



Handicrafts made by cooperatives displayed at the 94th International Day of Cooperatives, Myanmar. Image credit: Global New Light of Myanmar.

## COOPERATIVES IN MYANMAR

### Contribution of cooperatives to Myanmar's economy

- 39,929 cooperatives in Myanmar.
- 4.22 million (7.9% of population) members of cooperatives.
- 132,551 people are employed by cooperatives.

(Figures as of 2019)

### Did you know?

- The cooperative movement in Myanmar is 115 years old!
- Cooperatives in Myanmar are represented by the Central Cooperative Society Ltd. (CCS).
- The cooperative movement in Myanmar has a four-tier structure. CCS is the apex society comprising of 22 union cooperative federations in states and regions, 440 township cooperative federations.
- The Ministry of Agriculture, Livestock and Irrigation (MoALI) is responsible for the development and promotion of cooperatives. MoALI was established in 2015 with the merger of Ministry of Agriculture and Irrigation, Ministry of Cooperatives, and Ministry of Livestock, Fishery and Rural Development.
- CCS became a member of ICA in 1993.

The cooperative movement in Myanmar (formerly known as Burma) originated under the British administrative rule in the early 20th century. Post its independence in 1948, cooperatives continued to be promoted. During the centrally planned social economy from 1962 to 1988, cooperatives developed a negative image owing to centralised control and operational inefficiencies. However, democratic reforms in the post-socialist era (1988-present) in the country have helped overhaul the image of cooperatives positively. Today, cooperatives play an active important role in strengthening agricultural sector and promoting financial inclusion.

### Types of cooperatives

Cooperatives in Myanmar are present in the following sectors.

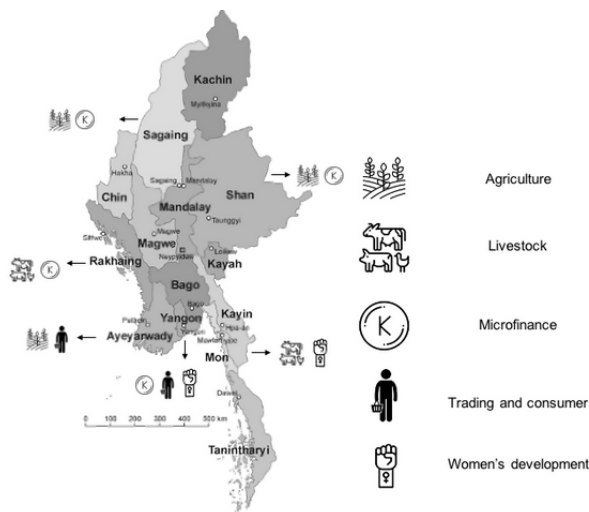
Sectors	Number of cooperatives	Sectors	Number of cooperatives
<b>Production</b>		<b>Trade</b>	
Agriculture	27655	Trading	2572
Livestock	4576	General business	93
Industrial	512	Government employee cooperatives	440
Forestry	13	Store	34
<b>Services</b>		<b>Levels of operation</b>	
Microfinance	3648	Township cooperative federations**	-
Transportation	116	Regional and state union cooperative federations**	-
Construction	57	CCS	1
Social	33	<b>Total</b>	<b>39929</b>
Others	179		

\*Others include women, healthcare and multipurpose cooperatives.

\*\*Township cooperative federations, and regional and state union cooperative federations are engaged in production, trade and service sectors.

### Geographical presence of cooperatives

Cooperatives are present in all seven states and regions in Myanmar. The map below shows the presence of cooperatives in various parts of the country.



## Evolution of the cooperative movement

### → 1905-1947

- Cooperatives were introduced in Myanmar with the enactment of the Indian Cooperative Societies Act in 1904 when it was part of British India.
- Myanmar Agricultural Credit Cooperative Society in Myinmu Tsp of Sagaing region was the first cooperative established in 1905. Credit cooperatives were also set up in this region to overcome exploitation by informal money lenders.
- By 1929, credit cooperatives became popular in British India's rural agrarian environment and Myanmar had 4,000 credit cooperatives.
- The prosperity of credit cooperatives was drastically affected by the Great Depression of 1930s which led to fall in their numbers from 4,000 in 1930 to 57 in 1935.

