



Cooperative Path to the SDGs

As India pursues the twin goals of becoming a \$5 trillion economy and achieving the SDGs, cooperatives offer a proven, people-centric model for inclusive and sustainable growth. From powering historic revolutions in agriculture and dairy to addressing emerging needs in health, digital inclusion, and climate resilience, cooperatives are uniquely positioned to bridge local action with global goals. With renewed momentum under the Ministry of Cooperation, this article examines how India's cooperative movement—rooted in tradition and open to innovation—can accelerate progress toward a more just, resilient, and sustainable future.

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India is at a critical inflection point in its development journey. According to the National Statistical Office (NSO), India's real GDP growth rate for FY 2023–24 stood at 8.2%, while the GDP per capita at current prices is estimated at around Rs. 2,15,000 (approximately US \$2,600). The country's growth trajectory remains robust, reflecting strong macroeconomic fundamentals and structural reforms. However, to translate this economic expansion into holistic national progress, India must ensure that the fruits of growth are inclusive, equitable, and sustainable.

Prime Minister Narendra Modi has outlined a clear and ambitious vision for India's future, achieving *Atmanirbhar Bharat* (a self-reliant India), becoming a \$5 trillion economy in the near term, and ultimately evolving into a developed nation by 2047, marking 100 years of India's independence.

According to the World Bank, a country is considered 'high income' (and thus 'developed' by global economic standards) when it achieves a per capita Gross National Income (GNI) of over \$13,845 (2022 threshold). Reaching this milestone demands more than GDP growth, it requires broad-based human development, robust institutions, social cohesion, and

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economic empowerment of all sections of society, particularly those at the grassroots.

In alignment with India's vision of becoming a developed nation by 2047, and achieving the Sustainable Development Goals (SDGs) under Agenda 2030, the Government of India and the United Nations have jointly adopted the Government of India–United Nations Sustainable Development Cooperation Framework (GoI-UNSDCF) 2023–2027. Anchored on four strategic pillars, People, Prosperity, Planet, and Participation, this framework reinforces the commitment to inclusive, resilient, and sustainable development. It also underscores India's leadership in localising SDGs and promoting South-South cooperation. Developed through a 'whole-of-government' and 'whole-of-society' approach, it recognises the transformative potential of institutions like cooperatives in realising national priorities and ensuring no one is left behind.

Cooperatives and the SDGs: Natural Partners in Sustainable Development

The 2030 Agenda for Sustainable Development, adopted by the United Nations in 2015, envisions a just, inclusive, and sustainable world. With 17 interlinked SDGs, the agenda sets a comprehensive framework to end poverty, protect the planet, and ensure prosperity for all. These goals, ranging from zero hunger and

quality education to gender equality and climate action, call for systemic transformation in economic, social, and environmental domains.

Achieving the SDGs requires not only state action and private enterprise but also community-driven institutions that embed values of equity, participation, and sustainability. In this context, cooperatives emerge as natural partners in the SDG journey, functioning as people-centered enterprises that are both locally grounded and globally relevant.

Cooperatives are founded on principles that closely mirror the ethos of sustainable development. As per the International Cooperative Alliance's (ICA) Statement on the Cooperative Identity, cooperatives are based on values of self-help, self-responsibility, democracy, equality, equity, and solidarity, and operate under principles such as voluntary and open membership, democratic member control, concern for community, and cooperation among cooperatives. These principles provide an organic framework for achieving the SDGs in a holistic and inclusive manner.

Whereas traditional business models often prioritise profit maximisation, cooperatives focus on people over profit, emphasising member welfare, community development, and long-term sustainability, all essential to the SDG framework.

The Cooperative Advantage

Cooperatives are member-owned, democratically governed institutions that work on principles of mutual assistance, equity, and solidarity. With over 8.5 lakh cooperative societies and more than 30 crore members, India's cooperative ecosystem spans across key sectors, agriculture, dairy, credit & banking, housing, fisheries, sugar, textiles, handicraft, marketing, consumer, and services.

The cooperative movement in India has been instrumental in achieving food security and rural resilience:

- The Green Revolution was bolstered by agricultural credit, Indian Farmers Fertiliser Cooperative Limited (IFFCO), Krishak Bharati Cooperative Limited (KRIBHCO) and marketing cooperatives that enabled input distribution and support services.
- The White Revolution, led by AMUL and its replica in every States/ UTs, transformed India into the world's largest milk producer and empowered millions of rural dairy farmers.



- The ongoing Blue Revolution in fisheries and aquaculture is being increasingly supported by fisherman's cooperatives, enhancing incomes and ensuring sustainable marine resource use.

Globally too, cooperatives have played a critical role in shaping economies, across developed, developing, and underdeveloped nations, providing employment to over 280 million people and contributing to inclusive economic models. Countries like Italy, Canada, Finland, Kenya, and Japan rely on cooperatives for food, finance, housing, and employment security.

