

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 3043
TO BE ANSWERED ON 30/03/2022

PERFORMANCE OF COOPERATIVES IN THE COUNTRY

3043. SHRI SAMBHAJI CHHATRAPATI:

Will the Minister of COOPERATION be pleased to state:

(a) whether most of the sectors under cooperatives in the country are sick and not performing well commercially;

(b) if so, the main reasons identified by Government so far;

(c) whether Government has any plan to constitute expert groups for each sector under cooperatives to assess their current performance and suggest appropriate measures to improve their health; and

(d) whether Government has firmed up any new effective model for introduction under cooperative sector to benefit common people?

ANSWER

MINISTER OF COOPERATION

(SHRI AMIT SHAH)

(a) & (b): The term 'Co-operatives' includes credit cooperatives as also non-credit cooperatives. The credit cooperatives include cooperative banks i.e. State Cooperative Banks, District Central Cooperative Banks (DCCBs), Primary Urban Cooperative Banks (PUCBs) as also credit societies like the Primary Agriculture Credit Societies (PACS). Non-credit cooperatives would include those that are formed for diverse purposes such as handlooms, handicrafts, fisheries, coir, industrial, housing etc.

Cooperative Banks, would connote Urban Cooperative Banks as also Rural Cooperative Banks, which include State Cooperative Banks, District Central Cooperative Banks and State Co-operative Agriculture and Rural Development Banks (SCARDBs).

As per information received from NABARD, the main obstacles in the performance of rural co operative banks in the country are as under, which is based on various study reports and committees:-

(i) Weak Financials: Mounting losses, growing NPAs and poor resource base are factors contributing to the decline in the performance of the cooperatives at the grass-root level.

(ii) **Concentration Risk:** Due to limited area of operation, financing for limited purposes, risk generally associated with financing for agriculture.

(iii) **Lack of Trained Manpower and professionalism:** The Cooperatives at all levels were recruiting locally available manpower and the process of recruitment was also not efficient in terms of attracting best manpower or in terms of frequency of recruitment.

(iv) **Functional Weakness:** The cooperative movement has suffered from inadequacy of trained personnel right from its inception.

(v) **Weakness in Societies:** Poor infrastructure, lack of quality management, overdependence on government, dormant membership, non-conduct of elections, lack of strong human resources, etc.

(vi) **Lack of diversification and falling share of agriculture credit**

(vii) **Technology Integration:** Low adoption of technology to retain and increase their niche clientele.

(c): At present, there is no proposal to constitute expert groups for each sector under cooperatives to assess their performance.

(d): Ministry of Cooperation's aim is to deepen co-operatives as a true people-based movement reaching up to the grassroots and develop a cooperative based economy model where each member works with a spirit of responsibility. Ministry has requested different ministries/departments to integrate cooperatives into their existing schemes and programmes.
