

MAPPING: KEY FIGURES

NATIONAL REPORT: SRI LANKA

ICA-EU PARTNERSHIP

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Democratic Socialist Republic of Sri Lanka- Key Figures National Report

I. Introduction and context

This report is part of a global mapping exercise launched by the International Cooperative Alliance (ICA) 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 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 Democratic Socialist Republic of Sri Lanka, hereafter referred to as Sri Lanka.

i. Historical background

Cooperatives in Sri Lanka have a long and rich history going back to the British colonial period in the early 20th century. Initially started by the rural working class who set up their own credit societies, cooperatives have gradually branched out to other sectors under the guidance of the government. During the civil war years, cooperatives were identified by the United Nations (UN) as the only "stable" economic structure present in northern Sri Lanka. Cooperatives are now being seen in a new light and strengthened by the government to withstand competition in the current liberal market economy.

Historically, the attam system of labour exchange in rural Sri Lanka encouraged neighbours to mutually help each other and the pattern was repeated until everyone was a recipient. However, in the early 20th century, cooperatives in Sri Lanka were promoted by the British administration to train farmers on scientific agricultural practices and methods, credit disbursement and to simplify produce distribution. The first organised cooperative was set up in 1906 by dissatisfied rural workers in Teldeniya, Kandy. Their refusal to go to private moneylenders saw the formation of the Dumbara Credit Cooperative Society. This eventually led to the development of the first laws for cooperatives in 1911 with the Director of Agriculture as cooperative Registrar. The

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government established a separate cooperative department in 1930. During World War II, government-backed cooperative stores had a monopoly on war-rationed goods such as sugar and rice and helped address the food-shortage crisis. This made cooperative membership increase quickly.

Post-independence in 1948, the government continued to promote cooperatives in rural areas to supply basic provisions, provide agricultural extension, give technical assistance and supply credit. The government established a national apex organisation for cooperatives, the Cooperative Federation of Ceylon in 1955 (renamed and re-established as National Cooperative Council of Sri Lanka in 1972 (NCCSL, ICA member) to look at cooperative policy, education, training and publicity. All the island-wide cooperatives – credit, agricultural, industrial, and consumer - were brought together under Multi Service Cooperative Societies (MSCS) in 1957. During the economic crisis in the 1960s, the government encouraged cooperative stores to distribute food and cooperative industrial societies to promote locally produced commodities. In 1970, the government amalgamated primary consumer and fishery cooperatives into economically sustainable larger MSCS.

A change in government in the late 1970s shifted the focus of the cooperative movement from state-run consumer societies to capital entrepreneurship and self-reliance. The microfinance movement at grassroots was revitalised and there was a new push to diversify agricultural exports. Cooperatives were decentralised in 1987 and nine provincial cooperative departments were set up across the country to regulate and promote the cooperative movement.

In 2006, the government launched 'Samupadeepani', a monthly newspaper to cover and share information about cooperatives. In 2007, Consumer Cooperative Societies Federation of Sri Lanka Ltd. (COOPFED, ICA member) started the Co-op City Project with the government to run cooperative stores that supply essential food items at prices lower than private stores. Today, there are more than 7,000 such stores in Sri Lanka. During the decades-long civil war (1983-2009), cooperatives continued to function in the affected provinces. Post the civil war, cooperatives played an important role in reconstruction by providing employment opportunities to refugees, war widows and ex-combatants. In 2011, when the government marked the first centenary of the cooperative movement in Sri Lanka, they recognised the support provided by cooperatives in the retail sector in the provision of essential goods in difficult times. The first edition of the 'Sri Lanka Journal of Cooperative Studies' that covers research on cooperatives came out in 2017. The National Policy on Cooperatives was approved by the cabinet in 2019. It provides a policy and legal framework to develop and strengthen cooperatives by adopting a sustainable socio-economic approach.

ii. Public national statistics

For a more comprehensive picture of the cooperative movement in Sri Lanka, the present section provides key data from the country's public registers as a useful background context to the ICA members' data showcased in Section II of the report.

The data presented here is for 2019 and has been taken from NCCSL (national apex organisation representing cooperatives in Sri Lanka).

NUMBER OF COOPERATIVES:

In 2019, there were 16,000 cooperatives.

EMPLOYMENT:

In 2019, there were 65,000 employees in 16,000 cooperatives.

COOPERATIVE MEMBERSHIP:

In 2019, there were 8.1 million members in 16,000 cooperatives. This accounted for 38.15% of the total population.

iii. Research methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

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.

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 Sri Lanka, the mapping questionnaire was completed by one out of five ICA member organisations in the country. National data on cooperatives was provided by NCCSL.

II. Key figures

This section presents the results of the data collection directed by the ICA members.