Recognising this strategic potential, the Government of India established the Ministry of Cooperation on 6th July 2021 under the visionary leadership of the Prime Minister. As Prime Minister Narendra Modi aptly stated, *"For the world, cooperatives are a model, but for India, it is a way of life,"* and he has given the clarion call of *'Sahkar Se Samridhi'* (Prosperity through Cooperation).

The Ministry, under the guidance of Union Home and Cooperation Minister Amit Shah, is spearheading a new era of cooperative reforms focused on modernisation, transparency, digitalisation, and expansion. This includes:

- Model Bye-Laws for Primary Agricultural Credit Societies (PACS) in order to make them multipurpose business entity at the village level;

- Formation of new Multi-State Cooperative Societies (MSCS) in seed production, organic farming, and export marketing;
- Creation of a National Cooperative Database and computerisation of PACS and all coop departments (Central and State)
- Promotion of "One multipurpose PACS/ dairy/ fisheries coop per panchayat."

These efforts reflect the government's deep commitment to leveraging cooperatives as engines of sustainable, inclusive, and resilient development, aligned with both India's economic aspirations and the United Nations Sustainable Development Goals (SDGs).

As India strives toward the \$5 trillion economy goal and SDG 2030 Agenda, empowering and modernising the cooperative sector can unlock widespread benefits, boosting rural income, strengthening value chains, enhancing employment, and ensuring no one is left behind in the development journey.

Traditional and Emerging Types of Cooperatives: Expanding Horizons for Sustainable Development

According to the International Labour Organization (ILO), Recommendation No. 193 on the Promotion of Cooperatives (2002) offer a classification based on purpose and operational structure. Table 1 presents cooperative typologies that are relevant when aligning

Table 1: Typologies of Cooperatives: Functions, Indian Sectors, and SDG Linkages

Cooperative Type	Primary Function	Indian Sectoral Examples	Contributing SDGs
Producer Cooperative	Provides farm input, credit, marketing, and technical support for collective processing/ marketing	Agricultural coops, Dairy, Fisheries, Sugar, Handloom & handicraft cooperatives, Cluster level federations of SHGs, artisans' coops	SDG 1, SDG 2, SDG 5, SDG 8, SDG 9, SDG 12, SDG 13
Consumer Cooperative	Ensures fair access to consumer goods and protection against exploitation	Consumer Cooperatives, Housing Coops,	SDG 1, SDG 10, SDG 11, SDG 12
Worker Cooperative	Owned and operated by workers; ensures decent employment	Labour/ Workers Cooperatives; Cooperative industrial societies	SDG 1, SDG 8, SDG 10
Multi-purpose Cooperative	Provides multiple services (e.g., agri inputs, marketing, banking) for achieving multiple objectives	Credit Societies and Cooperative Banks (Rural and Urban), Tribal cooperatives, multipurpose coops	SDG 1, SDG 2, SDG 5, SDG 8, SDG 9, SDG 10

Source: Author compilation.

Note: Many cooperatives have cross-cutting functions and therefore contribute to multiple SDGs based on their scale, inclusivity, and sustainability practices.

cooperative functions with the SDGs. It also highlights corresponding Indian sectoral cooperatives under each typology, demonstrating the sector's cross-cutting significance in areas such as food security, financial inclusion, housing, and social care.

However, globally, cooperatives are rapidly evolving beyond traditional sectors, increasingly contributing to sustainable development across diverse and emerging domains. Innovative cooperative models, such as renewable energy cooperatives in Germany and Denmark, platform cooperatives in the United States and Europe, educational and health cooperatives in Latin America, and ecotourism cooperatives in Africa and Southeast Asia, are directly aligned with several SDGs. These models demonstrate how cooperatives are uniquely positioned to address contemporary challenges such as climate change, digital exclusion, gender inequality, and uneven

development by fostering democratic ownership, local participation, and equitable benefits.

In contrast, India's cooperative landscape remains largely concentrated in agriculture, dairy, and credit, sectors critical to food security and rural livelihoods but limited in scope when addressing urban, digital, and climate-related challenges. Given India's status as an agrarian economy facing complex developmental needs, such as rapid urbanisation, rising energy demand, youth unemployment, and climate vulnerability, there is an urgent need to diversify and promote cooperatives in new and emerging areas. Table 2 presents the mapping of emerging cooperatives with relevant SDGs, highlighting the untapped potential in renewable energy, IT and platform cooperatives, education and care economy, manufacturing, and sustainable tourism to localise SDGs and democratise development.

