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Research Article

The National Cooperative Policy 2025 — Reinvigorating India's Cooperative Sector

Prasad Mahale[1, *], Mithunraj B[2], Usha Poojary[2]

[1]Shri Dharmasthala Manjunatheshwara College of Arts, Science and Commerce, Honavar, India
[2]Institute of Management and Commerce, Srinivas University, Mangalore, India

Abstract

The cooperative movement in India has historically played a crucial role in advancing rural development, promoting inclusive growth, and empowering marginalized communities. Despite its significant contributions, the sector has been plagued by systemic inefficiencies, outdated legal frameworks, and lack of professional management. The *National Cooperative Policy 2025*, initiated by the Government of India under the aegis of the newly established Ministry of Cooperation, aims to comprehensively reform and revitalize the cooperative ecosystem. This study explores the key features, strategic pillars, and expected socio-economic impacts of the policy while analyzing the challenges and implementation mechanisms. Adopting a qualitative and descriptive methodology based on secondary data, this research examines reforms proposed in governance, legal restructuring, institutional strengthening, and digital transformation. The policy focuses on enhancing transparency, member participation, and accountability through digitization of Primary Agricultural Credit Societies (PACS), establishment of a National Cooperative Database, and legal amendments to the Multi-State Cooperative Societies Act. It promotes cooperative-to-cooperative (C2C) trade, professional management, and integration with platforms like eNAM and GeM to improve competitiveness and market access. The policy's alignment with national development goals such as *Atmanirbhar Bharat*, rural industrialization, and inclusive economic growth is evident in its targeted support for women, youth, SC/ST, and tribal cooperatives. Sector-wise impacts are anticipated in agriculture, dairy, fisheries, rural credit, and housing through improved financial access, value addition, infrastructure development, and employment generation. However, the policy faces notable challenges, including centre-state coordination issues, digital literacy gaps, legacy resistance, and limited financial autonomy of cooperatives. To overcome these barriers, the study suggests actionable reforms such as mandatory digital governance tools, professional training programs, cooperative branding initiatives, and fiscal incentives for states aligning with the national framework. If implemented effectively, the National Cooperative Policy 2025 holds the potential to transform cooperatives into dynamic, transparent, and self-sustaining institutions that drive India's grassroots economic transformation and social equity.

Keywords

Cooperatives, National Cooperative Policy 2025, Atmanirbhar Bharat, Rural Development, Socio-Economic Impact, Governance

[*]Corresponding author: prasadmahale.pm@gmail.com (Prasad Mahale)

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1. Introduction

The cooperative movement has long played a significant role in India's socio-economic development, particularly in empowering rural communities, promoting equitable growth, and enabling collective enterprise. Recognizing its potential as a people-centric model of development, the Government of India has consistently supported cooperatives across agriculture, dairy, banking, housing, and other sectors. However, despite their widespread presence, many cooperatives have struggled with challenges such as outdated governance structures, lack of modernization, limited access to finance, and poor professional management.

To address these issues and harness the full potential of cooperatives in the 21st century, the Government of India has proposed the National Cooperative Policy 2025. This new policy framework aims to reinvigorate the cooperative sector by promoting transparency, accountability, technology adoption, youth participation, and ease of doing business within the cooperative ecosystem. It envisions a modern, dynamic, and inclusive cooperative sector aligned with India's vision of Atmanirbhar Bharat (Self-reliant India) [5, 17].

The policy is being developed under the aegis of the newly formed Ministry of Cooperation, reflecting the government's commitment to giving focused attention to the sector. The National Cooperative Policy 2025 proposes reforms that range from legal and institutional restructuring, capacity building, and digital transformation to enhancing the global competitiveness of Indian cooperatives) [5].

This paper explores the key features, objectives, and anticipated impact of the National Cooperative Policy 2025, analyzing how it seeks to transform the cooperative landscape in India. It also evaluates the challenges that lie ahead in its implementation and discusses strategies to ensure that the cooperative movement regains its relevance and vitality in contemporary India [5].

2. Objectives of the Study

1) To examine the need for a new national cooperative policy by analyzing the structural and operational challenges in India's existing cooperative framework.
2) To analyze the core reforms and strategic components of the National Cooperative Policy 2025, including legal, institutional, and digital initiatives.
3) To evaluate how the policy aligns with national development goals, particularly Atmanirbhar Bharat, rural transformation, and inclusive economic growth.
4) To assess the expected socio-economic impact of the policy across key cooperative sectors such as agriculture, dairy, fisheries, rural credit, and housing.
5) To identify major challenges in implementation and propose actionable recommendations to ensure the success and sustainability of the cooperative reforms.

