

Centre's Focus on Coops Raises Maha Political Temp

Parties that control cooperatives in the state also largely control the manner in which the electorate votes

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Mumbai: Union home and cooperation minister Amit Shah's comments about the Centre planning to introduce a new cooperative policy and his warning to the Maharashtra government that his ministry would not sit idle while injustices happen in the cooperative sector have sent jitters among politicians and cooperative barons of the state.

Cooperatives play a big role in Maharashtra's rural economy and political parties that control these cooperatives also largely control the manner in which the electorate here votes. Stalwarts in the NCP and Congress have managed to retain their hold on their bastions, anti-incumbency or not, simply because of their hold on cooperatives and, through them, control the rural economy.

CONTROL OF BARONS

Barons of cooperatives in Maharashtra use various methods to control people. For instance, a sugar cooperative controlled by a politician can refuse to crush sugarcane from villages that support a rival politician. Hundreds of cane growers and labourers get affected by such a decision. Similarly, milk cooperatives simply refuse to collect milk from milk producers who do not toe their line. Cooperative banks controlled by politicians are known to refuse loans to villages that don't vote for them.

Advocate Yogesh Pande, who has been highlighting and fighting cases against the irregularities in the cooperative institutions, said the cooperatives maintain their control through cleverly drafted laws.

"Maharashtra has a law that the distance between two sugar factories

Parties With Big Stake

AT ONE POINT, CONGRESS WAS A BIG PLAYER; NOW IT'S NCP

Those involved in the sector control most parts of the rural economy such as sugar, bank and milk cooperatives

Congress leaders also have considerable influence, followed by BJP

Ways To Control

Sugar cooperatives controlled by politicians often refuse to crush sugarcane from villages not in favour of them



Milk cooperatives often refuse to collect milk from those who do not toe their line

State's Role in Propping Up Sugar Barons

Maharashtra has bent backwards to ensure that sugar cooperatives thrive. Over the years, the state has stood guarantor for sugar cooperatives several times after default



Currently, the state is liable to pay more than ₹2,000 crore to banks for loans defaulted by sugar cooperatives

How Will This Benefit BJP?

If NCP and Congress leaders feel their hold is slipping, then they may join BJP which could weaken these parties during elections

Why Are Barons Worried?

The Centre has signalled that it aims to cut the influence of these cooperatives



It can do so through scrutiny & regulation

The Banking Regulation Act is one such move

Amit Shah has indicated that a new policy will be unveiled which would lead to control of these institutions



should be 25 km. This means there is just one sugar factory within a radius of 50 km, leading to monopoly and control. Sugarcane growers, the labour and everyone else then become dependent on this sugar factory."

Giving an example of his own Korpagaon taluka, Pande said that the sugar barons have ensured that at least one person from every household gets a job in the sugar cooperative controlled by the politician. "By

hiring one member of a family, they have tied the rest of the family members to the fate of this politician".

A sugar factory is just one part of how a politician controls the electorate; there are cooperative banks and educational institutes, too. While top politicians control the bigger cooperatives, the smaller party functionaries under these politicians manage cooperative credit societies where people with small savings invest their

money. "Simply put, this is like a mini kingdom of sorts, where everything is controlled by them," said Pande.

GOVT-COOPERATIVES LINK

Considering the fact that most of the top politicians in the state have their fingers in the cooperative pie, several state governments have, over the years, not just ignored violations by these cooperatives but also helped facilitate them, critics say. Several sugar and other cooperatives have taken loans from cooperative banks and since the projects were unviable to start with, the state was roped in by the cooperatives as guarantor.

"In 2019, the state ended up paying ₹500 crore after sugar cooperatives defaulted on their loans. There is still ₹2,000 crore more that the state needs to pay to banks as guarantor. At a time when the state has a debt of ₹6 lakh crore, the government continues to indulge the cooperatives," said Pande.

Of course, this largesse by the government depends on the equations with those in power. For instance, in 2011, the Maharashtra State Electricity Distribution Company Limited (MSEDCL) took over the Mula Pravara Electrical Cooperative Society (MPECS) that supplied power to 183 villages in Ahmednagar district.

MPECS was controlled by the then Congress leader Radhakrishna Vikhe Patil's family and it defaulted in paying back power dues to MSEDCL. MPECS was accused of giving free power to its customers, allegedly supporters of Patil, to keep them happy. Patil who incidentally was the state's agricultural minister had then publicly accused Ajit Pawar (then deputy CM) of carrying out a vendetta as the two families were political rivals.

BREAKING THE HEGEMONY

It is this control and hegemony that the BJP seems to be targeting. Shah spoke of how the Centre cannot be a mute spectator as the state discrimi-

nates against opposition-ruled cooperatives and spoke of bringing in a new cooperative policy.

Interestingly, Patil has now joined the BJP and Shah's speech was made at Ahmednagar. Shah's comments on the irregularities has put the Congress and NCP on alert.

"There are a number of cooperatives, particularly in western Maharashtra, which is the NCP stronghold. If the Centre appoints independent directors in these cooperatives, or controls the finances/ loans of these cooperatives through the National Cooperative Development Corporation (NCDC) then don't be surprised if these leaders join the BJP," said political analyst Ravikiran Deshmukh.

The Centre creating a cooperation ministry and putting Shah in charge clearly showed that the BJP is working to break the nexus of the NCP and Congress controlled cooperatives, he said. "The BJP seems to be working towards the 2024 elections with a plan. Cooperatives are used by political leaders to control the rural vote bank and if their control on these cooperatives is disturbed in any manner, then it could lead to their electoral defeat. At such a time, party loyalties might mean little and these people would simply prefer to jump ship," said Deshmukh.

Incidentally, NCP chief Sharad Pawar has already seen red over the government's moves. Pawar has been vociferous in his party's opposition to the new Banking Regulation Act that allows the RBI to appoint directors in cooperative banks. He has maintained that cooperation comes under the state list and the Centre has no role to play in it. Shah has, however, said that there were too many irregularities surrounding the cooperative sector in Maharashtra, which shows that the Centre would be playing the big brother's role to cooperatives and could shape a new shift in the state's cooperative movement.