### → 1948-1988

- Following independence in 1948, the newly formed government promoted cooperatives as the primary vehicle to advance the socialist economy and reject the reforms propagated under British administration.
- During the initial years after independence, cooperatives were largely state-controlled and operational in agricultural and financial sectors.
- In 1962, the post-independence government was overthrown by a military-socialist regime under Army Chief General Ne Win.
- Cooperatives during this time continued to be state-controlled entities, dominant in the agricultural and financial sector and used as a means to promote socialism.
- In 1975, the military-socialist regime established CCS to regulate and promote cooperatives.
- Under the socialist regime, Myanmar's economy suffered from economic downturn and state-controlled cooperatives failed to generate economic growth. Additionally, cooperatives became synonymous with government and were characterised by forced participation of people, poor supervision and management, minimal emphasis on education and training of members, and ignorance of cooperative values and principles.
- In the wake of economic downturn in the 1980s, Army Chief General Ne Win renounced socialist policies and adopted the framework of a capitalist economy for nation building. This marked the first phase of post-socialist era in Myanmar (1988-2011).

### → 1989-2011

- With opening of the economy, the focus on cooperatives got weakened as they were largely controlled by the state. However, the new legislation on cooperatives passed in 1992, paved way for adoption of cooperative principles in law, a four-tier cooperative structure in the country, and autonomy and independence of cooperatives from the government.
- With the objective to develop rural cooperatives, collaborations with international non-governmental organisations were forged to promote local farm-based organisations. One such example is of AVSI, an Italian-supported organization which in 2003 focused its efforts on the promotion of rural cooperatives. In 2008, it provided technical assistance to cooperatives in the Delta Region, affected by Cyclone Nargis. Initiatives like these helped uplift the image of local cooperatives.

### → 2012-present

- In 2012, CCS was restructured which allowed it to function as an autonomous and independent national apex federation responsible for business and promotion of cooperatives. It also started working towards education and training of cooperative members.
- Post 2012, promotion of higher education and training on cooperatives has been a focus in Myanmar. Two former cooperative colleges in Thanlyin and Sagaing were converted to universities to offer Post-Graduate Diploma and Masters programme to educate youth about cooperatives and develop human resources for cooperatives.
- Collaborations with international organisations were forged by CCS and MOALI in 2014, to promote cooperative development in the country.
- The second phase of post-socialist era in Myanmar started in 2016 which gave a boost to industrialisation, manufacturing and tourism. However, agricultural sector continues to be the dominant sector in the economy. In 2019, agriculture, livestock and forestry constituted 81% of the total cooperatives in Myanmar. Agricultural, savings and thrift, and microfinance cooperatives are actively promoted for poverty alleviation, sustainable agriculture and financial inclusion.

## Laws on cooperatives

- Pre-independence: Three cooperative laws were applicable to Myanmar before independence: the Indian Cooperative Act of 1904, Government of India Act of 1919, and Burma Act VI-the Cooperative Society Act of 1927. While the 1904 law allowed for the creation of cooperatives in Myanmar, the 1927 law allowed for liquidation of credit cooperatives during the Great Depression.
- Post-independence: After its independence in 1948, three cooperative laws were passed in Myanmar: the Cooperative Societies Act of 1956, Cooperative Societies Act of 1970, and Cooperative Society Law of 1992. The 1970 law had government support and cooperatives could be formed on territorial basis. The 1992 law allowed for autonomy of cooperatives in the post-socialist era. This law is still active in Myanmar. In 1998, the first Cooperative Society Rules were passed. In 2013 the Rules were passed for the second time for supervision and regulation of cooperatives.

### Key highlights

- A minimum of 5 individuals having same business objectives are required to register a primary cooperative.
- Individuals above 12 years of age can be admitted as associate members in a primary cooperative.
- Under the provisions of the Union of Myanmar Income Tax Law (Amended in 2011), cooperatives are liable to pay tax, like individuals and other organisations. However, according to the Cooperative Society Rules 2013, the payment of duties and taxes, expenses spent for restitution of wear and tear of capital assets, appropriation for bad debts, general provident fund for staff are included in expenditures of the cooperative. The balance in favour of the cooperative after these payments is its net profit.
- The priority of allocation of net profits is as follows: dividends; service bonus for executive committee, directors and staff of the society; refund payments for purchase or sale of goods; and investments.



