

## **Republic of the Philippines- Key Figures National Report**

### **1. INTRODUCTION AND CONTEXT**

This report is part of a mapping exercise launched by the International Cooperative Alliance and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country and provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in the Republic of the Philippines.

#### **Historical background**

Cooperatives have been seen for a long time as important economic actors in the Philippines. They are well recognised in law; their promotion by a State agency was written into the constitution in 1987, and they have their own up to date Cooperative Code, amended in 2008. They have been the 'policy instrument of the government in promoting social justice and economic development'<sup>1</sup> which means they that have had favoured status in economic and social policy.

The cooperative movement in Philippines developed through different stages characterised by different colonial administrations.<sup>2</sup>

The first stage is characterised by the period between 1896 and 1941, which is referred to as the formative period for cooperatives in Philippines. Characterised by Spanish and American colonial regimes, cooperatives were first established in 1896 as local "gremios" and self-help associations which included agricultural marketing cooperatives, commercial marketing cooperatives and associations of workers. Later, in the early twentieth century, rural agricultural cooperatives based on Raiffeisen model were introduced in Philippines by Irish-American missionaries and teachers. Besides credit cooperatives, this period also witnessed the growth of famers' marketing cooperative that were established by the government. While the State-initiated cooperatives are said to have failed in Philippines during this time, private cooperatives based on Raiffeisen model laid a sound foundation of the cooperative movement in the country.

The second stage from 1941 to 1986 was under the Japanese colonial administration, which started with the tremendous growth in the number of consumer and producer cooperatives. They were

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<sup>1</sup>[http://www.ica-ap.coop/sites/ica-ap.coop/files/2\\_En-Dr\\_Eulogio\\_T\\_Castillo\\_Paper\\_for\\_Vietnam.PDF](http://www.ica-ap.coop/sites/ica-ap.coop/files/2_En-Dr_Eulogio_T_Castillo_Paper_for_Vietnam.PDF)

<sup>2</sup><http://philippinecooperative.blogspot.com/2008/09/century-of-philippine-cooperative.html>

involved in the distribution of food supplies to war affected urban areas in Philippines and Japanese war outposts in other Asian countries. This was followed by a rehabilitation phase wherein laws on cooperatives were passed to form such cooperatives, that supported in relief and rehabilitation programs. Post the rehabilitation phase, the government started organising farmer cooperatives as a strategy to counter revolutionary activities in the country. While State-initiated cooperatives were on the rise, the period between 1950 to 1980, was also characterised by the emergence of cooperatives that were initiated by non-governmental organisations such as the Philippine Rural Reconstruction Movement (PRRM); and in non-agricultural sectors such as electricity, banking, and transportation.

The third phase from 1986 to 2000, is an important period in the evolution of cooperative movement in Philippines. With the reinstatement of democratic rule in the country, the new Constitution of 1987 provided for the promotion of growth and viability of cooperatives as instruments of equity, social justice and economic development under the principles of subsidiarity and self-help. Cooperatives along with NGOs and people's organisations (as called in Philippines) were considered as Philippines' third sector to promote the development of society. The Constitution not only provides an elaborated definition of cooperatives but also offers regulatory guidelines.

### **Public national statistics available**

For a more comprehensive picture of the cooperative movement in the Philippines, the present section strives to provide key data from the country's public registers – so as to provide some useful background context to the ICA members' data showcased in Section 3 of the report.

The Cooperative Development Authority (CDA) has a wide range of regulatory, promotional and developmental responsibilities related to cooperatives. It is the key organization responsible for compiling statistics on cooperatives, where information on cooperatives in the country is centralized. The CDA uses an internationally accepted definition of cooperatives based on ownership, governance and the distribution of profits. Additionally, the CDA keeps track of federations and unions of cooperatives. In Philippines, cooperative federations are established to strengthen cooperative members' activities through educational and operational means. Unions represent the interests of cooperatives locally, regionally and nationally. A few examples of cooperative federations include Farmer's Commodities and SME Center Federation of Cooperatives, Itogon Federation of Cooperatives (IFEDCO), and Federation of Agrarian Reform Communities Cooperatives (FEDARCO) and of cooperative unions include Apayao Provincial Cooperative Union, Cooperative Union of Baguio City (CUBC), and Union Cab Transport Service Cooperative.

