjournals.org/jrbm/papers/vol13-issue2/13025254.pdf>
6. <https://ica.coop/en/newsroom/news/theme-announced-coopsday-2025-driving-inclusive-and-sustainable-solutions-better>
7. <https://www.indiastat.com/data/cooperatives/other-co-operatives-societies>
8. <https://www.niti.gov.in/sites/default/files/2023-03/National-Strategy-for-Artificial-Intelligence.pdf>
9. <https://pmindiaun.gov.in/notice/MzQx>
10. <https://cooperatives.gov.in>
11. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2147173>
12. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2146922>
13. [https://www.cooperation.gov.in/sites/default/files/2025-07/NCP\(Eng\)_24Jul2025_Final.pdf](https://www.cooperation.gov.in/sites/default/files/2025-07/NCP(Eng)_24Jul2025_Final.pdf)
14. <https://economictimes.com/partnerships/how-technology-helped-amul-create-supply-chain-resilience-during-covid-19/articleshow/79492213.cms>
15. <https://www.oracle.com/in/news/announcement/iffco-selects-oracle-cloud-infrastructure-modernize-agriculture-india-2024-06-19/>

People Before Profits: Redefining Economic Democracy through India's Cooperative Model

ABSTRACT

India's cooperative movement, encompassing 8.14 lakh societies serving 29 crore members, represents the world's largest experiment in economic democracy. This article examines how cooperatives prioritize social welfare over profit maximization through democratic governance and member-centric operations. Analyzing successful models like Amul, IFFCO, and SEWA alongside social impact assessment frameworks including SROI, Social Accounting, and NABARD's Cooperative Governance Index, the study demonstrates how cooperatives generate sustainable social value while remaining economically viable. The synthesis of quantitative data and case studies



FCMA JAISHREE KANNAN

Practising Cost Accountant
Insolvency Professional

reveals that cooperatives contribute 5-6% to India's GDP, generate 10+ million employment opportunities, and achieve social returns exceeding 5:1.

Policy reforms under the Ministry of Cooperation (2021) and strategic recommendations offer a roadmap for scaling this transformative model across underserved regions while preserving core cooperative values.

Introduction

Economic democracy represents a paradigm shift from capital-controlled to people-centered economic governance. India's cooperative movement, with its vast network of 814,052 registered societies¹, exemplifies this transformation by operationalizing principles of collective ownership, participatory management, and equitable benefit distribution. Unlike investor-owned enterprises where control is determined by capital, cooperatives uphold the democratic value of "one member, one vote," ensuring economic power is shared broadly among members rather than being concentrated among a select group of shareholders.

The philosophical foundations of India's cooperative movement synthesize Gandhian economics emphasizing trusteeship and sarvodaya (welfare of all) with democratic socialist principles. Codified in the Cooperative Credit Societies Act of 1904 and elevated by the 97th Constitutional Amendment (2011), this approach has established cooperatives as institutions that demonstrate economic efficiency and social justice as complementary rather than competing objectives².

Historical Evolution and Scale

India's cooperative movement originated as a response to rampant rural indebtedness during the colonial era. The enactment of the Cooperative Credit Societies Act in 1904 marked the formal beginning of this journey, with the first cooperative society established in Tirur, Tamil Nadu³. Post-independence, cooperatives became integral to planned economic development, with Jawaharlal Nehru envisioning them as balancing forces in India's mixed economy.

Today, India's cooperative sector commands a vast and diverse presence:

Table 1: Snapshot of India's Cooperative Sector (2023-24)

Parameter	Value	Global Context
Total Cooperatives	8,14,052	Represents 27% of the world's total
Active Societies	6,51,781	Largest network worldwide
Total Membership	29 crore	1 in every 5 Indians is a member
Sectoral Spread	Housing (24%), Dairy (17.7%), PACS (13%)	Broad-based economic footprint
GDP Contribution	5-6%	Substantial impact on the economy

This expansive network reflects the cooperative movement’s deep-rooted economic and social significance, spanning multiple sectors and reaching millions of Indians, thereby driving both community welfare and national economic progress.