## Cooperative landscape of Myanmar

Cooperatives in Myanmar are majorly involved in the production and service sectors. In the last two decades (2000-2020), there has been an increase in institutional collaborations between MoALI, CCS and international organisations, for the promotion of micro-finance cooperatives, savings and credit cooperatives; enhancement of women's participation in cooperatives; advancement in rural livelihoods, education and capacity building of cooperative members; procurement of affordable agricultural inputs and export of agricultural products.

### Green Gold Cooperative: Transforming lives through responsible production and export of premium coffee

Established in 2015, Green Gold Cooperative (GGC) works with the United Nations Office on Drugs and Crimes for alternative development programme in Southern Shan State of Myanmar. GGC comprises of over 900 former opium poppy growing farmers from 60 villages who under the programme have switched to sustainable coffee cultivation. In 2016, GGC forged a five-year partnership (2017-2022) with a French company Malongo to commercialise its harvests. In 2019, GGC received the Fairtrade certification. Recently, the 'Shah Mountain coffee' brand was launched by Malongo at the Commission on Narcotic and Drugs in Vienna and French parliament in Paris. The coffee produced by GGC is sold under this brand in Belgium, England, Spain and Switzerland.



Image credit: Malongo

### Thiri Sandar Garment and General Trading Cooperative Society: Growing strength to strength in the international market

Established in 1994, Thiri Sandar Garment and General Trading Cooperative Society (TSGGTCS), has been engaged in the production and export of knitted and woven products including garments, curtains and blankets to international markets in the USA and Germany. In recent years, the cooperative has expanded its expertise to dresses made from a wide range of fabrics. It also now exports fine cotton and linen wear for women to Japan and South Korea. Having over 400 employees, the cooperative has participated in many trainings and workshops including the SMART (SMEs for environmental Accountability, Responsibility and Transparency) Myanmar training, a programme funded by European Union to improve working conditions, promote labour and environmental standards, and reduce labour rights exploitation in the textile and garment industry. TSGGTCS also participated in the Social Compliance Academy which helped it improve its business efficiency and production, and transform its mode of production from CMP (Cut-Make-Pack) to FOB (Free on Board) (in the garment industry, FOB is a mode of production in which the manufacturer purchases its own inputs rather than assemble inputs provided by the buyer). The cooperative prioritises decent working conditions and ensures employee welfare through benefits such as healthcare, paid leave, and contribution to social security fees.



Image credit: CCS

### Myingyan Township Cooperative Federation: Ensuring comprehensive support, and services to members for growth and development

Established in 2009, Myingyan Township Cooperative Federation (MTCF) is active in production, service and trade sectors. Set up with 102 local cooperatives as its members, its membership has increased to 213 cooperatives in 2020. MTCF through its members is engaged in various business activities including, weaving, pottery production, farming, selling and distribution of agricultural inputs and machineries, farm-land upgradation, seed production. The Federation is a key source of livelihood for local people associated with its 213 cooperatives as members and employees. In collaboration with the Union of Cooperative Federations, MTCF also provides micro-capital and multi-purpose development loan to its members. Lately, the Federation is engaged in implementing the MyFINANCE Project (2016-2020) in partnership with CCS and Cooperative Development Foundation of Canada to promote savings and credit among members.



