



NATIONAL COOPERATIVE UNION OF INDIA

Existing Scenario, Challenges & New Initiatives
to
Empower Cooperatives in India

Progress Report

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1.Introduction

Cooperation is a world-wide movement aimed to promote the social and economic rights of the people and in that pursuit and achievement of this high aim, requires active and concerted efforts of all the stakeholders involved in the process. It was introduced in India in the early years of 20th century in the wake of famines which had resulted in economic hardship and an alarming increase in the indebtedness of the farmers to the moneylenders. The first Cooperative Societies Act, which was passed in 1904 envisaged the formation of village credit societies. In 1912, the Act was amended to enable formation of other types of societies for activities relating to sale, purchase, production, housing etc. In the post-independence era, it was included in five year plans and the movement made rapid inroads in farming, housing, processing, marketing and other important sectors of economy.

1.1 Genesis of National Cooperative Union of India (NCUI)

The first formal Indian Co-operative movement came into existence prior to independence in 1904 to safeguard deep-in-debt peasants and workers from the clutches of money lenders . To consolidate the entire cooperative sector, the All-India Provincial Institutes Association came into existence in October, 1929. Meanwhile, on the recommendations of Shri RG Saraiyya Committee, the Indian Cooperative Union came into being on 15th May 1949 which was later renamed as All India Cooperative Union in 1954, and later in 1961 as the National Cooperative Union of India. Since 1961, NCUI has been acting as the torch bearer of the co-operative movement of India as the autonomous multi-state co-operative society.

1.2 Cooperative Network of NCUI

The membership of NCUI is broad-based comprising of cooperative institutions at national level, state level and multi-state cooperative societies representing all sectors of the Indian cooperative movement. Currently, over 8.5 lakh Cooperative societies are part of NCUI's Cooperative network.and touching the lives of over 30 crore population across India.

2.Various Activities of NCUI

In furtherance of the various objectives and cooperative principles, NCUI has evolved fast to carry out various HRD activities which can be classified as:

2.1 National Centre for Cooperative Education (NCCE)

The National Centre for Cooperative Education was established in 1958 for organising cooperative education and training programmes for capacity building of the cooperative leadership and personnel. These programmes are conducted at the NCUI Headquarters, IFFCO/KRIBHCO plants, and in collaboration with cooperative organizations spread across the country. In addition, need-based programmes are also designed and conducted as per requests received from cooperative federations and organizations from time to time.

In the last ten years, over forty thousand members and staff at various levels of cooperative network were trained by NCCE.

2.2 Education Field Projects

As a special measure for strengthening cooperative movement in cooperatively under – developed states / areas and reducing regional imbalance in the level of development, Government of India approved a scheme of Cooperative Education of NCUI in 1976. The main objective of the scheme is to develop and promote cooperative societies in project areas and through them to increase the productivity of farmer members and thus improve their socio-economic conditions. NCUI is currently running 41 Cooperative Education Field Projects including Women Projects and North Eastern Projects located in various cooperatively under developed regions of India

In the last ten years, we have trained over twenty five lakh persons in social development, skill development, farm guidance and women development programmes through field projects.

2.3 Member Education Programmes

NCUI monitors all cooperative education programmes and HRD related activities of State Cooperative Unions and provides them with all assistance in designing and developing course materials from time to time. These programmes are conducted by Junior Cooperative Training Centres (JCTCs) spread across the country for the members and employees of the primary-level cooperative societies. More than a lakh participants benefit from these programmes.