3. Research Methodology

This study employs a *qualitative and descriptive research methodology* to analyze the National Cooperative Policy 2025 and its potential impact on India's cooperative sector. The research is based entirely on *secondary data*, gathered from official government documents, policy reports, and publications by the Ministry of Cooperation, NABARD, NCDC, and relevant academic literature. Additionally, news articles, think tank reports, expert commentaries, and case studies have been reviewed to gain a multidimensional understanding of the policy framework. The data has been examined using *thematic content analysis*, focusing on key areas such as policy reforms, governance, legal structure, digitalization, and sectoral development. A comparative perspective is also used, where applicable, to assess how India's approach aligns with or differs from cooperative models and best practices in other countries. This structured analysis helps in evaluating the effectiveness, relevance, and transformative potential of the National Cooperative Policy 2025.

4. Scope of the Study

This study focuses on a comprehensive examination of the *National Cooperative Policy 2025* and its role in revitalizing India's cooperative sector. It explores the key provisions, strategic objectives, and reform measures outlined in the policy, with a particular emphasis on areas such as governance, transparency, technology adoption, institutional development, and financial inclusion. The study spans multiple cooperative domains, including agriculture, dairy, fisheries, rural credit, housing, and marketing cooperatives, to understand how the policy intends to strengthen and modernize these sectors [10].

Special attention is given to the *role of the Ministry of Cooperation* and its efforts to centralize and streamline the development of cooperatives across the country. The scope also includes the policy's alignment with national priorities such as *Atmanirbhar Bharat*, rural development, and inclusive economic growth. Furthermore, the study reviews past cooperative policies to provide a comparative perspective and highlight how the 2025 policy represents a shift toward modernization and sustainability within the cooperative ecosystem.

5. Literature Review

The cooperative movement in India has been central to rural development and socio-economic equity since its formal initiation under the Cooperative Credit Societies Act of 1904. Scholars such as [1, 3] argued that cooperatives can serve as instruments of grassroots empowerment when managed with autonomy and community participation. However, they also underscored recurring issues of political interference and lack of professional leadership.

Emphasized the necessity of depoliticizing cooperatives and professionalizing their management, citing the success of Amul as a model of cooperative efficiency and market-oriented governance [15]. Advocated for cooperatives to adapt modern business practices to stay competitive in the liberalized economy[2]. These calls for reform were echoed in later works that analyzed the sector's stagnation due to dual regulatory control, outdated laws, and financial dependency [14, 18].

Recent shifts in cooperative policy—particularly the establishment of the Ministry of Cooperation in 2021—are seen as a turning point. A report by the [6] noted that this institutional development can improve transparency, harmonize regulations, and support capacity building if supported by state-level cooperation. Similarly, expert opinions from [16] welcomed the Draft National Cooperative Policy 2025 for its focus on digitization, legal reform, and professional governance, though they warned of the risks of central overreach.

Globally, [8] has outlined that legal support, member-driven governance, and sustainable practices are key for cooperative resilience—a model increasingly relevant to India's modernization efforts. These insights underscore the need for reforms as outlined in the Draft National Cooperative Policy 2025, which aims to transform Indian cooperatives into transparent, efficient, and competitive institutions aligned with national development goals.

6. Data Analysis

The analysis of the National Cooperative Policy 2025 is structured in alignment with the study's objectives. This section interprets the key components of the policy using secondary data obtained from official documents, institutional reports, academic research, and expert commentaries. Thematic content analysis has been used to organize insights into the following sub-sections:

6.1. To Examine the Need for a New National Cooperative Policy by Analyzing the Structural and Operational Challenges in India's Existing Cooperative Framework

6.1.1. Structural Challenges in the Existing Framework

1. Outdated Legal Frameworks [4].
   1) Most cooperative laws in India—especially at the state level—are based on legacy legislation like the *Cooperative Societies Act of 1912*.
   2) The legal system lacks flexibility and autonomy for cooperatives to function as independent, member-driven enterprises.
   3) There is little uniformity between state cooperative laws and central legislation like the *Multi-State Co-operative Societies (MSCS) Act*, leading to legal conflicts and regulatory overlaps.

2. Dual Control System
   1) Cooperatives are governed by both state governments and central authorities (e.g., Registrar of Co-operative Societies, RBI for urban banks), leading to administrative confusion [12].
   2) This duality often results in inefficient regulation, overlapping responsibilities, and weak accountability mechanisms.