Table 2: Mapping Emerging Cooperatives with Relevant SDGs

Type of Emerging Cooperative	Relevant SDGs	Illustrative Contribution
Renewable Energy Cooperatives	SDG 7 (Affordable & Clean Energy), SDG 13 (Climate Action), SDG 11 (Sustainable Cities), SDG 12 (Responsible Consumption)	Community-owned solar/ wind projects, off-grid energy for rural areas, reducing carbon footprint
IT/ Platform Cooperatives	SDG 8 (Decent Work), SDG 9 (Industry & Innovation), SDG 10 (Reduced Inequality), SDG 17 (Partnerships)	Equitable digital economy, fair labour practices, shared ownership in tech platforms
Educational Cooperatives	SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities)	Community-run schools, digital literacy, inclusive skill development for marginalised groups
Health & Care economy Cooperatives	SDG 3 (Good Health & Well-being), SDG 1 (No Poverty), SDG 10 (Reduced Inequality)	Affordable, community-based healthcare, elder care, childcare, and social services
Ecotourism Cooperatives	SDG 8 (Decent Work), SDG 12 (Responsible Consumption), SDG 15 (Life on Land), SDG 14 (Life Below Water)	Local livelihood generation through conservation-friendly tourism initiatives
Transport Cooperatives	SDG 9 (Infrastructure), SDG 11 (Sustainable Cities), SDG 13 (Climate Action)	Shared mobility, last-mile connectivity, reducing urban pollution and congestion
Service Cooperatives	SDG 8 (Decent Work), SDG 1 (No Poverty), SDG 5 (Gender Equality)	Domestic workers, gig workers, sanitation and delivery cooperatives with fair pay and dignity
Manufacturing. Industrial Cooperatives	SDG 8 (Decent Work), SDG 9 (Industry), SDG 12 (Responsible Consumption), SDG 5 (Gender Equality)	Inclusive value chains, revival of crafts, women-led production units with sustainable practices.

Source: Author Compilation

India must now look beyond legacy sectors and evolve a supportive policy framework that enables experimentation, investment, and institutional support for these 21st century cooperative models. This shift is essential not only for deepening the cooperative movement but also for achieving inclusive, sustainable, and resilient national development, aligned with the aspirations of Generation Z.

Challenges to Address in the Cooperative Sector

Despite their immense potential, cooperatives in India face several structural and operational challenges that must be addressed to fully leverage them as engines of inclusive and sustainable growth:

- **Governance and Leadership Deficits:** Many cooperatives suffer from weak governance structures, lack of professional management, and political interference. This undermines decision-making, accountability, and transparency. Poor leadership often results in inefficient operations, financial mismanagement, and loss of member confidence. The RBI's Report on Urban Cooperative Banks (2021) and NABARD's cooperative sector diagnostics highlight governance lapses as a recurring issue.
- **Limited Access to Technology and Modern Infrastructure:** Digitisation and use of technology remain uneven across cooperative societies. Most small cooperatives lack access to modern IT infrastructure, affecting record-keeping, member services, and market linkages. This digital divide limits their competitiveness and outreach, especially in the context of e-commerce and supply chain integration.
- **Youth and Membership Engagement:** Cooperatives struggle to attract and retain youth participation, partly due to lack of awareness, outdated governance, and perceived lack of opportunities. With the demographic dividend in India, this represents a missed opportunity for infusing innovation and energy into the sector.
- **Regulatory and Institutional Overlaps:** The cooperative sector in India is governed by multiple laws at the Central and State levels, causing jurisdictional ambiguities and regulatory complexity. For instance, state cooperative acts differ significantly, complicating the formation and smooth functioning of multi-state cooperatives. This fragmentation hinders scale and cross-state operations.

- **Financial Constraints and Capital Formation:** Access to long-term finance remains a bottleneck. While cooperatives mobilise significant member savings, many face capital inadequacy for expansion, diversification, and modernisation. Limited credit from banks and delays in government subsidies further constrain their growth.
- **Marketing and Value Addition Challenges:** Many cooperatives remain stuck at the primary production level without adequate processing, branding, or market diversification. This limits value addition and profitability. Competition from corporate agribusiness and retail chains puts additional pressure on small and medium cooperatives.

Conclusion

Cooperatives have been an intrinsic part of India's socio-economic fabric for over a century, playing a pivotal role in agricultural transformation, rural empowerment, and inclusive development. Their unique model, combining democratic governance, community ownership, and economic participation, makes them ideally suited to realise India's ambitious vision of a \$5 trillion economy and achieving the SDGs.

However, unlocking the full potential of cooperatives requires concerted efforts to overcome persistent challenges in governance, technology adoption, youth engagement, regulation, finance, and market access. The establishment of the Ministry of Cooperation, coupled with recent reforms and policy focus, signals a renewed commitment to modernise and strengthen cooperatives as engines of sustainable growth.

By nurturing a vibrant, resilient, and inclusive cooperative sector, India can ensure that its development is truly people-centered, equitable, and sustainable, delivering prosperity not only to urban centers but to every village and hamlet. This cooperative path aligns seamlessly with the global cooperative identity as defined by the ICA and reinforces the spirit of '*Sabka Saath, Sabka Vikas, Sabka Vishwas, Sabka Prayas*' that underpins India's development journey.

Ultimately, the cooperative movement stands as a powerful, democratic, and scalable model for realising the dual imperatives of economic progress and social justice, bringing India closer to becoming a developed nation by 2047, with no one left behind on the path to prosperity. □