Source: National Cooperative Database, Ministry of Cooperation⁴

Case Studies: Cooperative Excellence in Practice

1. Amul: Democratizing Dairy Economics

Amul, managed by the Gujarat Cooperative Milk Marketing Federation (GCMMF), stands as a leading model of economic democracy in India’s dairy sector. It connects 3.6 million farmer-members through 18,600 village-level societies, collectively processing 300 lakh liters of milk every day. Amul has achieved an annual turnover of ₹80,000 crore, with an outstanding 85% of revenues distributed back to producers—far surpassing the global dairy industry average of 33%.⁵

Table 2: Key Social Impact Metrics:

Impact Area	Amul’s Performance & Highlights
Rural Families Benefited	15 million rural families supported, providing stable income and livelihoods
Women in Governance	Over 50% participation, reflecting strong gender inclusion

Impact Area	Amul’s Performance & Highlights
Average Farmer Income Growth	25–30% increase in average farmer income, enhancing grassroots prosperity
Jobs Generated	2.5 million jobs generated both directly and indirectly across the dairy value chain
Revenue Returned to Farmers	85% revenue returned to producers, greatly exceeding the global dairy industry average of 33%

2. IFFCO: Driving Cooperative Innovation at Scale

The Indian Farmers Fertiliser Cooperative Limited (IFFCO) exemplifies how cooperatives can operate effectively on an industrial scale. Owned by 36,000 member societies and catering to 55 million farmers, IFFCO recorded a turnover of ₹41,244 crore and a net profit of ₹2,443 crore in the fiscal year 2023-24⁶. Its pioneering development of nano-fertilizers has cut conventional fertilizer usage by 47%, significantly reducing input costs for farmers while promoting sustainable agricultural practices.

Social Impact Area	IFFCO’s Achievements
Farmers Benefited	55 million served via 36,000 member societies
Input Cost Savings	47% reduction in fertilizer use with nano-fertilizer adoption

Social Impact Area	IFFCO's Achievements
Rural Employment	Large-scale direct and indirect job creation
Crop Yield Improvement	20–30% boost in productivity through balanced fertilizers
Community Capacity Building	Extensive farmer training and outreach across rural India
Environmental Sustainability	Promotion of eco-friendly, sustainable farming methods

Table 3: Key Social Impact Metrics:

3. SEWA: Empowering Informal Women Workers

The Self Employed Women's Association (SEWA) stands as a powerful example of grassroots cooperative innovation. Operating across 18 states with 3.2 million members organized into 130 cooperatives, SEWA exemplifies how collective efforts can significantly uplift marginalized women⁷.

Table 4: Key Social Impact Metrics

Social Impact Area	SEWA's Achievements
Membership Reach	3.2 million women across 18 states
Cooperatives Operated	130 cooperatives
Increased Member Confidence	68% of members report greater self-confidence

Social Impact Area	SEWA's Achievements
Stable Employment	40% of members attain steady employment
Women in Leadership	85% of leadership roles are held by women

SEWA's cooperative model effectively fosters women's empowerment by enhancing economic stability, promoting leadership, and building confidence, ultimately transforming the lives of informal women workers at the grassroots level.

4. SOFA: Sittilingi Organic Farmers Association – Advancing Cooperative Agriculture

The Sittilingi Organic Farmers Association (SOFA) stands as a distinguished example of rural cooperative innovation in Tamil Nadu, championing both economic democracy and sustainable agriculture among tribal communities. Founded by four tribal farmers, SOFA expanded to 57 members by 2008 and became a full cooperative by 2018, now supporting over 500 farmers with organic agriculture training. Operating in a community of 15,000—including 4,000 farmers—SOFA members collectively cultivate 1,200 acres with diverse crops such as millets, vegetables, cotton, turmeric, and sugarcane

Source: Annual reports and official summaries released by SOFA and collaborating local NGOs working in Sittilingi valley, Tamil Nadu.