2.4 General Cooperative Policy

To assess the challenges and opportunities of the various sectors of cooperatives in different states, NCUI has been regularly organizing zonal conferences in five different zones of the country from time to time. The recommendations of these conferences are compiled and circulated to stakeholders by NCUI and thereafter it is placed in the Indian Cooperative Congress organized by NCUI every three years which is generally addressed by Hon'ble President or Prime Minister of India. Also, very recently NCUI held a national level and state level consultation with all the stakeholders to prepare **Policy Guidelines for the Cooperatives and various legislative reforms.**

2.5 National Cooperative Data Bank and Resource Centre

Indian Cooperative Movement is the largest Cooperative Movement in the World with as many as 8,54,355 cooperatives having membership of approximately 29 crores as of date and being the apex organization NCUI has been vigorously following up with the Registrar of Cooperative Societies of all states, State Cooperative Unions, NABARD and all other stakeholders in collecting and compiling the data on cooperatives in India and published in the form of a booklet titled **'A Statistical Profile on Indian Cooperative Movement'** every 2/3 years. This unique publication of NCUI is used by all concerned like Research Scholars pursuing their doctorate in cooperation, agriculture and allied activities, rural development, policy makers and different ministries etc.

2.6 Public Relations & Publication

To propagate the philosophy of cooperatives amongst the masses NCUI regularly conducts a number of brand-building events throughout the year to engage in a public dialogue and enhance image-building of the movement. **All-India Cooperative Week (14th – 20th November)** is celebrated every year to highlight achievements and success stories of the cooperatives. Similarly, **Vaikunth Bhai Mehta Memorial Lecture** is organised annually wherein eminent personalities from the fields of cooperatives, politics, education, research, management and policymakers are invited to share their views. NCUI publishes a monthly journal **"The Cooperator"** and a quarterly journal **"Indian Cooperative Review"** to publicize the success stories and case studies of cooperative sector.

2.7 International Relations

Being the apex organization of the cooperative movement in India, NCUI maintains active and close partnership with the cooperative organizations of the world through networking with the national apex cooperatives in different countries viz. International Cooperative Alliance (ICA), International Raiffeisen Union (IRU), Network for Development of Agricultural Cooperatives in Asia (NEDAC), Centre for International Cooperation in Training & Agricultural Banking (CICTAB) and BRICS Cooperative Forum.

2.8 Coop Connect

NCUI has constituted a special cell "Coop Connect" to orient the school and college students with the cooperative philosophy and how they can benefit by providing employment opportunities for themselves as well as others by forming and running their own cooperative societies. Special modules explaining the basic concepts of cooperative management are explained to them to enable them to grasp the distinctive features of this sector and appreciate its contribution in the national economy. The faculty members of government schools like Kendriya Vidyalayas, Navodaya schools and public schools have also been trained in the past to create a pool of Cooperative Trainers who further educate their students in the subject.

3. Key Issues in Cooperative Sector

3.1 Challenges

Interactions with the the members and staff of cooperatives has revealed that a majority of the cooperatives functioning in underdeveloped regions are finding it difficult to cope up with the emerging challenges in business in the era of globalization and information technology. The lesser known SHGs and coops are facing the following challenges:

- Lack of skills and professionalism among members and staff of cooperatives
- Inadequate training infrastructure for JCTCs
- Insufficient market linkages to reach urban and online customers
- Lack of coordination between stakeholders and partner agencies
- Lack of awareness about branding and new processing technologies

3.2 Post-Covid Scenario

The COVID-19 pandemic has adversely impacted a majority of population including smaller enterprises and cooperatives. The stringent lockdown measures have resulted in reverse-migration of a section of skilled and semi-skilled workforce back to their villages - resulting in a pool of unemployed skilled workforce going back to the village. It has also been found that the SHGs and communities who want to become part of cooperative fraternity need proper handholding in registration process and information about various schemes of the related government departments.

4. Initiatives & Focus Areas

4.1 Promoting Cooperative Entrepreneurship

The COVID-19 pandemic has adversely impacted a majority of population including smaller enterprises and cooperatives. The stringent lockdown measure have resulted in migration of a section of skilled and semi-skilled workforce back to their village and they are looking for employment there. It has also been found that the SHGs and communities who want to become part of cooperative fraternity need proper handholding in registration process and information about various schemes of the related government departments.

