

## Innovating Cooperative Models for the 21<sup>st</sup> Century: A Comprehensive Overview of New Initiatives by the Ministry of Cooperation, India

Hema Yadav<sup>1</sup> and Mahesh Kadam<sup>2</sup>

<sup>1</sup>Director, Vaikunth Mehta National Institute of Cooperative Management, Pune, (M.S.)

<sup>2</sup>Associate Professor, Vaikunth Mehta National Institute of Cooperative Management, Pune, (M.S.)

### SUMMARY

Cooperatives serve as innovative models for the socioeconomic development of India by promoting inclusive growth, empowering communities, and advancing sustainable development goals. Through collective action, mutual support, and shared values, cooperatives contribute to building a more equitable, resilient, and prosperous society for all stakeholders. Cooperatives, collectives, and their innovative linkages represent a dynamic force in the 21st-century economy, driving social change, economic development, and sustainability. These collaborative models harness the power of collective action, shared ownership, and innovative practices to address diverse challenges and seize emerging opportunities.

### INTRODUCTION

In recent years, there has been a growing recognition globally of the pivotal role that cooperatives play in fostering inclusive growth, social cohesion, and sustainable development. Cooperatives embody the principles of democratic control, member participation, and equitable distribution of benefits, making them effective instruments for empowering communities and addressing socio-economic challenges. Recognizing their significance, the Ministry of Cooperation in India has embarked on a transformative journey by introducing new initiatives aimed at revitalizing and innovating cooperative models for the 21st century.

#### Overview of Initiatives:

**Policy Reforms:** The Ministry has undertaken comprehensive policy reforms to create an enabling environment for cooperative development. These reforms include streamlining regulatory frameworks, enhancing financial support, and promoting cooperative-friendly policies at both national and state levels.

**Technology Integration:** Embracing digital technologies is central to the Ministry's agenda. Initiatives focus on digitizing cooperative operations, implementing e-governance solutions, and leveraging data analytics for informed decision-making.

**Skill Development:** Recognizing the importance of human capital, the Ministry is investing in skill development programs tailored to the needs of cooperative members and managers. These initiatives aim to enhance productivity, efficiency, and innovation within cooperatives.

**Promotion of Youth Engagement:** Engaging youth in cooperative activities is vital for ensuring the long-term sustainability of the movement. The Ministry's initiatives target youth empowerment through education, training, and entrepreneurial support.

**Financial Inclusion:** Access to finance remains a critical barrier for many cooperatives. The Ministry is working to improve access to credit, insurance, and other financial services, especially for marginalized communities and rural areas.

**Market Linkages:** Strengthening market linkages is essential for enhancing the competitiveness of cooperatives. The Ministry is facilitating partnerships with private sector entities, promoting value-addition activities, and facilitating market access for cooperative products.

**Sustainable Development:** Environmental sustainability is a key priority for the Ministry. Initiatives focus on promoting eco-friendly practices, renewable energy adoption, and sustainable agriculture within the cooperative sector.

**International Collaboration:** The Ministry is actively engaging with international organizations and foreign governments to foster collaboration, exchange best practices, and promote cross-border cooperation in areas such as trade, technology transfer, and capacity building.

#### Initiatives wise importance to assist and develop the 21<sup>st</sup> century cooperative models

- Strengthening PACS through computerization holds immense potential for innovating cooperative models in

the 21st century. By embracing digital technologies, PACS can enhance operational efficiency, member services, governance practices, and decision-making processes, thereby creating a more resilient, responsive, and sustainable cooperative ecosystem that meets the evolving needs of its members and contributes to the socio-economic development of rural communities.