3. Limited Financial Autonomy
   1) Many cooperatives rely heavily on government subsidies and have limited access to diversified financing sources.
   2) Their inability to raise capital independently hinders innovation and growth.

6.1.2. Operational Challenges in Cooperatives

1. Poor Governance and Political Interference
   1) Elections within cooperatives are often delayed or manipulated, undermining internal democracy.
   2) Leadership is frequently influenced by political affiliations rather than merit or member consensus.
   3) This has led to weak transparency, low member participation, and declining credibility.

2. Lack of Professional Management
   1) A vast majority of cooperative institutions are run by untrained or underqualified personnel.
   2) There is minimal focus on skills development, performance measurement, or innovation.
   3) As per a VAMNICOM survey (2021), over 70% of cooperative leaders had no formal training in finance, governance, or business management.

3. Digital Backwardness
   1) Many cooperatives still operate manually without digitized accounting, auditing, or member records.
   2) Lack of integration with digital banking or e-governance platforms has made them less competitive and opaque.

6.1.3. Declining Performance and Member Trust

1) According to *NABARD (2019)*, a significant portion of *PACS (Primary Agricultural Credit Societies)* are non-viable or inactive due to operational inefficiencies.
2) Many *Urban Cooperative Banks (UCBs)* have failed due to poor asset quality and mismanagement, leading to public mistrust [13].
3) Youth and women participation in cooperatives is low, limiting the sector's dynamism and diversity.

6.1.4. Fragmented and Uncompetitive Sector

1) Most cooperatives operate in isolation and lack market linkages, branding, or scalability.

2) There is minimal cooperative-to-cooperative (C2C) trade or collaboration.
3) They struggle to compete with modern producer companies, private players, and digital platforms.

6.2. To Analyze the Core Reforms and Strategic Components of the National Cooperative Policy 2025, Including Legal, Institutional, and Digital Initiatives

6.2.1. Legal Reforms: Strengthening the Governance Framework

Legal modernization forms the backbone of the 2025 policy, intended to bring clarity, autonomy, and uniformity across cooperative institutions in India.

1. Reform of the Multi-State Cooperative Societies (MSCS) Act
   1) The policy proposes amendments to the MSCS Act to ensure better transparency, audit systems, and regulatory oversight.
   2) Measures include *mandatory regular elections, digital audits, and member grievance redressal mechanisms*.

2. Harmonization with State Laws
   1) Given that cooperatives are a State subject under *Entry 32 of the State List (Seventh Schedule of the Constitution)*, the policy aims to bring *uniformity between state and central cooperative laws*.
   2) It encourages states to align their cooperative acts with the national framework to ensure consistency, efficiency, and coordination.

3. Independent and Accountable Governance
   1) Emphasis is placed on *democratic functioning*, with rules to ensure timely elections, term limits, and member participation.
   2) Boards and managements are to be *held accountable* through performance audits, transparent reporting, and anti-corruption safeguards.

6.2.2. Institutional Reforms: Creating an Enabling Ecosystem

The policy outlines institutional changes to enhance the support structure, capacity, and professionalism of the cooperative sector.

1. Role of the Ministry of Cooperation
   1) The policy envisions the Ministry as a *central coordinating body* that will liaise with states, ministries, and cooperative federations.
   2) It will be responsible for national cooperative strategies, inter-agency collaboration, and monitoring progress on reforms.

2. Strengthening National Cooperative Institutions
   1) Institutions like *NCDC (National Cooperative Development Corporation)* and *NAFED* are to be empowered to provide funding, capacity building, and market access to cooperatives [11].
   2) The *LINAC (Laxmanrao Inamdar National Academy for Cooperative Research and Development)* will offer structured training, certification, and research programs for cooperative leaders.

3. Fostering Professional Management
   1) The policy mandates appointment of trained and certified professionals for key cooperative roles.
   2) New guidelines encourage the adoption of *corporate-style management* without compromising cooperative values.

4. Sector-Specific Strategies
   1) Customized reforms for sub-sectors like agriculture, dairy, fisheries, housing, and credit are integrated into the broader framework.
   2) Special support is proposed for *women-led*, *youth-driven*, and *SC/ST-based cooperatives*.

6.2.3. Digital Initiatives: Driving Transparency and Efficiency

A significant component of the policy is focused on *digital transformation*, aimed at enhancing transparency, reducing corruption, and improving operational efficiency.

1. National Cooperative Database
   1) A centralized digital platform will be created to maintain updated records of all cooperatives, including financials, activities, membership, and audit status.
   2) This database will be accessible to regulators, members, and the public, promoting transparency and accountability.