4.1.1 Assessing Contribution of Cooperatives in GDP

While addressing the first National Cooperative Conference in New Delhi on 25th September, 2021, the Minister of Cooperation Shri Amit Shah Ji said that the cooperative movement and organisations will play a key role in making India a \$5-trillion economy, helping unlock the potential of the rural economy as the country recovers from the coronavirus pandemic. Therefore, it is important to assess the contribution to cooperatives in India's GDP and NCUI has recently engaged a reputed consulting firm named Ernst & Young to conduct a study to understand the impact of cooperatives make in the Indian economy, both qualitatively and quantitatively. We are expecting the study to be completed by the year end

4.1.2 Launching NCUI Haat

NCUI Haat initiative has been conceived to **empower women led and lesser known cooperatives by providing them a stall space for their products at an exhibition-cum-sale centre named 'NCUI Haat'** in its premises located in a premium location in Delhi. Though this initiative is for the self-help groups of NCUI field projects, but to expand the landscape of Indian Cooperative Movement, other self-help groups, specifically women groups are also being given an opportunity to benefit from NCUI HAAT initiative.

NCUI Haat supports many of the flagship programmes and initiatives launched by Government of India such as National Livelihood Mission, 'Vocal for Local' and Skill India Mission. expanding its reach to all parts of the country thereby creating an enabling environment for "Sahkar se Samridhi" i.e. prosperity through cooperatives.

4.1.3 Advisory Council

NCUI has recently constituted an Advisory Council of experts coming from premier institutions like Institute of Rural Management, Anand (IRMA) and National Cooperative Development Corporation (NCDC) **to devise strategies for revamping structure of field projects and making it more livelihood oriented for associated coops and SHGs.** The Advisory Council will also deliberate on the various challenges faced by cooperatives in business development and market linkages and suggesting suitable interventions to tackle them.

4.1.4 Skill Development Centre at Noida

NCUI is also in the process of establishing a state-of-the-art Skill Development Centre with focus intervention to build the capacity of members and staff of cooperatives and cope up with the emerging challenges in market and grab the new avenues of businesses. NCUI has **started a consultation process with State Cooperative Federations, Chambers of Commerce & Industry and various other Industry Federations at national and state level to understand the nature and quantum of the demand of skilled work force** in the country. Accordingly, we are planning various short-term skill development programs to cater to the demand and ensure both employability and placement of the candidates after the completion of their programmes.

4.1.5 R& D Project for empowering Cooperatives

NCUI is currently carrying out a research and development project to conduct extensive field work in different zones of India to devise strategies for building partnerships with relevant government departments, social organizations and enterprises for knowledge exchange and building capacities of cooperatives. The project will help to identify success stories and best practices in the field of cooperatives, agriculture and women empowerment and building linkages with reputed academic/ research institutions for strengthening outreach network and soliciting support under various projects of NCUI.

4.1.6 Leveraging ICT for empowering Cooperatives

NCUI in past eight months has several measures to use the power of Information and Communication Technologies (ICT) to promote cooperative identity and support cooperative businesses. An application on NCUI Haat is being developed to build an interface between producers and buyers at national level. NCCE a wing of NCUI has been playing an important role in capacity building of members in all the sectors concerning functioning on cooperatives at all the levels. We have initiated the process of launching e-learning application for accessing complete information about starting and running cooperative form of business in one click. NCUI is also organizing training programmes for members and staff of cooperatives to build their capacities in using social media for promoting their businesses.

4.1.7 Establishing a Cooperative Entrepreneurship Development Cell

NCUI in the process of establishing a dedicated Cooperative Entrepreneurship Development Cell which will work in the following areas:

- ◆ **Providing technical and consultancy support to the self-help groups/communities** who aspire to register a cooperative society at state and central level.
- ◆ Identifying innovative approach and modules for running skill development programs for members and staff of cooperatives
- ◆ Build capacities of the members and staff of cooperatives in formulating business proposals, branding and marketing of their products.
- ◆ Conducting research and studies to understand the challenges and issues of the cooperatives and providing appropriate solutions.
- ◆ Identifying new food processing technologies/ livelihood options for business diversification and enhancing business prospects of the cooperatives.
- ◆ **Preparing a handbook** for promoting cooperative identity and empowering cooperative institutions.