Table 5: Key Social Impact Metrics

Impact Area	SOFA's Performance & Highlights
Organic Transition	Extensive training on organic farming practices; valley-wide adoption of organic cultivation
Income, Market Linkages & Livelihoods	SOFA's turnover rose from a few lakh to ₹1 crore by 2018, raising member incomes. Farmers get market rates plus a ₹2–3/kg premium, set democratically—ensuring stable livelihoods through fair pricing and secure market access.
Crisis Response	Amid COVID-19, SOFA provided ₹27 lakh in interest-free loans to members, enabled farmers to earn 70–80% above regular market prices, and improved access to storage and international certifications to support continued sales.
Environmental Sustainability	Widespread organic farming has enhanced soil health and reduced local environmental impact

Social Impact Assessment Frameworks

Traditional financial metrics inadequately capture cooperative value creation, necessitating comprehensive frameworks. Social impact assessment (SIA) frameworks play a crucial role in capturing and communicating the

multifaceted value cooperatives create for their members, communities, and the environment. Applying these frameworks to cooperatives helps demonstrate how their democratic, member-driven models generate sustainable social, economic, and environmental benefits beyond financial returns.

Framework	Focus	Example Application	Key Outcome & Insights
Theory of Change	Inputs → Activities → Outcomes → Impact	Mapping collective actions (e.g., fair pricing, member equity)	Clarifies causal pathways from activities to long-term social impact, aiding strategic planning and measurement.
Social Return on Investment (SROI)	Monetized social value	Amul's veterinary and educational services	Every rupee invested generates five rupees of social value ⁸ , making social returns tangible and highlighting impact efficiency.

Framework	Focus	Example Application	Key Outcome & Insights
NABARD Cooperative Performance Index	Governance, financial health, outreach	Grading PACS and DCCBs; cooperative banks	Drives governance and operational improvements via structured evaluation and incentives, enhancing transparency and performance.
SDG Alignment Matrix	Development goals (SDGs)	IFFCO’s nano urea (SDG13), SEWA’s gender empowerment (SDG5)	Connects cooperative activities explicitly to global development agendas, boosting stakeholder engagement and policy support.
Social Accounting (Triple Bottom Line)	Commercial, social, environmental performance	SEWA’s holistic impact evaluation	Demonstrates multi-dimensional value by capturing commercial success alongside social and environmental outcomes.

Employing these diverse social impact assessment frameworks enables cooperatives to rigorously evaluate and articulate the depth of their social, economic, and environmental contributions. By linking member-centric activities to tangible outcomes, monetized social value, institutional capacity, and global development priorities, cooperatives can strengthen their accountability, attract investments, guide policy reforms, and scale their transformative potential—reinforcing their role as engines of inclusive and sustainable development.

Policy Environment and Strategic Imperatives

The establishment of the Ministry of Cooperation in 2021 signifies a major shift in the government’s perspective towards the

cooperative sector. Notable initiatives under this new approach include⁹:

- 1. PACS Digitization:** An investment of ₹2,516 crore has been allocated to digitize 63,000 Primary Agricultural Credit Societies
- 2. Grain Storage Plan:** A robust plan to create 700 lakh tonnes of grain storage capacity, supported by an investment of ₹1.25 lakh crore
- 3. Multi-State Cooperative Societies Amendment Act 2023:** This amendment has strengthened governance frameworks and accountability within cooperative societies.

Challenges and Recommendations:

Despite notable reforms and initiatives, the

cooperative sector continues to grapple with several challenges:

- **Political interference** undermining democratic processes
- **Technology Adoption Lag:** Limited integration of modern technology constrains operational efficiency and competitiveness.
- **Geographical Imbalance:** A significant concentration of cooperatives persists in only five states, accounting for 57% of all societies.
- **Lack of Professional Management:** There is an acute shortage of trained professionals managing cooperative institutions.

