

## **1. STATE REASONS FOR GRANTING CONSTITUTIONAL STATUS TO COOPERATIVE SOCIETIES.**

The Cooperative societies were granted constitutional status by the 97<sup>th</sup> Constitutional Amendment Act, 2011. The rationale behind such status are as follows.

Although the cooperative sector has made significant contribution to various sectors of national income, they had been suffering from lack of safeguards for the interests of the members and fulfillment of objects for which these institutions were organized.

Elections to the societies were not regularly held and nominated members remained in charge for long time. This reduced the accountability of the management towards the members.

In spite of considerable expansion of co-operatives, their performance level has not been upto the mark.

A strong need has been long felt for amending the Constitution so as to keep the co-operatives free from unnecessary outside interferences and also to ensure their autonomous organizational set up.

With a view to bringing necessary reforms, it was proposed to incorporate a new part in the Constitution so as to provide for certain provisions covering the vital aspects of working of co-operative societies.