CDA systematically collects statistics on cooperatives on several variables and levels of disaggregation. Statistics are available (up to 2016)<sup>3</sup> on the following variables:

- Number of operating cooperatives by region, type/sector; and asset size (micro, small, medium and large)
- Reporting and non-reporting cooperatives
- Membership in cooperatives (only which report to CDA) by region, type/sector and asset size (micro, small, medium and large)
- Employment in cooperatives (only which report to CDA) by region, type/sector and asset size (micro, small, medium and large)

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<sup>3</sup> <http://www.cda.gov.ph/resources/updates/statistics>

- Assets value of cooperatives (only which report to CDA) by region, type/sector and asset size (micro, small, medium and large)
- Net surplus of cooperatives (only which report to CDA) by region, type/sector and asset size (micro, small, medium and large)

Such data has been collected systematically by CDA since 2011 for all operating cooperatives in the country. Those cooperatives which fail to comply by the reporting standards of CDA (those which do not submit or submit incomplete reports) are classified as non-reporting cooperatives. Thus, the annual data generated is based on the reporting cooperatives.

### Number of cooperatives

Cooperatives in Philippines are differentiated by region, type/sector and asset size. There are 19,082 operating cooperatives in Philippines as of 31 December 2016. Out of the total operating cooperatives, data for variables such as membership, employment, and so on is available for only reporting cooperatives. The number of reporting cooperatives in Philippines as of 31 December 2016 is 9,432.

### Employment

There are 226,400 employees in 9,432 cooperatives in Philippines as of 31 December 2016. This accounts for 0.55% working population in cooperatives out of the total working population in Philippines as of 2016<sup>4</sup>.

### Cooperative membership

There are 7,647,800 members in 9,432 cooperatives in Philippines as of 31 December 2016. This accounts for 7.4% of the total population in Philippines as of 2016<sup>5</sup>.

### Production value

The combined production value of cooperatives in Philippines as of 31 December 2015 is PHP 322,697 Million<sup>6</sup> or EUR 6,463 Million. Additionally, though out of the total reporting cooperatives, 51.8% are micro cooperatives, they have an asset value of 2% as of 31 December 2016. The number of cooperatives based on their asset value is presented below:

Asset Size	Reporting Cooperatives	Asset (Billion PHP)	Asset (Percentage)
Large	434	213.4	73.1%
Medium	1,455	54.6	19%
Small	2,656	18.8	6.4%
Micro	4,887	4.9	2%
Total	9,432	291.8	-

Table 1: Number of cooperatives in Philippines based on asset size and value (CDA, 2016)

## 2. RESEARCH PRESENTATION

As stated earlier, the aim of this research is to collect and make public reliable and update-to-date data on cooperative movement of a country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

<sup>4</sup> <https://psa.gov.ph/content/2016-annual-labor-and-employment-status>

<sup>5</sup> <https://data.worldbank.org/country/philippines>

<sup>6</sup> [http://www.ica-ap.coop/sites/ica-ap.coop/files/2\\_En-Dr\\_Eulogio\\_T\\_Castillo\\_Paper\\_for\\_Vietnam.PDF](http://www.ica-ap.coop/sites/ica-ap.coop/files/2_En-Dr_Eulogio_T_Castillo_Paper_for_Vietnam.PDF)

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (EURICSE) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present mapping exercise targets cooperative organisations members of the ICA. The research team recognises that the challenge of this choice is that the data available might cover only a few sectors or a relatively low number of cooperatives, depending on the reach of the ICA cooperative members present in the country. However, collecting data on this category of cooperatives provides an easier entry point of contact and offers direct benefits in terms of visibility, advocacy and networking.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In Philippines, the mapping questionnaire was sent to six ICA members out of which data from five members was retrieved. After some additional follow-up and clarifications from the member, the figures provided were compiled to be presented in the next section.