- Establishment of Multipurpose PACS and specialized cooperatives in every Panchayat/Village represents a paradigm shift in cooperative development strategies, offering a holistic, inclusive, and innovative approach to rural transformation in the 21st century. By harnessing the collective strength, knowledge capital, and entrepreneurial spirit of rural communities, these cooperatives have the potential to catalyze sustainable development, poverty alleviation, and social empowerment initiatives that address the complex challenges of our time.
- The world's largest Decentralized Grain Storage Program in the cooperative sector holds immense potential for innovating food security cooperative models in the 21st century. By leveraging cooperative principles, community participation, and strategic partnerships, this program addresses the complex challenges of food insecurity, market volatility, and climate variability, while promoting inclusive, sustainable, and resilient food systems that benefit all stakeholders along the value chain.
- Leveraging PACS as CSCs for better access to e-services represents a transformative approach to innovating technology and service cooperative models for the 21st century. By harnessing the power of digital technology, entrepreneurship, and community participation, this initiative empowers rural communities, strengthens cooperative institutions, and drives inclusive growth and development in rural India and beyond.
- The formation of new Farmer Producer Organizations (FPOs) by Primary Agricultural Cooperative Societies (PACS) represents a pioneering approach to innovating institutional building cooperative models for the 21st century. By harnessing the collective power of farmers, cooperatives, and partnerships, this initiative holds immense potential to drive inclusive, sustainable, and resilient agricultural development that benefits smallholder farmers, rural communities, and society at large.
- Granting eligibility to PACS for LPG distributorship and permission to convert Bulk Consumer Petrol Pumps into retail outlets represents a transformative step towards innovating institutional building and service cooperative models for the 21st century. By embracing new opportunities, technologies, and partnerships, PACS can enhance their relevance, impact, and resilience as key drivers of rural development and economic empowerment in the years to come.
- PACS-led Jan Aushadhi Kendras represent a pioneering approach to innovating health service cooperative models for the 21st century. By leveraging cooperative principles, community participation, and partnerships, this initiative promotes affordable healthcare access, health equity, preventive healthcare promotion, and community empowerment, thereby contributing to improved health outcomes and well-being for rural populations.
- Establishing PACS as fertilizer distribution centers and upgrading them as Pradhan Mantri Kisan Samridhi Kendras (PMKSK) represents a transformative approach to innovating cooperative models for the 21st century. By providing comprehensive support services, leveraging technology, and advocating for farmers' interests, PMKSKs empower farmers, strengthen rural communities, and drive agricultural innovation and prosperity.
- Deploying Micro-ATMs to Bank Mitra Cooperative Societies and issuing Rupay Kisan Credit Cards to members of Cooperative Societies represents a transformative approach to innovating finance cooperative models for the 21st century. By leveraging technology, partnerships, and financial instruments, these interventions promote financial inclusion, empowerment, and resilience in rural communities, driving sustainable development and prosperity for all stakeholders.
- Transforming PACS into Paani Samitis offers a transformative approach to innovating water resource management cooperative models for the 21st century. By promoting community-led governance, integrated planning, technology adoption, and partnerships, Paani Samitis empower communities to address water-related challenges, build resilience, and achieve sustainable water security and prosperity for current and future generations.
- The convergence of the PM-KUSUM Scheme at the PACS level offers a transformative opportunity to innovate renewable resource management cooperative models for the 21st century. By leveraging community-based approaches, renewable energy entrepreneurship, and participatory governance principles, PACS-led implementation of PM-KUSUM promotes sustainable energy access, rural livelihoods, and environmental stewardship, driving inclusive and resilient rural development in India.
- The constitution of Multi-State Cooperative Societies for Exports, Certified Seeds, and Organic Products

offers a transformative opportunity to innovate cooperative marketing models for the 21st century. By promoting market-oriented approaches, value chain integration, and collective action, these societies empower cooperatives to harness market opportunities, enhance competitiveness, and contribute to sustainable and inclusive agricultural development in India and beyond.