2. Computerization of PACS

Over *63,000 Primary Agricultural Credit Societies (PACS)* will be digitized to ensure real-time financial operations, automated loan tracking, and better integration with core banking systems.

3. Digital Governance Tools
   1) Introduction of *e-voting systems*, *online audit submission*, and *mobile apps* for member services are being proposed.
   2) Digital dashboards will enable performance monitoring and grievance redressal tracking at central and state levels.

4. Integration with Other Government Platforms

Cooperatives will be integrated with platforms like *eNAM (National Agriculture Market), GeM (Government e-Marketplace),* and *digital land records* to streamline access to markets, procurement, and credit.

6.2.4. Strategic Focus Areas

1. Ease of Doing Business for Cooperatives
   1) Simplified registration, faster approval processes,

and single-window systems are planned.

2) A digital portal will guide new cooperatives through formation, licensing, funding, and compliance [11].

2. Cooperative-to-Cooperative (C2C) Trade

1) The policy encourages *intra-cooperative trade networks* to enhance economies of scale and market reach.

2) It seeks to connect local cooperatives with national and global supply chains.

3. Branding and Marketing

1) National campaigns like *"Sahakar Se Samriddhi"* will promote Indian cooperatives domestically and internationally.

2) Assistance will be provided in packaging, export facilitation, GI tagging, and e-commerce integration.

6.3. To Evaluate How the Policy Aligns with National Development Goals, Particularly Atmanirbhar Bharat, Rural Transformation, and Inclusive Economic Growth

6.3.1. Alignment with Atmanirbhar Bharat

Atmanirbhar Bharat is the Government of India's mission to build a *self-reliant and resilient economy*, driven by local entrepreneurship, decentralized production, and reduced dependence on imports. The National Cooperative Policy 2025 supports this goal in the following ways:

1. Empowering Local Enterprises

1) Cooperatives are grassroots-based economic units. By encouraging *local production and collective marketing*, the policy promotes self-sufficiency in sectors like agriculture, dairy, handicrafts, and agro-processing.

2) Policies such as *Cooperative-to-Cooperative (C2C) trade* encourage inter-cooperative business linkages, strengthening domestic supply chains.

2. Boosting Rural Industrialization

1) Through credit support and digital integration, the policy enables cooperatives to scale operations and compete in formal markets.

2) This directly contributes to India's rural industrial base, supporting cottage industries, food processing, and village-level entrepreneurship.

3. Reducing Import Dependency

By strengthening fertilizer cooperatives like IFFCO and agri-input societies, the policy helps reduce reliance on imported fertilizers and farm equipment [7].

6.3.2. Contribution to Rural Transformation

The cooperative model has historically been a tool for rural development. The 2025 policy renews this role by addressing systemic inefficiencies and enabling modern, technology-driven cooperatives.

1. Strengthening Rural Credit Systems

1) Modernization and computerization of *Primary Agricultural Credit Societies (PACS)* will make rural credit more transparent, timely, and accessible.

2) Improved access to loans and financial services enhances the financial inclusion of small farmers and rural entrepreneurs.

2. Empowering Farmers and FPOs

1) The policy actively supports the growth of *Farmer Producer Organizations (FPOs)* through cooperatives [9].

2) This allows farmers to *aggregate their produce*, access inputs at lower costs, and secure better market prices.

3. Rural Employment Generation

1) Cooperatives are employment-intensive institutions. By supporting agro-based industries, rural tourism, fisheries, and animal husbandry, the policy can generate *local non-farm employment*.

2) This is particularly relevant in addressing seasonal migration and rural unemployment.

4. Improved Infrastructure and Services

1) The policy encourages cooperatives to take active roles in delivering rural infrastructure such as warehousing, irrigation, and cold storage facilities.

2) Housing cooperatives and service cooperatives also play a role in improving rural quality of life.

6.3.3. Advancing Inclusive Economic Growth

India's development vision emphasizes equity, social justice, and the participation of all communities. The cooperative framework is inherently inclusive, and the 2025 policy strengthens this feature:

1. Promotion of Marginalized Groups

1) The policy specifically promotes *cooperatives led by women, SC/ST communities, and tribal populations* through targeted financial assistance, training, and representation mandates.

2) This helps bridge income and opportunity gaps across caste, gender, and regional lines.

2. Democratic Governance and Member Participation

1) Regular elections, greater transparency, and e-voting mechanisms are promoted to enhance democratic functioning within cooperatives.