### 3. KEY FIGURES ON ICA MEMBERS

This section comprises of the central and main section of the report; it presents the results of the data collected from ICA members.

#### List of ICA Members

The Republic of Philippines has the following ten ICA member organisations:

1. Aurora Integrated Multipurpose Cooperative (AIMCoop)
2. Cooperative Development Authority (CDA)
3. Federation of Peoples' Sustainable Development Cooperative (FPSDC)
4. MASS-SPECC Cooperative Development Center (MASS-SPECC)
5. Metro South Cooperative Development Bank (MSCB)<sup>7</sup>
6. National Confederation of Cooperatives (NATCCO)
7. Philippine Cooperative Center (PCC)
8. Union of Legitimate Service Contracting Cooperatives (ULSCC)

<sup>7</sup> MSCB became a member of ICA in 2019 and was not covered in the pilot study.

9. VICTO National Cooperative Federation and Development Center (VICTO National)
10. 1Cooperative Insurance System of the Philippines Life and General Insurance (1CISP)<sup>8</sup>

AIMCoop: Established in 1967, the Aurora Integrated Multipurpose Cooperative is a duly organized multipurpose cooperative that specializes in savings and credit services and is registered with the Cooperative Development Authority. It is recognized as one of the top cooperatives in the Philippines and has received awards from various government entities for its support and compliance with government regulations and standards. It became a member of ICA in 2018.

CDA: The Cooperative Development Authority (CDA) is the lead government agency mandated by the virtue of Republic Act No. 9520 (Philippine Cooperative Code of 2008) to promote the viability and growth of Philippine cooperatives. It is the only government agency that registers cooperatives. It became a member of ICA in 2017.

FPSDC: Established in 1998, the Federation of Peoples' Sustainable Development Cooperative is a federation of organisations that provide financial and non-financial services to empower marginalised sectors, ensuring the development of stakeholders (people) and the preservation of the environment (planet), while ensuring economic viability and equitable growth (prosperity), in the hope of promoting harmonious coexistence within and among communities (peace). It became a member of ICA in 2015.

MASS-SPECC: Established as the MASS-SPECC Cooperative Development Center in 1984 through the merger of MASS (Mindanao Alliance of Self-Help Societies, established in 1973) and SPECC (Southern Philippines Educational Cooperative Center, established in 1966), it is one of the oldest and largest cooperative federation in Philippines. Its activities include, lending services to cooperatives, IT services, consultancy, Research and Development, and education and training. It became a member of ICA in 2017.

MSCB: Established in 2007, the MSCB is the only cooperative bank in the National Capital Region (NCR) of Philippines. It is a unique bank registered with CDA as a cooperative, and with the Bangko Sentral ng Pilipinas (BSP), as a bank under the rural banking system. It became a member of ICA in 2019.

NATCCO: Established in 1977, NATCCO a federation of cooperatives formed to coordinate and standardise the trainings and educational services for cooperatives at the national level. Today, the NATCCO Network endeavours to ensure the sustainability and viability of cooperatives; and invests heavily in IT softwares, hardwares, and services that cooperatives can acquire and use at affordable costs. It became a member of ICA in 1981.

PCC: Established in 1977, PCC is the national apex organisation<sup>9</sup> for cooperatives in Philippines. It became a member of ICA in 2015.

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<sup>8</sup> 1CISP became a member of ICA in 2019 and was not covered in the pilot study.

<sup>9</sup> Defined in the present research methodology as “the umbrella organization at national level in which all sectors of cooperatives (and/or mutuals) converge and that is responsible for promoting the cooperatives (and/or mutuals) in the country and providing services to the cooperative (and/or mutuals) members.”

ULSCC: Established in 2013, ULSC is a labour service cooperative with the mission to be a competent and reliable provider of services for individual, corporate and institutional customers with wide range of services that meet their needs and preferences. It became a member of ICA in 2017.

