ujiyari

UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

EDITORIAL ANALYSIS

The Third Pillar: Can Cooperatives Carry Their New Weight

BUSINESS STANDARD

9 July 2026 · ECONOMY · GS2 GS3

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

linkedin.com/in/epicbharat

ALSO FROM THE CREATOR

BharatNotes

Free UPSC notes, MCQs, PYQ analysis. **100% Free.**

bharatnotes.com →

ADVERTISE

Advertise with Ujiyari

Reach thousands of UPSC aspirants daily.

epicbharat@gmail.com

The Third Pillar: Can Cooperatives Carry Their New Weight

Business Standard 9 July 2026 GS2 GS3

Source: ujiyari.com — researched, fact-checked & UPSC-mapped

Every fact web-verified against primary sources (https://ujiyari.com/how-we-verify/)

THE LIFT LINE

A cooperative earns the name "third pillar" only if it stays a member-owned institution while it scales, because the moment prosperity is delivered from above rather than governed from within, it becomes just another arm of the state wearing a cooperative badge.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

The Ministry of Cooperation completed five years on July 6, 2026, and the government now frames the cooperative sector as a "third pillar" of the economy alongside the public and private sectors. The vision of "Sahakar se Samriddhi," the computerisation of Primary Agricultural Credit Societies (PACS), and new national bodies such as NCEL, NCOL and BBSSL mark an ambitious expansion. For the exam this sits at the join of GS2 governance and GS3 economy, and it raises a classic development question: can scale be added without hollowing out the member democracy that gives cooperatives their purpose?

GS Paper 2: the functioning of ministries; government policies and interventions for development; issues relating to institutions and their autonomy.

GS Paper 3: inclusive growth; agricultural marketing and credit; the mobilisation of resources through cooperative institutions.

For **Prelims**, hold the anchors: the Ministry of Cooperation was created on July 6, 2021; cooperative societies are a State subject (Entry 32, State List), with multi-state cooperatives governed by central law; NCEL is the National Cooperative Exports Limited, NCOL the National Cooperative Organics Limited, and BBSSL the Bharatiya Beej Sahakari Samiti Limited; the 97th Constitutional Amendment added cooperative provisions. For **Mains**, argue that cooperative autonomy is the condition of cooperative success.

BACKGROUND AND CONTEXT

Ujiyari Current Affairs · ujiyari.com · Free Daily Current Affairs for UPSC & State PCS

Cooperatives have deep roots in India, from dairy and sugar to credit, and at their best they have delivered member-owned prosperity, the Amul model being the exemplar. Yet the sector has long suffered from politicisation, weak governance, dormant societies and dependence on the state. The creation of a dedicated Union Ministry of Cooperation in July 2021 signalled a decision to revive and mainstream cooperatives as an engine of grassroots growth.

Five years on, the government reports significant activity: computerisation of tens of thousands of PACS with ERP software available in multiple languages, and the establishment of three national multi-state cooperatives, NCEL for exports, NCOL for organics under the Bharat Organics brand, and BBSSL for seeds. The narrative is one of a "third pillar" rising. The editorial's task is to weigh that ambition against the governance and autonomy risks that scaling a state-driven cooperative push inevitably creates.

THE CORE ARGUMENT / ISSUE

The promise: reach, formalisation and market access

Cooperatives can bring the smallest producer into formal credit, digital record-keeping and even export markets. PACS computerisation can turn dormant village societies into multi-service hubs. National bodies can give scattered growers a single line to global buyers, and organics and seed cooperatives can build brands and preserve indigenous varieties. This is a genuine model of inclusive, member-based growth.

REFORM	INTENDED GAIN	GOVERNANCE RISK
Ministry of Cooperation (2021)	Focused policy, revival of dormant sector	Centralisation of a State-subject domain
PACS computerisation	Transparency, multi-service village hubs	Top-down uniformity, thin local ownership
NCEL / NCOL / BBSSL	Export, organics and seed market access	Apex (https://ujiyari.com/vocab/apex/) bodies overshadowing primary members
"Sahakar se Samriddhi"	Prosperity through cooperation	Prosperity delivered, not democratically governed

The risk: autonomy squeezed by scale and by the Centre

Cooperatives are constitutionally a State subject, and their essence is voluntary, member-controlled and democratically governed enterprise. A heavily centre-driven expansion carries three risks: the dilution of state and member autonomy, the reduction of primary societies to delivery channels for national bodies, and the recurrence of the old malaise (https://ujiyari.com/vocab/malaise/) of political capture in a new, larger form. Prosperity handed down is not the same as prosperity self-governed.