2) This participatory structure makes cooperatives more *accountable and inclusive institutions*.

3. Youth Engagement

1) Recognizing the aging leadership in cooperatives, the policy emphasizes attracting *youth into the cooperative movement* through leadership training, incentives, and digital platforms.

2) This ensures sustainability and innovation in cooperative operations.

4. Balancing Social and Economic Goals

1) Cooperatives under this policy are not seen only as social tools, but also as competitive economic entities.
2) By balancing *commercial viability with social responsibility*, the policy offers a unique model for *inclusive capitalism*.

6.4. To Assess the Expected Socio-Economic Impact of the Policy Across Key Cooperative Sectors Such as Agriculture, Dairy, Fisheries, Rural Credit, and Housing

6.4.1. Agriculture Cooperatives

1. Enhanced Farmer Empowerment

1) The policy promotes Farmer Producer Organizations (FPOs) within the cooperative framework, allowing small and marginal farmers to *collectively purchase inputs*, process produce, and sell in bulk.
2) This leads to better price realization, lower input costs, and increased bargaining power.

2. Improved Market Access

Integration with *eNAM (National Agriculture Market)* and other digital platforms allows cooperatives to bypass middlemen and directly access buyers, leading to fairer pricing and reduced post-harvest losses.

3. Localized Value Addition

Agricultural cooperatives are being encouraged to invest in *local agro-processing units*. This creates jobs and reduces transportation costs, ensuring *more income stays in rural areas*.

4. Increased Financial Inclusion

Computerization of Primary Agricultural Credit Societies (PACS) will enable better loan disbursement, credit tracking, and outreach, especially in underserved regions.

6.4.2. Dairy Cooperatives

1. Income Stability for Small Farmers

1) The policy supports *scaling of dairy cooperatives* by improving infrastructure for cold chains, veterinary services, and fodder supply.
2) Regular income through milk procurement helps stabilize farmer income, particularly for landless and smallholders.

2. Promotion of Women-Led Cooperatives

In states like Gujarat and Karnataka, women play a dominant role in dairy cooperatives. The policy aims to replicate and scale such models nationally, enhancing *women's financial independence and leadership*.

3. Export Competitiveness

Branding and support for certification (such as FSSAI and export licenses) will make dairy cooperatives export-ready, generating more revenue and foreign exchange earnings.

6.4.3. Fisheries Cooperatives

1. Coastal and Inland Development

The policy promotes *cooperative models in aquaculture and marine fisheries*, enabling better management of shared resources and market access for traditional fishing communities.

2. Technology and Training

1) By investing in *cold storage, processing units, and fish landing centers*, the policy seeks to reduce waste and improve profitability.
2) Fishermen will also receive training in sustainable practices, enhancing both income and conservation.

3. Livelihood Security

Seasonal employment risks in fisheries are addressed by introducing *multi-activity cooperatives* that diversify income streams (e.g., fish farming, net-making, transport).

6.4.4. Rural Credit Cooperatives

1. Strengthening of PACS and Cooperative Banks

1) Modernization of credit cooperatives will ensure *better penetration of financial services* in rural and remote areas.
2) Digital records, improved governance, and real-time monitoring will reduce fraud and loan defaults.

2. Customized Financial Products

Cooperatives will be empowered to offer credit, insurance, savings, and pension products tailored to the needs of farmers, artisans, and small enterprises.

i. Empowering the Unbanked

With a focus on *SHG-linked cooperatives*, rural credit structures will be able to reach *women, SC/ST, and tribal communities* who are often excluded from formal banking.

6.4.5. Housing Cooperatives

1. Affordable Housing

The policy proposes support for *urban and rural housing cooperatives*, helping lower- and middle-income families access affordable housing through collective ownership models.

2. Transparency and Legal Clarity

Digitization of land and property records, standardization of building regulations, and dispute resolution mechanisms will reduce corruption and project delays.

3. Inclusive Urbanization

Housing cooperatives will play a key role in supporting urban migrants and slum dwellers by providing cost-effective, community-based housing options.

6.4.6. Cross-Sectoral Socio-Economic Benefits

1. Employment Generation

Cooperatives are labor-intensive enterprises. The expansion of value chains, rural industries, and service cooperatives will create *significant employment*, especially for youth and women.

2. Poverty Reduction

Collective purchasing and marketing reduce individual costs and risks, leading to *higher disposable income and reduced vulnerability*.

3. Social Capital and Community Ownership

Cooperatives foster *democratic participation, shared responsibility, and local leadership*, contributing to social cohesion and empowerment.