- The establishment of a Cooperative University in India, New schemes for Cooperative Training and education offers a transformative opportunity to innovate education cooperative models for the 21st century. By integrating education, research, and community engagement, the university advances cooperative education, empowers cooperative stakeholders, and contributes to building a more just, inclusive, and sustainable society grounded in cooperative principles and values.
- The implementation of a New National Cooperation Policy and establishment of a New National Cooperative Database offer transformative opportunities to innovate information cooperative models for the 21st century. By promoting policy coherence, digitalization, knowledge sharing, and evidence-based decision making, these initiatives strengthen the institutional foundations, governance mechanisms, and performance outcomes of cooperatives, thereby unlocking their full potential as drivers of inclusive, sustainable, and resilient development in India.
- The inclusion of Cooperative Societies as 'Buyers' on the GeM portal offers a transformative opportunity to innovate cooperative models for the 21st century. By leveraging digital platforms, marketplaces, and collaborative tools, Cooperative Societies can enhance their procurement efficiency, market competitiveness, and business sustainability, thereby contributing to the growth and resilience of the cooperative sector in India.
- Amendments in Multistate Cooperative Societies, the formation of a Central Registrar of Cooperative Societies, and amendments in PACS bylaws for business diversification represent innovative legal environment cooperative models for the 21st century. By modernizing regulatory frameworks, promoting cross-sectoral collaboration, encouraging innovation, and safeguarding member interests, these initiatives create an enabling environment for cooperative enterprises to thrive, innovate, and contribute to inclusive and sustainable development in India and beyond.

**Cooperative Models for the 21<sup>st</sup> Century**

Initiatives	Significance	Importance	Type of Cooperative Business Model
<b>Digital Transformation of PACS</b>	Embracing digital technologies like computerization and acting as CSCs for e- services enhances operational efficiency, governance, and member services of PACS.	It modernizes cooperative operations, improves service delivery, and strengthens governance, making cooperatives more agile and responsive to member needs in a digital age.	Service Cooperative Model
<b>Diversification and Specialization</b>	Establishing Multipurpose PACS and forming Farmer Producer Organizations (FPOs) enable cooperatives to offer diverse services and specialized support to rural communities.	This approach fosters holistic rural development, addresses specific community needs, and boosts economic activities through cooperative entrepreneurship and collaboration.	Multi-Purpose Cooperative Model
<b>Sectoral Innovations</b>	Initiatives like the Decentralized Grain Storage Program and LPG distributorship diversify cooperative roles into crucial sectors like food security and energy distribution.	They mitigate market risks, enhance food and energy security, and promote sustainable practices, aligning cooperatives with critical socio-economic needs.	Sectoral Cooperative Model
<b>Health and Education Services</b>	PACS-led Jan Aushadhi Kendras and Cooperative University/training programs promote affordable healthcare, education, and skill development in rural areas.	They improve community health outcomes, empower through education, and build human capital, crucial for sustainable development and societal well-being.	Social Cooperative Model

<b>Financial Inclusion and Services</b>	Introducing Micro-ATMs, Rupay Kisan Credit Cards, and Bank Mitra Cooperative Societies enhances financial inclusion and access to banking services for rural populations.	It promotes economic empowerment, facilitates savings and credit access, and supports entrepreneurial activities, fostering financial resilience and growth.	Financial Cooperative Model
<b>Resource Management and Sustainability</b>	Initiatives like Paani Samitis and PM-KUSUM Scheme focus on water resource management and renewable energy adoption at the grassroots level.	They ensure sustainable resource use, strengthen community resilience against climate impacts, and promote environmental stewardship for long-term socio-economic benefits.	Environmental Cooperative Model
<b>Market Integration and Export</b>	Multi-State Cooperative Societies for exports and inclusion on GeM portal facilitate market access and integration for cooperative products and services.	They enhance market competitiveness, expand income opportunities for cooperatives, and foster economic growth through trade and value chain integration.	Marketing Cooperative Model
<b>Regulatory and Institutional Support</b>	Amendments in cooperative laws, establishment of a New National Cooperation Policy, and databases strengthen governance, compliance, and performance monitoring of cooperatives.	They create a conducive regulatory environment, ensure transparency, accountability, and sustainability, supporting cooperative growth and resilience in dynamic economic landscapes.	Institutional Cooperative Model