Strategic Recommendations:

1. **Strengthening Governance:** Implement compulsory training programs for elected leaders and introduce digital platforms to encourage transparent stakeholder participation.
2. **Promoting Financial Inclusion:** Expand NABARD's refinance offerings and scale up technology-based services to improve outreach and efficiency.
3. **Fostering Regional Diversification:** Provide viability-gap funding and tailored support to foster cooperative growth in the northeast and eastern regions of the country.
4. **Enhanced Impact Measurement:** Mandate the inclusion of Social Return on Investment (SROI) reporting as a standard part of annual audits to better assess and communicate cooperatives' social impact.

Future Outlook: Cooperatives in India's Development Trajectory

India's cooperative sector is positioned for substantial expansion with growth drivers aligned to national development objectives:

- Cooperatives are envisioned to play an increasing role in India's target to achieve 500 GW of renewable energy capacity by 2030.
- Growing digital adoption is driving new tech-based cooperatives that can reshape traditional markets and widen access for producers and consumers.
- Social cooperatives addressing healthcare/education gaps - Social cooperatives play a vital role in closing gaps in healthcare and education by delivering key services to underserved communities, particularly in regions lacking adequate access.

Projected Growth (2025-2030):

- GDP contribution: 5-6% to 7-8%
- Membership: 350 million by 2030
- Employment generation: 56 million jobs
- Women participation: 60% in rural cooperatives

Conclusion

India's cooperative movement validates that prioritizing people over profits creates sustainable value. By embedding indigenous wisdom with global best practices, supported by progressive

policies and technological integration, positions cooperatives for unprecedented growth. As economic inequality intensifies globally, India's cooperative model offers hope that prosperity can benefit all, extending democracy beyond politics into economic life¹⁰.

Cooperative principles are not just ideologically sound but also practically viable and competitive. Success requires balancing democratic ethos with operational excellence, ensuring cooperatives remain people-centric while competing in market economies. This transformative model offers a proven pathway for inclusive growth and economic democracy.

Success in this sector depends on striking a careful balance between democratic ethos and operational excellence. By embedding rigorous impact measurement, leveraging digital public infrastructure, and ensuring coherent policy support, cooperatives can remain people-centric while thriving in market economies. India's cooperative framework thus provides a proven pathway towards economic democracy and inclusive growth – making every member a true stakeholder in the nation's development journey.

References

1. National Cooperative Database (2024). Ministry of Cooperation, Government of India.
2. The Cooperative Societies Act (1904) and 97th Constitutional Amendment Act (2011).
3. NABARD(2024). "Cooperatives: Tackling Challenges, Building Opportunities."
4. Press Information Bureau (2024). "Status of Cooperatives in the Country." Government of India.
5. GCMMF Annual Report (2023-24). Gujarat Cooperative Milk Marketing Federation.
6. IFFCO Financial Statements (2023-24). Indian Farmers Fertiliser Cooperative Limited.
7. SEWA Annual Report (2023-24). Self Employed Women's Association.
8. The Institute of Cost Accountants of India (2023). "Social Return on Investment in Indian Perspective."
9. Ministry of Cooperation Year-End Review (2024). Government of India.
10. International Cooperative Alliance (2024). "Global Cooperative Monitor."

Highlights

Highlights

The Cooperative Development Board of the Institute organized its first State Level Programme at Sikkim in the month of June 2025. It also organized a one-day joint Training Program with the Sikkim State Cooperative Union (SICUN) on the topic “Financial Governance and Accountability in Cooperatives” on 10th June’25 at Sikkim.

Shri Arun Kr. Upreti, the Hon’ble Minister of RDD and Cooperation Department, Government of Sikkim, was the Chief Guest for the program. The other esteemed guests and dignitaries who attended the Programme included Smt. Gloria Namchu, Secretary, Cooperation Department, Govt. Of Sikkim and Smt. Jabi Thapa, Principal Registrar, Cooperation Department, Govt. of Sikkim, amongst others. Also, during the inaugural session, CDB launched its 5th Vol. of Quarterly Journal ‘CMAs Cooperative Digest’.





