



# Standing Committee Report Summary

## The Constitution (One Hundred and Eleventh Amendment) Bill, 2009

- The Standing Committee on Agriculture (Chairperson: Shri Basudeb Acharya) tabled its 12<sup>th</sup> Report on ‘The Constitution (One Hundred and Eleventh Amendment) Bill, 2009’ on August 30, 2010. The Bill was introduced in the Lok Sabha on November 30, 2009.
- The Bill adds a new Directive Principles of State Policy stating that the “State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies.” It further inserts a new part IX B in the Constitution (adding Articles 243ZH through 243ZT), which outlines certain guidelines for running co-operative societies.
- The Committee noted that the Bill had diluted the concept of autonomy of cooperatives by (a) including it in the Directive Principles of State Policy and (b) by taking away autonomy of cooperatives in an indirect manner.
- It recommended that the primacy of the concept of autonomy for co-operative societies be retained by making the right to form co-operative societies a Fundamental Right. The word “cooperative society” should be included in Article 19. A new provision should be added to Article 19 (to form and run co-operatives based on the principles of voluntary formation, democratic member control, member economic participation and autonomous functioning).
- The Committee is of the opinion that the proposed provisions of the Bill should not be included in the Constitution. It can be included as a separate Schedule under Article 19(1)(c).
- The Committee recommended that the definition of “cooperative society” should be modified to include important terms such as autonomous association of persons, common needs, jointly owned, and democratically controlled enterprise.
- Since cooperatives are member drive, the Committee stated that a definition of “active member” should be included in the Bill.
- The Committee recommended that a specialised agency on the lines of the Election Commission be set-up for the task of conducting elections in co-operatives.
- The Committee suggested that the government should supersede or suspend the Board of a co-operative society where it has more than 51% shares or given guarantees amounting to more than 51% of net worth of the cooperative. Also, this should be resorted to in an extreme case of financial irregularities. In addition, the period of supersession should be restricted to only three months.

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