4. Environmental Sustainability

The policy encourages *green cooperatives* in areas like organic farming, eco-tourism, water harvesting, and renewable energy, promoting environmentally responsible livelihoods.

6.5. To Identify Major Challenges in Implementation and Propose Actionable Recommendations to Ensure the Success and Sustainability of the Cooperative Reforms

6.5.1. Key Challenges in Implementation

1. Federal-State Coordination Challenges

a. Constitutional Complexity

Cooperatives are a *State Subject under Entry 32 of the Seventh Schedule*, while multi-state cooperatives are regulated by the Centre.

States may resist aligning their cooperative laws with central recommendations due to *political differences or autonomy concerns*.

b. Lack of Policy Uniformity

States have different legal frameworks, cooperative acts, and administrative structures. This leads to fragmented implementation of centrally proposed reforms.

2. Governance and Accountability Issues

a. Weak Democratic Functioning

Many cooperatives face *delays in elections*, politically motivated leadership, and a lack of transparency.

This undermines trust among members and impairs democratic governance.

b. Lack of Accountability

Poor internal auditing, misuse of funds, and weak oversight have plagued cooperatives, especially in the rural credit and housing sectors.

3. Capacity and Skill Gaps

a. Lack of Professional Management

A large number of cooperatives are run by individuals without formal training in finance, management, or technology.

Leadership is often inherited or politically influenced, limiting innovation and enterprise management.

b. Shortage of Technical Manpower

In sectors like agri-processing, fisheries, and credit, cooperatives need skilled professionals (accountants, IT staff, trainers) who are currently in short supply, especially in rural areas.

4. Infrastructure and Digital Divide

a. Technological Backwardness

Many cooperatives, especially PACS and primary-level societies, lack *computers, internet connectivity, and technical support*, impeding digitization.

b. Low Digital Literacy

Cooperative staff and members in rural regions may not be equipped to adopt digital systems like e-audits, digital payments, or database management.

5. Financial Constraints

a. Limited Access to Capital

Small cooperatives often lack credit history or collateral and therefore struggle to access institutional funding or government subsidies.

b. Overdependence on Government Aid

Many cooperatives are financially unsustainable and overly dependent on subsidies and grants, which affects long-term viability.

6. Resistance to Change

a. Legacy Mindsets

Cooperative leaders and members, accustomed to status-quo structures, may resist reforms in governance, professionalization, or transparency.

b. Fear of Privatization

There is a perception among some stakeholders that reforms may dilute the cooperative identity by turning them into quasi-corporate entities.

6.5.2. Actionable Recommendations

1. Strengthen Centre-State Collaboration
    1) Set up a *National Council on Cooperatives*, including state representatives, to facilitate regular dialogue and consensus-building on legal and operational matters.
    2) Offer *incentives for states* that align their cooperative acts with the national policy framework (e.g., additional funding, technical support).
2. Ensure Transparent and Democratic Governance
    1) Make *elections mandatory at fixed intervals*, monitored through digital platforms and state cooperative registrars.
    2) Implement *performance audits* and require annual public disclosure of financials for all cooperatives.
3. Build Capacity and Professional Leadership
    1) Develop *certified training programs* in cooperative management, finance, and governance through institutions like *LINAC and VAMNICOM*.
    2) Create a *national talent pool* of cooperative professionals and allow cooperatives to hire them with partial government support.
4. Bridge the Digital Divide
    1) Provide *funding for hardware, internet connectivity, and software* for PACS and primary cooperatives.
    2) Conduct *digital literacy campaigns* among coopera-

tive members and staff to increase tech adoption.

5. Enable Financial Sustainability
   1) Encourage cooperatives to access *institutional credit* through schemes backed by NABARD and NCDC.
   2) Promote *business model diversification* so cooperatives generate internal revenue through value-added services, marketing, and processing.
6. Empower Women and Youth
   1) Launch *women-focused cooperative promotion schemes*, offering incentives for all-women cooperatives.
   2) Introduce *youth cooperative entrepreneurship programs*, linking them with agri-startups, climate cooperatives, and digital cooperatives.
7. Foster Innovation and Green Practices
   1) Encourage creation of *"Green Cooperatives"* in solar energy, organic farming, water conservation, and eco-tourism.
   2) Provide innovation grants for cooperative startups experimenting with sustainable rural enterprise models.
8. Promote Cooperative Branding and Market Access
   1) Scale up initiatives like *"Sahakar Se Samriddhi"* for marketing and branding of cooperative products.
   2) Enable cooperatives to participate in *e-commerce, GeM, and export platforms*, making them competitive in national and global markets.

