

Primus Partners Report

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Prosperity through cooperation

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Article Content:

The government is providing financial support to farmer producer organisations to help farmers connect their farms to kitchens and markets by leveraging modern technologies through ONDC.

In June, the United National General Assembly (UNGA) adopted a resolution proclaiming 2025 as the International Year of Cooperatives with 'Cooperatives Build a Better World' as the theme. Marking its official launch recently in New Delhi, attended by global leaders and representatives of the United Nations, Prime Minister Narendra Modi highlighted the importance of these grassroots business enterprises, mostly owned by their members, saying cooperatives are the vital cog in India's economic wheels of progress, in delivering benefits to the poor, and that the sector serves as a glue for the Global South.

The Global South also feels the same way. At the conference, Bhutan Prime Minister Dasho Tshering Tobgay said the Himalayan country was building a new city spread over 2,500 sq km based on a cooperative model. While Tobgay emphasised the need to strengthen cooperation among cooperatives to guarantee global prosperity, for Fiji's deputy Prime Minister Manoa Kamikamica, cooperatives are the Pathways out of Poverty.

India's cooperative sector is over a century old. Cooperatives are the foundation of Indian culture and a way of life. The Cooperative Credit Society Act, enacted in 1904, provided a legal basis for cooperative societies. India, or rather Bharat, now has over 850,000 cooperative societies accounting for 25% of all cooperatives worldwide. Nearly 98% of rural India is covered by cooperatives. Around 300 million, or one out of every five Indians, are associated with the cooperative sector.

The cooperative sector has long been driving India's growth journey. However, the sector never received its due recognition, and its potential to drive economic growth, social equality, and inclusive development remained dormant. Prime Minister Modi recognised the cooperative sector's unique requirements and established an independent ministry dedicated to its development. Amit Shah has since helmed the ministry.

The cooperative economy employs 10% of the global workforce, and around 300 large cooperatives generate over \$2.1 trillion in revenue. Of the 300 largest cooperatives in the world (by turnover/GDP per capita), 15, including IFFCO, Amul, and KRIBHCO, are from India.

Immediately after taking charge as the first minister of the newly carved-out ministry, Shah took several pathbreaking initiatives to transform and strengthen the cooperative sector to turbocharge India's growth and prosperity.

India's cooperative sector alone contributes 20% to the distribution of agricultural loans, 35% to the distribution of fertilisers, 21% to its production, 31% to sugar production, 13% to the purchase of wheat, and 20% to the purchase of paddy. Led by the cooperative movement, the dairy sector alone contributes 4.5% of India's GDP, and the contribution of the dairy sector to the agriculture sector is 24%, valued at around `10 lakh crore, the highest in the world.

Under the guidance of Shah, cooperative societies are being connected through an IT-enabled ecosystem. These societies are meeting Bharat's digital needs. Multipurpose cooperative societies are being set up in 200,000 villages lacking such organisations. The government is providing financial support to farmer producer organisations to help farmers connect their farms to kitchens and markets by leveraging modern technologies through ONDC. The digital government e-marketplace (GeM) platform has indeed proved to be a gem for the cooperatives.

The government has unveiled the world's largest food storage scheme in the cooperative sector, under which different types of agri-infrastructure, such as godowns, custom hiring centres, processing units, fair price shops, etc will be created by the convergence of various schemes of the government of India at the primary Agricultural Credit Societies (PACS) level. This will ensure the country's food security, reduce wastage of food grains, resulting in better farmers' produce prices, and meet various agricultural needs at the PACS level.

Women are the biggest beneficiaries of the metamorphosis occurring in the cooperative sector. Clearly, Bharat's development will be women-led, and cooperatives will play a stellar role in making that a thriving reality.

For the world struggling with wars and economic crises, India's cooperatives are showing the path that ensures prosperity for all. In a recent report, management consultancy firm Primus Partners said that the cooperative sector has the potential to generate up to 55 million direct jobs and 56 million self-employment opportunities by 2030.