Sri Lanka has five ICA member organisations:

1. National Cooperative Council of Sri Lanka (NCCSL)
2. Federation of Thrift and Credit Cooperative Societies Ltd. (SANASA)
3. Consumer Cooperative Societies Federation of Sri Lanka Ltd. (COOPFED)
4. National Institute of Cooperative Development (NICD)
5. Department of Cooperative Development (DCD)

NCCSL: Established in 1972, National Cooperative Council of Sri Lanka (NCCSL) is the apex organisation representing the cooperative movement in Sri Lanka. As a member of the ICA, the NCCSL acts representing body of the cooperative movement within and outside the country. It carries out education and training activities through its district councils, education centres and regional training centres. It became a member of the ICA in 1973.

SANASA: Established in 1980, SANASA is an apex organisation of over 8,000 member cooperatives that deal in microfinance in rural areas. It is the local Sinhalese acronym for thrift and credit cooperatives. Today, it's the largest people-oriented service organisation that reaches around 20% of the total population. It works with national and international organisations to spell out cooperative-friendly policies, hold workshops, organise development programs, and guide cooperative education. SANASA has its own bank, insurance agency, construction company, training-centre-cum-university and a publishing company. It became a member of the ICA in 1989.

COOPFED: Established in 1989, COOPFED is the apex federation of the consumer cooperative movement in Sri Lanka representing over 200 multipurpose cooperative societies. It became a member of the ICA in 1992.

NICD: Established in 1943, NICD (formerly known as the School of Cooperation), is a national institute for training, higher education and research on cooperatives. It became a member of the ICA in 2005.

DCD: DCD is established under the Ministry of Industry and Commerce, Resettlement of Protracted Displaced Persons, Cooperative Development and Vocational Training and Skills Development. There are 75 national-level cooperative federations and societies registered under DCD. The objectives of DCD include registration of cooperatives, conduct financial audits, form cooperative policies, etc. It became a member of the ICA in 2020.

i. ICA member data

The data collected through online questionnaire was provided by COOPFED for the year 2017.

ii. General overview

The present section provides an overview of the ICA membership data for COOPFED.

Category	Total
Number of consumer cooperatives represented by COOPFED	257
Number of employees in COOPFED	97
Percentage of female employees in COOPFED	35%
Percentage of youth employees in COOPFED	29%

Table 1: Cooperative statistics received from COOPFED for 2017

iii. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned.

Cooperatives are present in all 27 districts of Sri Lanka. COOPFED represents multipurpose consumer cooperative societies. At national level, primary cooperatives are present in the following sectors:

Sectors	Number of primary cooperatives (2019)
Thrift and credit	8400
Rural banks	1703
Fisheries	544
Multipurpose	306
Industrial	182
Marketing	130
Healthcare	95
Others	90

Table 2: Cooperative statistics per sector in Sri Lanka (2019) (Data received from NCCSL for 2019)

III. Graphs

i. Percentage of cooperatives per sector

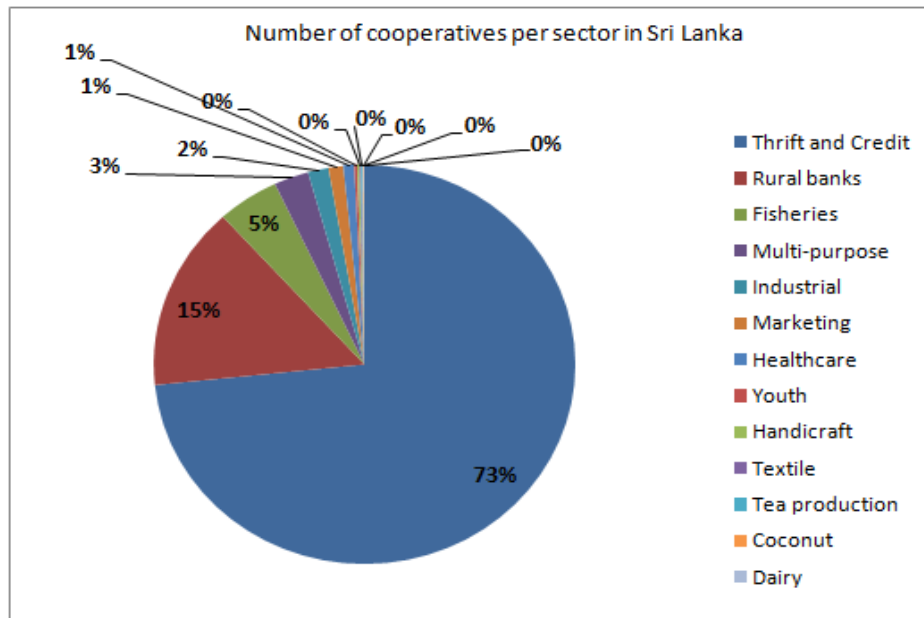


Figure 1: Cooperative statistics per sector in Sri Lanka (2019) (Data received from NCCSL for 2019)

IV. Annexes

Sources and contacts are listed below.

Sources

1. ICA-AP (2020). [Sri Lanka country snapshot](#)

Contacts

Further details on the Mapping research and other country reports are available on www.coops4dev.coop

The production of this report was overseen by staff from ICA-AP Office. For any further information or clarification, please contact mappingresearch@ica.coop

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