7. Findings of the Study

7.1. The Need for a New Policy Is Urgent and Justified

1) Existing cooperative frameworks suffer from *legal fragmentation*, dual control, and outdated governance models.
2) Over *60% of PACS* are either inactive or financially unviable, and many Urban Cooperative Banks have collapsed due to poor management and lack of oversight [13].
3) The policy addresses these structural and operational failures by proposing a unified, reform-driven roadmap.

7.2. The Policy Introduces Ambitious and Multidimensional Reforms

1) Legal reforms include *amendments to the MSCS Act*, uniform guidelines for elections, audits, and member grievance redressal.
2) Institutional reforms aim to *empower national agencies* (like NCDC, LINAC) and create a professional cadre of cooperative managers.
3) Digital transformation is a key pillar, with initiatives like the *National Cooperative Database*, PACS computerization, and integration with *eNAM and GeM platforms*.

7.3. Strong Alignment with National Development Goals

1) The policy is closely aligned with the government's *Atmanirbhar Bharat* vision by promoting local production and self-reliance.
2) It supports *rural transformation* through infrastructure development, financial inclusion, and employment generation.
3) Inclusivity is embedded through incentives for *women, SC/ST, and youth-led cooperatives*, ensuring broad-based economic participation.

7.4. Sector-Wise Socio-Economic Impact Is Promising

1) In *agriculture*, the policy enables collective bargaining, better market access, and local value addition.
2) In the *dairy sector*, it strengthens procurement chains and scales successful women-led models.
3) In *fisheries*, it introduces cold chain infrastructure, diversification, and training programs.
4) In *rural credit*, it aims to improve transparency, financial literacy, and access to customized financial services.
5) *Housing cooperatives* will benefit from digitized land records, legal clarity, and inclusive urban development.

7.5. Key Implementation Challenges Persist

1) *Federal-state friction* could hinder uniform policy adoption due to the constitutional status of cooperatives.
2) Lack of professional management, poor digital infrastructure in rural areas, and financial overdependence on subsidies remain significant barriers.
3) Resistance to reforms may arise from entrenched political interests, legacy leadership, and mistrust in centralization.

7.6. Recommendations Can Pave the Way for Sustainable Reform

1) The creation of a *National Council on Cooperatives* is vital for collaborative federalism.
2) Transparent elections, e-audits, and certified training programs are necessary to build trust and professionalism.
3) Targeted digital inclusion and youth/women-led cooperative schemes can ensure dynamic and resilient cooperatives.

7.7. A Holistic Policy with the Potential to Transform

1) The National Cooperative Policy 2025 is not merely a governance reform; it is a *socio-economic strategy* that integrates finance, technology, employment, and community ownership.
2) If implemented effectively with state cooperation and community engagement, it could become a *model for decentralized development and inclusive capitalism* in India.

8. Suggestions of the Study

8.1. Strengthen Centre-State Cooperation

1) Create a *National Cooperative Coordination Council (NCCC)* to facilitate regular dialogue between the Ministry of Cooperation and state governments.
2) Encourage states to *align their cooperative laws* with the national policy by offering *financial and technical incentives* for legal harmonization.

8.2. Ensure Transparent and Accountable Governance

1) Make *digital audit systems and online election platforms* mandatory to ensure timely elections and reduce political interference.
2) Enforce *mandatory public disclosure* of annual reports, audit results, and member benefits for all registered cooperatives.

8.3. Professionalize Cooperative Management

1) Introduce *mandatory training and certification* programs for cooperative managers and board members through LINAC, VAMNICOM, and other institutions.
2) Encourage cooperatives to *hire qualified professionals* (e.g., accountants, IT officers, business managers) with partial government funding support.

8.4. Promote Digital Inclusion and Infrastructure

1) Provide financial assistance for *hardware, internet access, and software tools* to cooperatives at the grassroots level.
2) Launch *digital literacy programs* for cooperative staff and members, especially in rural and tribal regions, to support the transition to e-governance.

8.5. Empower Women and Youth

1) Launch *special schemes and incentives for women-led cooperatives*, especially in the dairy, crafts, and housing sectors.
2) Develop *Youth Cooperative Entrepreneurship Hubs* to promote innovation, employment, and leadership among young people in agriculture, green technologies, and fintech cooperatives.

8.6. Facilitate Access to Finance and Markets

1) Design *cooperative-friendly financial products* through NABARD and cooperative banks, including working capital, insurance, and credit guarantees.
2) Integrate cooperatives into *e-commerce platforms, government procurement systems (GeM)*, and export facilitation schemes.

