

National cooperative Policy 2025

Mains: GS3 – Economic development | Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

Why in news?

Recently, Union Home and Cooperation Minister unveiled the National Cooperation Policy 2025, replacing 2002 framework, aiming to connect 50 crore people with the cooperative sector.

What is need for new National Cooperative Policy?

- Cooperation can be a vital instrument for the country's development for future generations.

The number of **cooperative societies in India** are more than 8 lakh and is currently home to more than one-fourth of the world's cooperatives. With about one-third of India's rural population directly connected to them as members for their diverse socio-economic needs.

- **Insufficiency of inclusive development** – With the increased population to 130 crore people, there is a need to revamp cooperative sector to suit the current demographic needs.
- **Outdated frameworks** – Transformation occurred in the society, country and abroad in the last 20 years due to globalization and technological innovation require holistic approach.
- It became necessary for a new policy so that cooperative institutions can be made more active and useful in the current economic scenario.
- **Declining cooperative movement** – There are 3 key factors contributing to decline of cooperative movement in India that are
 - Outdated laws that remained unchanged
 - Lack of evolution and expansion in cooperative activities
 - Recruitment practices influenced by favoritism.

What is National Cooperative Policy 2025?

- It is drafted by a 48-member national-level committee with 16 objectives.
- **Objectives** – It aims *to bring in at least 50 crore people* under the ambit of cooperatives and make them stakeholders in the equitable growth.

- It aims to *triple the cooperative sector's contribution to GDP* by 2034.
- It aims to strengthen the cooperative movement at the grassroots levels
- **Target** - It is to have *at least one cooperative organization in every village* in India.
- **Core focus** - *Dalits, Adivasis and women* are at the core of the new cooperative policy.
- **6 pillars** - It is to achieve the set goals for the cooperative sector
 - Strengthening the foundation
 - Promoting vibrancy
 - Preparing cooperative societies for the future
 - Enhancing inclusivity and expanding reach
 - Expanding into new sectors
 - Preparing the younger generation for cooperative development

*Union minister laid foundation for **Tribhuvan Cooperative University** to prepare professional and trained manpower to meet the growing needs of the cooperative sector.*

To know more about Tribhuvan Cooperative University, click [here](#)

- **Policy implementation** - A national-level committee for will be established for central-state coordination, troubleshooting implementation bottlenecks, periodic monitoring and evaluation.
- **Monitoring** - 'National Steering Committee on Cooperation Policy', chaired by Union minister of cooperation, will be constituted for overall guidance, inter-ministerial coordination, periodic policy review, etc.

What are its benefits?

- **Strong framework** - Legal, economic, and institutional framework will be strengthened and can *deepen the cooperative movement at the grassroots level*.
- **Grassroot level cooperative movement** - 5 model cooperative villages in every 'tehsil' will be developed.
- Other villages in the district will be prodded and encouraged to first catch up with the model village, and subsequently aspire to become one of the best in the state.
- **Cooperative business ecosystem** - A detailed plan for sectors like tourism, taxi services, insurance, and green energy will be established.
- **Benefiting targets** - The profits generated through these units will ultimately reach the members of Primary Agricultural Credit Societies (PACS) at the rural level.
- **Capital generation** - Cooperatives has a unique capability to pool small amounts of capital from many individuals to create large-scale enterprises.
- Emphasizing that only the cooperative sector has the capacity to develop the nation's economy inclusively with contributions from all 1.4 billion citizens.
- **Encourage independent policies** - Bringing up cooperative banks under the Banking Act and the Reserve Bank of India has solved many of the problems and support formulating state specific policies.

What lies ahead?

- Building a large and robust cooperative ecosystem can firmly establish the belief that cooperation can be a vital instrument for the country's development for future generations.
- The role of the cooperative sector can be strengthened in achieving the goal of 'Viksit Bharat 2047'.

Reference

[Livemint| National Cooperative Policy 2025](#)