**Empirical Model to Implement New Initiatives by the Ministry of Cooperation, India Needs Assessment and Stakeholder Engagement:**

Conduct a comprehensive needs assessment to identify key challenges and opportunities in the cooperative sector (Choudhary et al., 2020).  
Engage with stakeholders through surveys, focus group discussions, and consultation workshops to gather input and feedback on the initiatives.

**Strategic Planning and Goal Setting:**

Develop a strategic plan outlining the objectives, strategies, action plans, and performance indicators for implementing the initiatives.  
Set clear and measurable goals aligned with national development priorities and cooperative principles (World Bank, 2013).

**Capacity Building and Training:**

Provide capacity building programs and training sessions for cooperative leaders, members, and staff (Anheier & Ben-Ner, 2003).

**Case Study: The National Cooperative Development Corporation (NCDC) in India** offers training programs for cooperative societies to enhance their managerial and technical capabilities.

**Policy and Regulatory Reforms:**

Undertake policy reforms to create an enabling environment for cooperative development (International Labour Organization, 2016).

**Case Study: The Cooperative Societies Act of Kerala, India**, introduced reforms to streamline registration procedures and promote democratic governance in cooperatives.

**Financial Support and Incentives:**

Provide financial support, grants, and incentives to encourage cooperative innovation and expansion.

Case Study: **The Small Farmers' Agribusiness Consortium (SFAC)** in India provides financial assistance to farmer producer organizations (FPOs) for business development and market linkages.

#### **Technology Adoption and Digitalization:**

Promote the adoption of digital technologies and e-commerce platforms to enhance the efficiency of cooperative operations.

Case Study: **Amul**, India's largest dairy cooperative, has embraced technology to streamline milk collection, processing, and distribution, leading to increased productivity and profitability.

#### **Monitoring and Evaluation:**

Establish a monitoring and evaluation system to track the progress and impact of the initiatives. Case Study: **The Karnataka State Cooperative Department in India** conducts regular evaluations of cooperative societies to assess their performance and identify areas for improvement.

#### **Knowledge Sharing and Learning:**

Facilitate knowledge sharing and peer learning among cooperative stakeholders.

Case Study: **The International Cooperative Alliance (ICA)** hosts global conferences and knowledge-sharing platforms to promote best practices and innovation in cooperative development.

#### **Advocacy and Awareness Campaigns:**

Launch advocacy campaigns to raise awareness about the value of cooperatives and mobilize support for their development.

Case Study: **The National Cooperative Union of India (NCUI)** conducts advocacy campaigns to promote the role of cooperatives in poverty alleviation and rural development.

#### **Scaling Up and Replication:**

Identify successful initiatives for scaling up and replication across different regions and sectors. Case Study: **The Self-Employed Women's Association (SEWA)** in India has successfully replicated its microfinance and livelihood programs in various states, empowering women entrepreneurs across the country.

By following this empirical model and drawing upon relevant case studies, the new initiatives by the Ministry of Cooperation, India, can be effectively implemented to develop innovative cooperative models for the 21st century, driving inclusive and sustainable development in the country.

### **CONCLUSION**

Cooperative represents a beacon of hope in the quest for a more just, inclusive, and sustainable world, both in India and across borders. By nurturing linkages and fostering innovations that empower communities and promote shared prosperity, cooperatives offer a roadmap for building resilient economies that prioritize people and planet over profit. The initiatives will accelerate to develop new production, finance, marketing and management cooperative models of 21<sup>st</sup> century. As we navigate the complexities of the 21st century, the cooperative model in any form or attire stands as a testament to the enduring power of cooperation in shaping a brighter future for all.

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