CDB joined hands with the Tamil Nadu Cooperative Union (TNCU), Govt. of Tamil Nadu for providing training to their 300 finance professionals at Madurai.





Training Programme was conducted at Dehradun jointly with the Institute of Cooperative Management, Dehradun on the topic “Maintenance of Books of Accounts & Balance Sheet Preparation for MPCAS”.



Financials

Celebration of International Year of Cooperatives (IYC) 2025 at TNCU, Madurai and Gorakhpur Chapter of ICAI.



A delegation comprising Mr. Navneet Kumar Jain, CCM and Chairman Cooperative Development Board of ICMAI along with CMA A.V. Gopalan and Nilima V. Bhonsle, called on the Hon'ble Minister of Cooperation, Shri Subhash A. Shirodkar, at the Secretariat Office, Porvorim, Goa. The delegation requested the Hon'ble Minister to Recognize and include the Cost Accountants profession in the Official Gazette of Goa; and Authorize Cost Accountants to conduct Audit and Certification of documents under The Goa Co-operative Societies Act, 2001 read with The Goa Co-operative Societies Rules.



Meeting with the Managing Director of Goa State Cooperative Bank Shri Anant M. Chodankar. The delegation apprised Mr. Chodankar of the Institute's objectives, activities, and national initiatives, and requested inclusion of CMAs for conducting Concurrent Audits of cooperative societies in Goa.



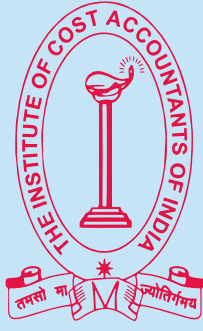
Thi
o
K
S
H
T
S



Meeting with the Managing Director of Goa Industrial Development Corporation, P. Pravimal Abhishek, IAS. Mr. Jain elaborated on the Institute's role and presence in Goa through its Vasco da Gama Chapter.

The team met Mr. Sanjay Amonkar, Director General, GCCI. Mr. Jain briefed him about the Institute's activities and initiatives.





ICMAI

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA



भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the Jurisdiction of Ministry of Corporate Affairs)

MEMBERS IN COOPERATIVE DEVELOPMENT BOARD (CDB) for the Term 2025-26

Chairman

CMA Navneet Kumar Jain

Members

CMA Ashwin G Dalwadi

CMA (Dr.) Ashish Prakash Thatte

CMA Suresh Rachappa Gunjalli

CMA Vinayaranjan P.

CMA Chittaranjan Chattopadhyay

CMA Avijit Goswami

CMA Subodh Mawalankar

CMA K. K. Vyas

CMA Anjeev Kumar Jain

CMA T.K. Jaganathan

Shri Dr. Mohan Mishra

CMA Nitesh Kumar Goyal

CMA Sudha Rani V

Secretary:

Dr. Kimi Thareja, Joint Director

Disclaimer:

This publication does not constitute professional advice. The information in this publication has been obtained or derived from sources believed by The Institute of Cost Accountants of India (ICMAI) to be reliable. The views expressed by the contributors are personal and do not necessarily represent the views of the Institute and therefore should not be attributed to it. The Cooperative Development Board (CDB) has the right to modify/ edit any content / title of the submitted article to suit the need of the e-bulletin, without affecting the spirit of the article.

Readers of this publication are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. ICMAI neither accepts nor assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take. The Institute of Cost Accountants of India is not in any way responsible for the result of any action taken on the basis of the articles and/or advertisements published in the e-bulletin. The material in this publication may not be reproduced, whether in part or in whole, without the consent of the CDB, the Institute of Cost Accountants of India. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Kolkata only.

@2025 The Institute of Cost Accountants of India. All Rights reserved.

Behind every successful business decision, there is always a **CMA**



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

www.icmai.in



cdboard@icmai.in; teamcdb@icmai.in

Headquarters

CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

Kolkata Office

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Behind every successful business decision, there is always a CMA