4.2 Collaborations & MOUs

4.2.1 The National Institute for Entrepreneurship and Small Business Development The National Institute for Entrepreneurship and Small Business Development (NIESBUD) is a premier organization of the Ministry of Skill Development and Entrepreneurship, engaged in training, consultancy, research, etc. in order to promote entrepreneurship and Skill Development. NCUI has signed an MoU with NIESBUD on 7th September, 2021 to work together for organizing Trainer's Training Programme in the area of entrepreneurship, skills and education, developing course curriculum on entrepreneurship, identifying skill & entrepreneurial opportunities and incubation support through industries under CSR

4.2.2 The Agricultural and Processed food Products Export Development Authority (APEDA)

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985. Functions of APEDA include development of industries relating to the scheduled products, registration of persons as exporters of the scheduled products, fixing of standards and specifications for the scheduled products for the purpose of exports; etc. NCUI has signed an MoU with APEDA on 24th August, 2020 to work together in synergizing their various programmes in the interest of agriculture and allied sector. Through the collaboration, NCUI will work with APEDA to achieve the goal of doubling the farmer's income as set out by the government in its Agri Export Policy (AEP) and capacity development of agri-processing and allied coops/SHGs. National Skill Development Corporation

4.2.3 National Skill Development Corporation (NSDC)

NSDC is a not-for-profit public limited company which aims to promote skill development by catalyzing creation of large, quality and for-profit vocational institutions. Further, the organisation provides funding to build scalable and profitable vocational training initiatives. Its mandate is also to enable support system which focuses on quality assurance, information systems and train the trainer academies either directly or through partnerships. NCUI is in the process of signing an MoU with NSDC to upgrade skill and training infrastructure and explore new vocational training programs for cooperatives.

4.2.4 Quality Council of India (QCI)

QCI was set up in 1997 as an autonomous body jointly by the Government of India and the Indian Industry represented by the three premier industry associations i.e. Associated Chambers of Commerce and Industry of India (ASSOCHAM), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI). It aims to establish and operate national accreditation structure and promote quality through National Quality Campaign. NCUI is in final talks with QCI to sign an MoU for accreditation of the courses being run by NCCE related to cooperative development.

4.2.5 Warehouse Development and Regulatory Authority (WDRA)

The mission of WDRA is to regulate and ensure implementation of the provisions of the Warehousing (Development and Regulation) Act, 2007 for the development and regulation of warehouses, Regulations of Negotiability of Warehouse Receipts and promote orderly growth of the warehousing business. To educate the grassroots level farmers about the scientific storage system of the warehouse and prevent post-harvest losses besides not getting coerced into distress sales.

4.2.6 Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

GIZ supports people in acquiring specialist knowledge, skills and management expertise and helps organisations, public authorities and private businesses to optimise their organisational, managerial and production processes. Germany has been cooperating with India by providing expertise through GIZ for more than 50 years. To address India's priority of sustainable and inclusive growth, GIZ's joint efforts with the partners in India currently focus on sustainable urban and industrial development, natural resource management, renewable energy and energy efficiency. Director, natural resource management & agro-ecology, GIZ, India had a meeting with the Chief Executive, NCUI on 12th August, 2021 and both

4.2.7 Rainmatter Foundation

Rainmatter Foundation is a non-profit initiative by the people behind Zerodha. The organization is committed to using the resources available to us to enable, and to attempt to replicate at scale, the potential solutions that may help address at least some of these threats, and aid in the restoration of our natural ecosystems. Rainmatter Foundation has proposed to collaborate with NCUI **for documentation of success stories and best practices in farming and other sectors** related to agriculture, forestry and other sectors related to rural economy, especially with a focus around natural capital and ecological wealth. The collaboration will also help in building capacities of cooperatives and farmer organisations and executing pilot projects in selected areas to develop models of livelihoods and ecology restoration.