Image credit: CCS



- Strengthening of cooperative movement through collaboration with international agencies is a key step taken in Myanmar to promote sustainable agriculture and financial inclusion. CCS collaborated with the Association of Asia Confederation Credit Union (ACCU) in 2014 on a five-year project to promote savings and credit cooperatives, and micro finance. The project was funded by United Nations Capital Development Fund and aimed to promote best practices, and sustainable, and democratic local financial cooperatives. Over 26,000 members (mostly women) from 34 rural credit cooperatives were benefitted through this project.
- Examples of collaborations between CCS and international organisations include: The project on Strengthening Rural Cooperatives in Myanmar with We Effect from 2014–2017; project on Enhancing Business Development of Smallholder Producer Groups with the Food and Agriculture Organisation in 2017; My FINANCE project with Cooperative Development Foundation and Livelihoods and Food Security Trust Fund in 2016–2020; and project on Sustainable Development of Cooperative Movement in Myanmar with We Effect from 2018–2019.
- In 2017, the Cooperative Department under MoALI, Government of Netherland and Agriterria collaborated to strengthen the management capacities of agricultural cooperatives. One of the successful outcomes of the collaboration was the creation of My.Coop, a training programme for agricultural cooperative managers designed by ILO to build their capacities and address market-based challenges. The pilot training was conducted in 2018 and the training modules have been translated into Burmese for the benefit of local cooperatives and farmers.
- Government officials from Myanmar participated in a two-day workshop in 2019 on Korean agricultural cooperative systems and impact on poverty reduction held by the National Agricultural Cooperative Federation Korea, as part of the Overseas Development Assistance (ODA) project.
- The Cooperative Business Centre of Myanmar was one of the organisations to support the National Confederation of Cooperatives of the Philippines to help local cooperatives recover from typhoon Haiyan in 2013.

## Engagement with ICA-AP

- Mr. U Nyi Nyi, Commissioner of Cooperative Development from Myanmar was the first Regional Director of ICA-AP (1960–1961).
- In early 1990s, ICA-AP provided consultancy support to the Government of Myanmar to finalise the draft of the Cooperative Society Law of 1992.
- In the aftermath of cyclone Nargis in 2008, ICA helped in the reconstruction of many local cooperatives by facilitating a global cooperative solidarity fund.
- Cooperators and government officials from Myanmar have benefitted from the trainings, seminars, meetings and workshops organised and co-hosted by ICA-AP and its committees. Some of these are: 10th Asia-Pacific Cooperative Ministers' Conference (2017), Capacity Building Seminar on Multilateral Advocacy for Development of Cooperatives in ASEAN (2018), and Regional Workshop on Management of Consumer Cooperatives (2019).
- CCS is a member of ICA-AP regional committees on women and consumer cooperatives; and ICA's global sectoral organisations- the International Cooperative Fisheries Organisation (IFCO) and International Cooperative Agricultural Organisation (ICAO).

## What are cooperatives?

Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations.

## Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

## Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

## References

<http://bitly.ws/8Ddw>  
<http://bitly.ws/8Ddx>  
<http://bitly.ws/8Ddy>  
<http://bitly.ws/8Ddz>  
<http://bitly.ws/8DdA>  
<http://bitly.ws/8DdB>  
<http://bitly.ws/8DdC>  
<http://bitly.ws/8DdD>  
<http://bitly.ws/8DdE>  
<http://bitly.ws/8DdG>  
<http://bitly.ws/8DdH>  
<http://bitly.ws/8DdI>  
<http://bitly.ws/8DdJ>  
<http://bitly.ws/8DdK>  
<http://bitly.ws/8DdL>

<http://bitly.ws/8DdM>  
<http://bitly.ws/8DdN>  
<http://bitly.ws/8DdP>  
<http://bitly.ws/8DdQ>  
<http://bitly.ws/8DdR>  
<http://bitly.ws/8DdS>  
<http://bitly.ws/8DdT>  
<http://bitly.ws/8DdU>  
<http://bitly.ws/8DdW>  
<http://bitly.ws/8Dpe>

ICA-AP, *50 Years of International Co-operative Alliance in Asia and Pacific [1960–2010] Serving Cooperatives*, 2010. Inputs received from CCS.

## About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 109 members from 32 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

## Contact information

ICA-AP: [info@icaap.coop](mailto:info@icaap.coop)



[ICAAsiaAndPacific](#)



[ICAAPAC](#)



[ICAAsiaPacific](#)

CCS: [ccscencoop@gmail.com](mailto:ccscencoop@gmail.com) and [ccscencoop@ccsmyanmar.coop](mailto:ccscencoop@ccsmyanmar.coop)

This publication has been co-funded by the European Union. The contents of this publication are the sole responsibility of the ICA-AP and can in no way be taken to reflect the views of the European Union.

Created in September 2020