8.7. Encourage Innovation and Green Cooperatives

1) Promote the formation of *eco-cooperatives* focused on renewable energy, organic farming, water harvesting, and biodiversity conservation.
2) Set up an *Innovation Fund for Cooperatives* to support experimentation with new business models, technologies, and community-led solutions.

8.8. Monitor Implementation and Impact

1) Develop a *real-time cooperative monitoring dashboard* to track performance, grievance redressal, digital adoption, and training completion.
2) Commission *independent impact evaluations* every 3 years to assess the socio-economic outcomes of cooperative policy interventions.

8.9. Strengthen Cooperative Education and Awareness

1) Include *cooperative principles and history* in school and college curricula to build awareness from a young age.
2) Conduct regular *mass awareness campaigns* through media, exhibitions, and local events to promote the cooperative movement.

8.10. Promote Cooperative Branding and Global Recognition

1) Launch a national branding strategy under *"Sahakar Se Samriddhi"* to promote Indian cooperative products internationally.
2) Support cooperatives in *obtaining GI tags, export li-*

censes, and quality certifications to improve their global competitiveness.

9. Conclusion

The cooperative movement in India, rooted in the principles of self-help, mutual assistance, and collective empowerment, has historically played a significant role in enhancing rural livelihoods and promoting inclusive development. However, over time, the movement has experienced stagnation due to outdated legal frameworks, bureaucratic control, inadequate financial autonomy, and the lack of professionalization. Recognizing these systemic gaps, the Government of India introduced the *National Cooperative Policy 2025* as a bold and transformative roadmap to rejuvenate the sector.

This research study critically examined the rationale, components, and expected impacts of the policy. The findings reveal that the policy is not merely a revision of cooperative administration, but a *strategic realignment of cooperatives as modern economic enterprises*. The proposed legal reforms—such as amendments to the Multi-State Cooperative Societies Act and the promotion of uniformity in state laws—aim to restore autonomy and democratic functioning within cooperatives. Institutional reforms empower organizations like the NCDC and LINAC to serve as enablers of growth, training, and innovation.

A key strength of the policy lies in its alignment with national priorities, particularly *Atmanirbhar Bharat, Digital India, rural transformation, and inclusive growth*. The digital initiatives, such as the creation of a National Cooperative Database and the computerization of PACS, are expected to bring transparency, efficiency, and accountability into cooperative operations. Simultaneously, the focus on women, youth, and marginalized communities underscores the policy's commitment to equitable development.

Sector-specific interventions in agriculture, dairy, fisheries, rural credit, and housing reveal the policy’s intent to make cooperatives more relevant to 21st-century economic realities. By improving access to finance, market linkages, value addition, and professional management, cooperatives are expected to play a pivotal role in local employment generation and rural prosperity.

Nonetheless, the research also highlights several implementation challenges. These include coordination issues between the Centre and States, digital divide in rural areas, lack of skilled personnel, and resistance from legacy leadership. To overcome these hurdles, the study recommends actionable steps such as professional training programs, digital literacy drives, cooperative branding, and the creation of a cooperative innovation fund.

In conclusion, the National Cooperative Policy 2025 has the potential to *usher in a new era of participatory, transparent, and sustainable cooperative development* in India. If implemented with political will, administrative efficiency, and stakeholder engagement, the policy can transform cooperatives into powerful instruments of *economic democracy, social justice, and grassroots empowerment*.

Abbreviations

PACS	Primary Agricultural Credit Societies
MSCS	Multi-State Cooperative Societies
RBI	Reserve Bank of India
NABARD	National Bank for Agriculture and Rural Development
NCDC	National Cooperative Development Corporation
NAFED	National Agricultural Cooperative Marketing Federation of India
LINAC	Laxmanrao Inamdar National Academy for Cooperative Research and Development
ICA	International Cooperative Alliance
C2C	Cooperative-to-Cooperative (Trade)
eNAM	National Agriculture Market
GeM	Government e-Marketplace
FPOs	Farmer Producer Organizations
UCBs	Urban Cooperative Banks
IFFCO	Indian Farmers Fertiliser Cooperative Limited
SHG	Self-Help Group
GI Tag	Geographical Indication Tag
FSSAI	Food Safety and Standards Authority of India
VAMNICOM	Vaikunth Mehta National Institute of Cooperative Management
NITI Aayog	National Institution for Transforming India Aayog

Conflicts of Interest

The authors declare no conflicts of interest.

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