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The Ministry of Cooperation at Five: Cooperation 2.0

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WHY IN NEWS

On July 6, 2026, the Ministry of Cooperation, created on July 6, 2021, marked its 5th Foundation Day at Bharat Mandapam, New Delhi, where Union Home and Cooperation Minister Amit Shah outlined a “Cooperation 2.0” roadmap for the sector.

Five years after a dedicated ministry was carved out to give India’s vast cooperative movement a national home, the anniversary is an occasion to assess how far the “Sahkar Se Samriddhi” (prosperity through cooperation) vision has travelled, and to map its next phase.

THE FOUNDATION DAY AND COOPERATION 2.0

The Ministry of Cooperation was created on **July 6, 2021**, by hiving off cooperation from the Ministry of Agriculture, with **Amit Shah** as the first dedicated **Union Minister of Cooperation** (a portfolio he holds alongside Home Affairs). The **5th Foundation Day** was held at **Bharat Mandapam, New Delhi**, on **July 6, 2026**.

At the event, Amit Shah unveiled a “**Cooperation 2.0**” roadmap, pitching a shift towards **professional management, digital governance, expanded market access and circular-economy initiatives** for cooperatives. He inaugurated a set of **dairy, warehousing, digital and AI-enabled banking projects** and released model bye-laws and a book on the ministry’s five-year record.

Key announcements

- A new **cooperative-sector life-insurance company**, extending the cooperative model into insurance.

- Expansion of **Bharat Taxi**, a cooperative ride-hailing platform, to **500 cities within two years**, positioning cooperatives to compete with private aggregators.
- Continued rollout of **grain-storage godowns** and warehousing under the world's largest decentralised grain-storage plan in the cooperative sector.

FEATURE	DETAIL
Ministry created	July 6, 2021 (carved out of the Ministry of Agriculture)
First and current minister	Amit Shah (Home and Cooperation)
Occasion	5th Foundation Day, Bharat Mandapam, New Delhi, July 6, 2026
New roadmap	“Cooperation 2.0” (professionalisation, digitisation, market access)
Flagship new launches	Cooperative life-insurance company; Bharat Taxi to 500 cities

FIVE YEARS OF REFORM: THE RECORD SO FAR

The ministry says its initiatives have **touched about 30 crore people**, reflecting the sheer reach of a movement built on India's more than eight lakh cooperative societies. A central plank of the reform has been the **computerisation of Primary Agricultural Credit Societies (PACS)**.

REFORM	WHAT IT MEANS
PACS computerisation	About 50,000 PACS converted to e-PACS on a common national software
Multi-purpose PACS	PACS allowed to run over 25 activities, from banking to Common Service Centres, LPG and petrol distribution, and Jan Aushadhi Kendras
New national cooperatives	Bodies for organic products, seeds and exports to widen farmer market access
Grain storage	Decentralised godowns to let cooperatives store and market produce

The **PACS** are the grassroots foundation of the rural credit structure, the village-level societies that lend to farmers. Computerising and digitising them (turning them into **e-PACS**) is meant to plug leakages, speed up credit and let a single society run many services, making it a viable **multi-purpose** economic node rather than a single-function lender.

THE CONSTITUTIONAL AND FEDERAL CONTEXT

Cooperatives sit at a delicate point in India's federal design.

- **Cooperative societies are a State subject.** They fall under **Entry 32 of the State List**

(Seventh Schedule), giving states primary legislative authority over them.

- The **97th Constitutional Amendment Act, 2011** strengthened the constitutional footing of cooperatives by:
 - inserting **Part IX-B** (“The Co-operative Societies”), and
 - adding **Article 43-B** in the **Directive Principles of State Policy**, which directs the State to promote the voluntary formation, autonomous functioning, democratic control and professional management of cooperative societies.
 - It also made the **right to form cooperative societies** part of the fundamental right under **Article 19(1)(c)** (freedom of association).