VICTO National: Established in 1970, VICTO National is a federation of cooperative societies which provides various services to its members and other clients. These include, education and training; consulting; project development, business incubation and enterprise development. It became a member of ICA in 2010.

1CISP: Founded in 1974, ICISP was established to promote and engage in the service of life insurance as a cooperative. CISP has more than 2,000 cooperative members, insuring over 700,000 individuals annually. It became a member of ICA in 2019.

## Data on ICA Members

The data presented in the below section was retrieved from AIMCoop, FPSDC, VICTO, PCC and MASS-SPECC.

### Preamble

While the survey was sent to six members, adequate data was provided by only five for the year 2016 and 2017. The questionnaire was filled marginally by members and very few variables were covered in the responses. Common variables that were not covered by the members include-

- Number of cooperatives represented (only partially covered)
- Number of members (only partially covered)
- Turnover
- Sectoral data

### General overview

For the purpose of analysing the findings, common variables that are considered include- number of cooperatives represented, membership, number of employees, percentage of women employees and percentage of youth employees. The data provided by the members cannot be adequately compared graphically or computed due to difference in the reference year. Thus, the table below presents the data provided by members as it is. Please note, that this information, due to its limitations, does not represent country level statistics on cooperatives in Philippines.

Year	No. of cooperatives represented	No. of membership of the cooperatives represented	Number of employees	Percentage of women employees	Percentage of youth employees
2017	-	1,109,257	568	55% (312)	47% (270)
2016	-	-	12	92% (11)	33% (4)
2016	270	1,045,397	30	43% (13)	40% (12)
2016	56	-	08	63% (5)	- (0)
2016	-	-	93	48% (45)	56% (52)

Table 2: Data received from ICA members in Philippines through mapping survey

## Presentation of country-level data based on secondary research



Based on secondary information made available by the Cooperative Development Authority for the year 2016, graphical representation of cooperative statistics from Philippines is as follows:<sup>10</sup>