4.2.8 Vyakti Vikas Kendra Trust India (VVKI) of Art of Living

VVKI was established by 'Art of Living' organization to aid a far-reaching social transformation in India through the Art of Living programs and implementing a broad range of service projects to uplift and empower individuals, families and communities so that full potential of human life can be expressed. An MoU was signed between NCUI and VVKI at the Art of Living Campus in Bangalore on 4th October, 2021. With the signing of the MoU, NCUI and VVKI have come together **to develop models of cooperative development and good governance through training and capacity building programs for the farmers in areas of water harvesting, agri-business and rural livelihoods** in phased manner. VVKI will collaborate with NCUI for strengthening existing cooperative education programs through its ethical and motivational training modules. VVKI will also design effective training programs for skill development and employment of rural youth in agriculture, processing industry and other areas related to rural economy. In addition to this, VVKI will also support NCUI in promoting cooperative identity in the underdeveloped regions of the country through their existing rural development projects.

4.2.9 Fashion Design Council of India

Fashion Design Council of India is a not-for-profit organization that works to further the business of fashion in India and ensure its sustainable growth. It promotes and nurtures its over 400 members, who represent the best in Indian fashion. These members include fashion and accessory designers and professionals, educational institutions and corporates. FDCI has agreed to work with NCUI to provide space and visibility to NCUI HAAT during The Fashion Week and other events organized by FDCI. FDCI will also engage students/ professionals of fashion design to help cooperatives with design interventions for customizing and upgrading their products as per market requirements for better business prospects.

5. Planning For The Future

As mentioned in Section 4 above, NCUI has taken a number of policy initiatives in last one year to augment its capacity building framework and develop NCUI as a national level implementing agency to empower farmers and cooperatives. NCUI has set the following goals to be accomplished in the next five years:

5.1 Five Year Goals of NCUI (2021 - 2025)

i. Building capacities of all PACSs with professionally designed training programs

Primary Agricultural Credit Societies (PACSs) need to be strengthened with skills sets and capacities to live upto the expectations of its members. NCUI has put an ambitious target to reach out to all PACSs over a period of next five years and empower them with professionally designed training programs and technical knowledge for their smooth functioning and service delivery.

ii. Establishing NCUI Haat in Twenty States

NCUI Haat is not only an exhibition-cum-sales space but an effective platform to address the various challenges faced by lesser known cooperatives and SHGs including market linkages and product designs. Therefore, many more platforms like this should be established across India. NCUI is planning to start NCUI Haats in over twenty states in the next five years in collaboration with the relevant government departments and other stakeholders.

iii. Empowering 500 new SHGs/Coops to run successful social enterprise

NCUI has started collaborating with reputed social organizations who have been working on areas related to sustainable farming and livelihoods in various states. As these organizations have mobilized community support and formed SHGs in the areas of farming and other sources of livelihoods, NCUI will work with these organizations to bring these communities/SHGs into the cooperative network.

iv. Developing 50 Model villages through cooperative societies

Cooperative societies have played an important part in the development and integration of rural populations. The role of cooperative societies in rural development encompasses many aspects of rural life. It seeks to improve the economic and social well-being of its members and communities. NCUI plans to develop fifty model villages through cooperative societies over a period of next five years. The model villages be developed with a holistic approach which will integrate natural resource management, ecology conservation, establishing livelihood opportunities in tune with local requirements and ensuring a healthy socio-cultural environment and happiness for the people.

v. Providing Employment to over 5000 persons through the Skill Development Centre

Sensing the huge skill development requirements of the persons associated with the cooperative network across India, NCUI is planning to train over 5000 persons through the skill development centre which will be functional by December, 2021. The training programs of the skill development centre will be designed to suit the requirements of farmer producer organizations and the industries associated with the farming and rural development sector.

5.2 Way Forward

NCUI has taken giant leap in 2021 to overall its training infrastructure and augment its role in cooperative policy framework for catering to the requirements of the various sections of the society. We are in the process of creating a robust knowledge resource centre and a team of experts and resource organizations at national level to empower the state and district level cooperative federations of India. With the new Ministry of Cooperation in place, NCUI is hopeful of furthering its agenda of cooperative development and entrepreneurship under the aegis of the new ministry. With over 8.5 lakh cooperative societies as its members and over 30 crores associated with our cooperative network, NCUI has both the capacity and the outreach network to support the central government both in policy formulation and