Because cooperatives are a State subject, a **central** Ministry of Cooperation raises questions of **federalism** (<https://ujivari.com/terms/federalism/>). The Supreme Court in 2021 struck down the portions of the 97th Amendment dealing with **state-level** cooperative societies for lacking ratification by states, while upholding the provisions relating to **multi-state cooperative societies**, underlining that the Centre’s writ is clearest over cooperatives that operate across state lines.

ANALYSIS AND WAY FORWARD

At five years, the ministry’s clearest wins are institutional: a dedicated national focus, the digitisation of PACS, and the reinvention of the village society as a multi-service platform. The “Cooperation 2.0” agenda rightly targets the movement’s historic weaknesses, poor professional management, opaque governance and limited market access. The frontier challenges are twofold. First, **federal comity**: the Centre must expand cooperatives without appearing to encroach on a State subject, which calls for genuine consultation and **cooperative federalism** (<https://ujivari.com/terms/cooperative-federalism/>) in practice. Second, **governance**: professionalisation, audit and transparency must keep pace with expansion into insurance, mobility and banking, so that scale does not outrun accountability. Delivered well, a modernised cooperative sector can deepen rural incomes and financial inclusion; delivered poorly, it risks reviving the old problems of politicisation and mismanagement.

UPSC RELEVANCE

GS Paper 2: Federalism and Centre-State relations; functions and responsibilities of the Union and the States; issues arising from a State subject being addressed by a central ministry; Directive Principles of State Policy (Article 43-B).

GS Paper 3: Cooperatives and the rural economy; agricultural credit and PACS; inclusive growth and mobilisation of resources; digitisation of the rural credit structure.

Prelims pointers:

- The **Ministry of Cooperation** was created on **July 6, 2021**; its first and current minister is **Amit Shah**.
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- **Cooperative societies** are a **State subject** under **Entry 32 of the State List**.
- The **97th Constitutional Amendment Act, 2011** inserted **Part IX-B** and added **Article 43-B** (a Directive Principle) on cooperatives, and made forming cooperatives part of the **Article 19(1)©** right.
- The Supreme Court (2021) upheld the amendment for **multi-state** cooperatives but struck it down for **state** cooperatives for want of ratification.
- **PACS**: Primary Agricultural Credit Societies, the village-level base of the rural credit structure; about **50,000** have been computerised into **e-PACS**.
- Motto: **“Sahkar Se Samridhhi”** (prosperity through cooperation).

Mains question: “A central Ministry of Cooperation for what is constitutionally a State subject reflects both the promise and the tensions of Indian federalism.” Critically examine in the light of five years of the ministry. (15 marks, 250 words)

FACTS CORNER

★ FACTS CORNER, KNOWLEDGEPEDIA

The event: 5th Foundation Day of the Ministry of Cooperation at Bharat Mandapam, New Delhi, on July 6, 2026; Amit Shah outlined a “Cooperation 2.0” roadmap.

Ministry: Created July 6, 2021 (carved out of the Ministry of Agriculture); Amit Shah is the first and current Minister of Cooperation.

New launches: A cooperative-sector life-insurance company; expansion of Bharat Taxi (a cooperative ride-hailing platform) to 500 cities in two years.

Reach: Ministry initiatives said to have touched about 30 crore people; about 50,000 PACS computerised into e-PACS.

PACS: Primary Agricultural Credit Societies, the grassroots base of the rural credit structure, now made multi-purpose.

State subject: Cooperative societies fall under Entry 32 of the State List (Seventh Schedule).

Constitutional basis: 97th Constitutional Amendment Act, 2011 inserted Part IX-B and added Article 43-B (Directive Principle); forming cooperatives is part of the Article 19(1)© right.

Motto: “Sahkar Se Samridhhi” (prosperity through cooperation).

Sources: *PIB* (<https://pib.gov.in/>), *The Hindu* (<https://www.thehindu.com/>), *Indian Express* (<https://indianexpress.com/>), *Ministry of Cooperation* (<https://cooperation.gov.in/>)

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