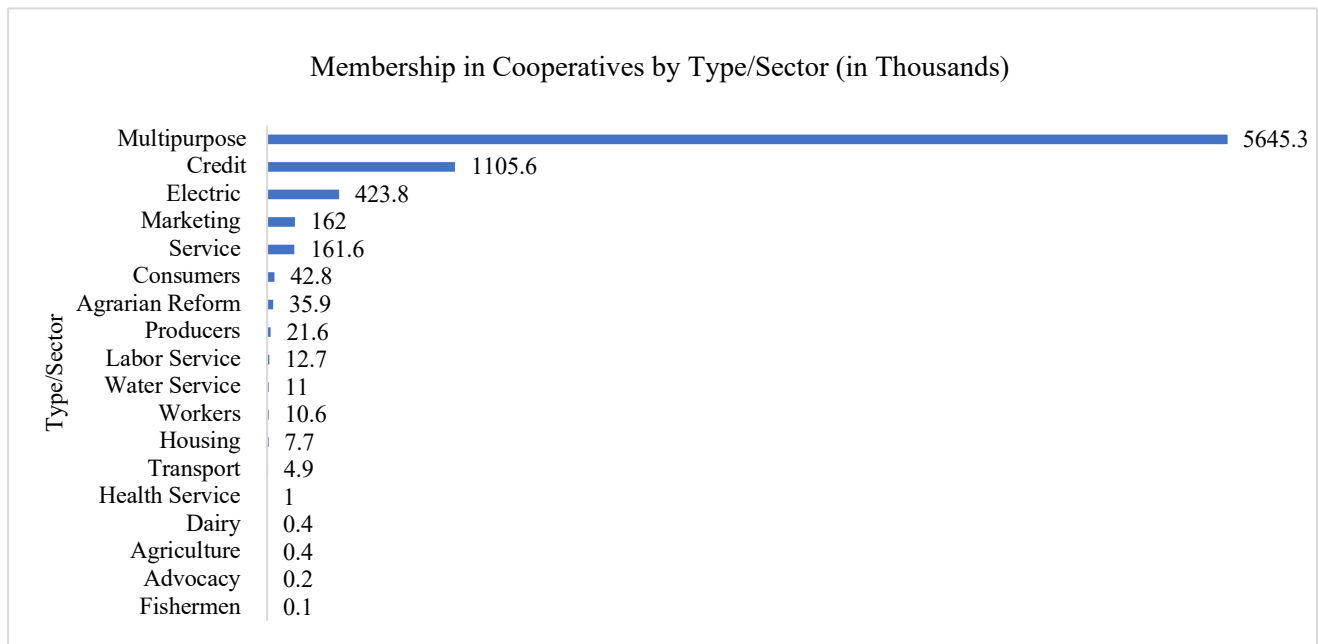


Figure 1: Membership in cooperatives by type/sector (CDA, 2016)

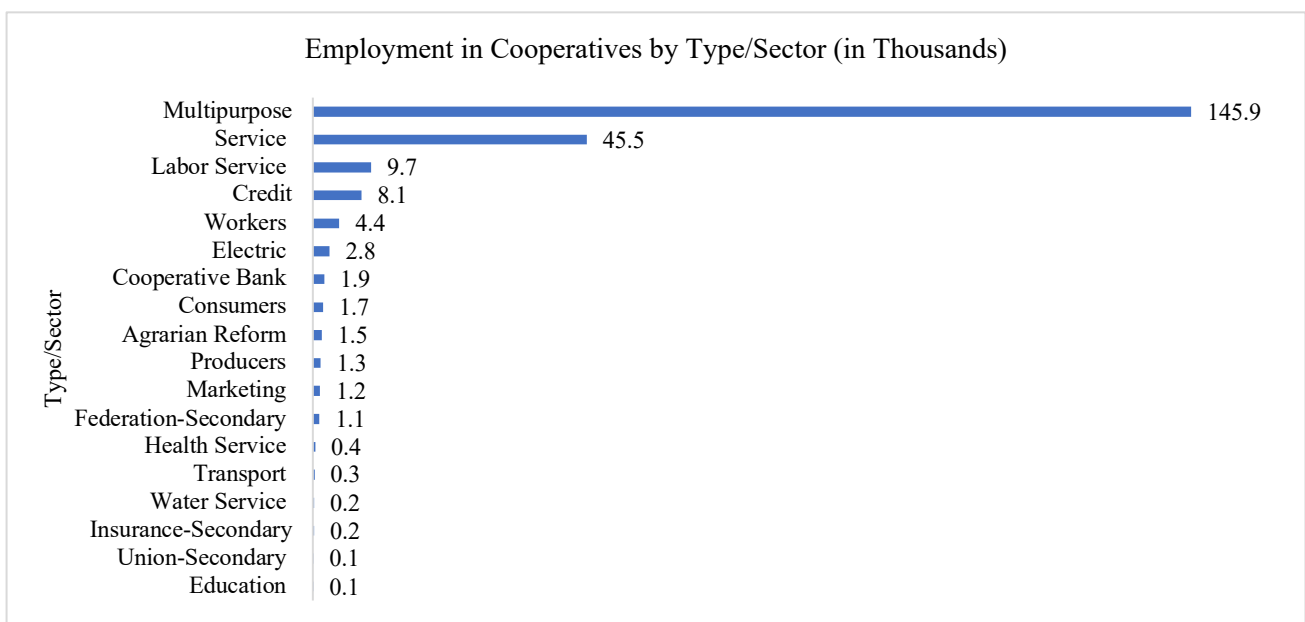


Figure 2: Employment in cooperatives by type/sector (CDA, 2016)

<sup>10</sup> Based on 9,432 cooperatives which reported to CDA in 2016.

