



## International Day of Cooperatives

**For Prelims:** International Day of Cooperatives, Primary Agricultural Credit Societies (PACS)

**For Mains:** Cooperatives and its Significance, Challenges faced by Cooperatives and way ahead

### Why in News?

Recently, 100<sup>th</sup> International Day of Cooperatives was observed.

- India celebrated the day under the theme **“Building a Self-Reliant India and a Better World through Co-operatives”**.

### What is International Day of Cooperatives?

- **Historical Perspective:**
  - The International Day of Cooperatives was **declared by the [United Nations General Assembly](#) on 16<sup>th</sup> December 1992, on the first Saturday of July.**
  - The purpose of this festival is to **promote cooperatives globally and foster an environment that will foster their expansion and profitability.**
  - The occasion highlights the **cooperative movement's contributions to tackling the major issues addressed by the United Nations as well as to enhancing and expanding the alliances between the cooperative movement internationally** and other actors.
- **Significance:**
  - It aims to **raise awareness** of cooperatives and further the values of the movement—
    - **International solidarity,**
    - **Economic efficiency,**
    - **Equality,**
    - **Global peace.**
- **Theme for 2022:**
  - Cooperatives Build a Better World.

### What are Co-operatives?

- **About:**
  - **Co-operatives** are people-centered enterprises owned, controlled and run by and for their members to realize their common economic, social, and cultural needs and aspirations.
  - Cooperatives bring people together in a **democratic and equal way**. Whether the members are the customers, employees, users or residents, cooperatives are **democratically managed by the 'one member, one vote' rule.**
    - Members share equal voting rights regardless of the amount of capital they put into the enterprise.
- **Indian Perspectives:**
  - India has the **greatest cooperative movement** in the entire globe. Cooperatives, which

currently **account for over 8.5 lakh villages in India**, are essential institutions for **fostering socioeconomic development for inclusive growth in both rural and urban areas**.

- Some of the well-known **success stories of the cooperative movement in India** include,
  - **AMUL(Anand Milk Union Limited),**
  - **[IFFCO\(Indian Farmers Fertilizer Cooperative Limited\),](#)**
  - **KRIBHCO(Krishak Bharati Cooperative Limited),**
  - **[NAFED\(National Agricultural Cooperative Marketing Federation of India Ltd\).](#)**

## What are the Related Government Initiatives?

- Recently, the **Ministry of Cooperation** was established by the Union Government in July 2021. Following its creation, the ministry has been **actively working on developing a new cooperation policy and programmes**.
- There is an **immense potential for the development and empowerment of farmers, agriculture, and rural areas of the country in the cooperative sector**.
- The **computerization of [Primary Agricultural Credit Societies \(PACS\)](#)** has recently been approved by the Union Cabinet, **strengthening the cooperative sector by enhancing PACS' efficiency, bringing accountability and transparency to their operations, and enabling PACS to diversify their business** and offer a variety of products and services.

## What are the Challenges faced by the Cooperatives?

- **Neglected by the Policy Makers:** The role of cooperatives has been overlooked by policymakers at various levels **due to their lack of visibility**.
- **Lack of Awareness:** There is a lack of awareness about business strategies and knowledge about how the market works.
- **Lack of Funding and Capabilities:** Whether public or private sector, both are not showing any amount of confidence in this sector, as there is **little or no financial support for cooperatives**, so this harms their potential.
- **Poor Management:** In some cooperatives, due to the **lack of understanding of the market and poor level of skill set** of workers, many cooperatives underperform and are not able to provide the desired results.

## Way Forward

- **Dual Status for Cooperatives:** Cooperatives role in society and economy should be accomplished and further support should be provided by various **stakeholders** including **government, corporates, etc**, by bringing their most significant **competitive advantage** to the table, namely their **dual status as associations and enterprises** (as they are businesses which are run by local communities for example members of a village).
- **Role of Government:** The government needs to work upon **enhancing their capabilities** by providing them with proper **guidance and support** from **market and business communities** so that they can get the desired level of **skill set** and knowledge of running an enterprise.

**[Source: PIB](#)**