The balance: build capacity, protect democracy

Ujiyari Current Affairs · ujiyari.com · Free Daily Current Affairs for UPSC & State PCS

The measure of success is not the number of PACS digitised or the tonnage NCEL exports, but whether members vote, audit, and control their societies. Technology and national reach are means; member democracy is the end. If the reforms strengthen governance, transparency and professional management while preserving one-member-one-vote control, the third-pillar claim is earned. If they simply enlarge a state-directed apparatus, the label is hollow.

HOW TO THINK ABOUT THIS (ANALYTICAL FRAME)

Judge any cooperative reform on the axis of **autonomy versus instrumentality**. A cooperative is autonomous when its members own it, govern it and bear its risks; it is instrumental when it mainly executes a government or apex-body agenda. Scale, technology and central coordination can serve autonomy, by lowering costs and opening markets, or subvert it, by concentrating control upward. Ask of each reform whether it increases members' effective control or decreases it. The transferable rule: an institution keeps its identity only if the people it claims to empower (https://ujiyari.com/vocab/empower/) actually govern it.

THE DIAGRAM IN WORDS

```
Weak, politicised cooperatives -> Ministry of Cooperation (2021) + PACS computerisation
+ NCEL/NCOL/BBSSL -> reach, formalisation, market access -> fork: if member democracy +
autonomy preserved -> genuine third pillar; if control flows upward -> state apparatus
in cooperative dress -> anchor reforms to one-member-one-vote and audit
```

WAY FORWARD

1. **Protect member democracy.** Ensure timely elections, independent audit and real one-member-one-vote control so that digitisation strengthens rather than bypasses members.
2. **Respect the federal balance.** Coordinate with states, whose subject cooperatives are, so that central reform supports rather than supplants state autonomy.
3. **Keep apex bodies accountable to primaries.** Design NCEL, NCOL and BBSSL so that value and voice flow back to the primary societies and their members, not only upward.
4. **Invest in governance capacity.** Fund professional management, training and transparency in PACS so revival is durable and not dependent on continual central direction.

PYQ LINKAGE AND PRACTICE

Ujiyari Current Affairs · ujiyari.com · Free Daily Current Affairs for UPSC & State PCS

UPSC has tested cooperative federalism (https://ujiyari.com/terms/cooperative-federalism/), the role of cooperatives in inclusive growth, and the governance of the cooperative sector. This editorial links those themes to the five-year record of the Ministry of Cooperation and to the autonomy question.

Practice question: "Cooperatives can become a third pillar of the Indian economy only if scale and state support do not erode member autonomy." Critically examine in the light of recent cooperative reforms. (250 words, 15 marks)

Sources: Business Standard (https://www.business-standard.com/opinion)

Source: The Third Pillar: Can Cooperatives Carry Their New Weight — Ujiyari.com | Free UPSC & State PCS Editorial Analysis

RELATED DAILY ARTICLES

- 9 Jul Current Affairs Today, July 9, 2026
- 8 Jul Current Affairs Today, July 8, 2026
- 7 Jul Current Affairs Today, July 7, 2026
- 6 Jul India Launches Its First Drone Cooperative

Ujiyari Current Affairs · ujiyari.com · ~~Free Daily~~ Current Affairs for UPSC & State PCS

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

linkedin.com/in/epicbharat

📖 Read Full Article on Ujiyari →

https://ujiyari.com/editorials/2026/07/bs-cooperatives-third-pillar-growth-2026/

ALSO FROM THE CREATOR

BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

Start Preparing → bharatnotes.com

📢 **OPPORTUNITY**

Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

Ideal for: Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

✉ epicbharat@gmail.com

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · **ujiyari.com** · **bharatnotes.com**