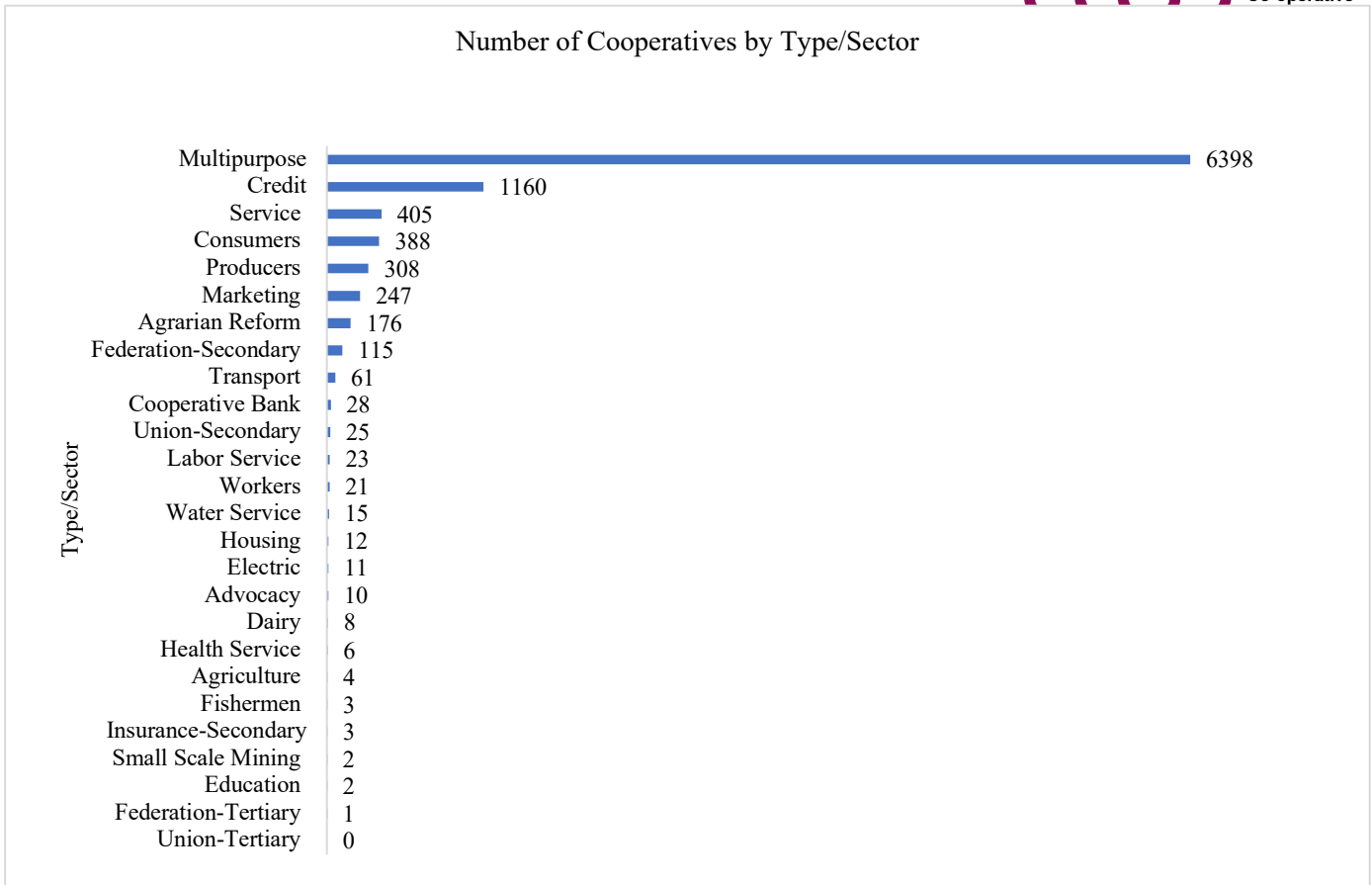


Figure 3: Number of cooperatives by type/sector (CDA, 2016)

#### 4. CONTACTS

Further details on the mapping research are available on the [#coops4dev](https://www.coops4dev.org/) website.

The production of this report was overseen by ICA Asia-Pacific. For any further information or clarification, please contact the following address: [mappingresearch@ica.coop](mailto:mappingresearch@ica.coop)