



COOPERATIVES IN SRI LANKA

Officials from the DCD and ILO at the launch of care cooperative by-laws.
PC: ILO

Contribution of cooperatives to Sri Lanka's economy

- 9,289 cooperatives in Sri Lanka
- 10.15 million members in cooperatives (23% of Sri Lanka's population)
- Cooperative members now represent 46% of the national population
- 33,300 professionals employed by cooperatives
- \$2 billion held in assets by cooperatives
- \$1 billion mobilized in savings by cooperatives

Source: Department of Co-operative Development, 2025
(All figures as of 2023)

Did you know?

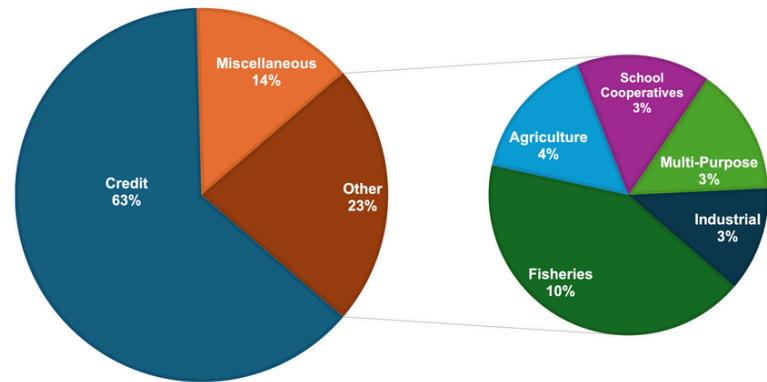
- The National Cooperative Council of Sri Lanka (NCCSL), established in 1972, serves as the apex organization representing cooperatives at the national level.
- The National Institute of Cooperative Development (NICD), established under the National Institute of Cooperative Development Act No. 1 of 2001, evolved from the former Sri Lanka Cooperative School (1943-2001) and serves as the national training and research institute for cooperative education and capacity building.
- The 2022 Voluntary National Review (VNR) recognizes cooperatives as central to SDG delivery, highlighting their role in COVID-19 relief distribution, and the Public Investment Programme (PIP) 2021-2024, which embeds cooperatives in agriculture, livestock, and dairy livelihoods—positioning the movement to diversify the economy by integrating rural communities into national value chains.
- ICA has five members from Sri Lanka. The members with their year of affiliation are NCCSL (1973) Federation of Thrift and Credit Cooperative Societies Ltd. (SANASA, 1989), NICD (2005), Department of Co-operative Development (DCD, 2020), and Matara District Cooperative Hospital Society Ltd.

The cooperative movement in Sri Lanka

Cooperatives in Sri Lanka play a vital role in advancing inclusive development through community-based enterprises in sectors such as agriculture, fisheries, finance, and retail trade. Recognized as key partners in national and local development, cooperatives contribute to employment generation, women's empowerment, and poverty reduction, while promoting self-reliance and social cohesion across rural and urban areas.

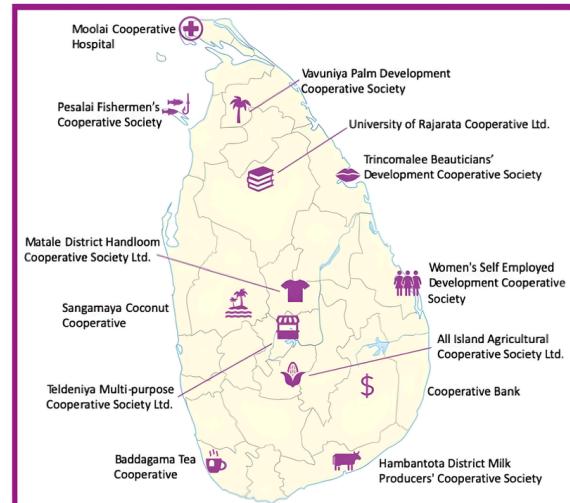
Types of cooperatives

Cooperatives in Sri Lanka are present in the following sectors:



Geographical presence of cooperatives

Cooperatives are present in all the 27 cooperative districts. The map below is a representative sample of cooperatives across the country.



Evolution of the cooperative movement

The cooperative movement in Sri Lanka has progressed through three major phases, each reflecting the nation's socio-political context and development priorities:

→ Pre 1900s-1947: Foundations

- Pre-1900s: Traditional rural practices like the attam system (a labor-exchange tradition) fostered a culture of mutual aid, laying the groundwork for cooperative principles.
- 1906: The first organized cooperative society was established by rural workers in Teldeniya, Kandy. Known as the Dumbara Credit Cooperative Society, it was formed as an alternative to exploitative moneylenders and marked the formal beginning of Sri Lanka's cooperative movement.
- 1911: The British colonial government enacted the Co-operative Societies Ordinance No. 7 of 1911, the first law recognizing and regulating cooperatives. British administration promoted cooperatives to train farmers on scientific agricultural practices and methods.
- The 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.

→ 1948–2000: Post-Independence Expansion and Institutionalization

- 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 organization for cooperatives, the Cooperative Federation of Ceylon, in 1955 (renamed and re-established as NCCSL in 1972) 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 changed the focus of the cooperative movement from state-run consumer societies to capital entrepreneurship and self-reliance. The microfinance movement at the grassroots was revitalized, and there was a new push to diversify agricultural exports.
- Cooperatives were decentralized in 1987, and nine provincial cooperative departments were set up across the country to regulate and promote the cooperative movement.

→ 2020s-Present: Modernization, Revival, and Policy Reform

- The government launched 'Samupadeepani', a monthly newspaper covering the cooperative movement in 2006.
- In 2007, COOPFED 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.
- In September 2025, the Department of Cooperative Development (DCD) launched model by-laws for care cooperatives with support from the International Labour Organization (ILO) to promote decent work, strengthen governance, and expand Sri Lanka's care economy.

Laws on cooperatives

- 1911- The first law on cooperatives was the Credit Cooperative Societies Ordinance No. 7 that provided for the registration and control of credit cooperatives by the registrar. Subsequent amendments made provisions for the establishment of cooperatives in different sectors as well as secondary and tertiary institutions.
- 1972- Cooperative Societies Act No. 5 was introduced to facilitate the reorganization of cooperatives to help the distribution-oriented centralized economy. It was amended marginally in 1983. The management structure of cooperatives was also established under the Cooperative Employee Act No. 12 in 1972.
- 1992- Cooperative Societies (Amendment) Act No. 11 changed the preamble of the 1972 Act by relaxing the powers of the registrar and focussing on 'administration' instead of 'control' of cooperative societies.

Key highlights of the Cooperative Societies (Amendment) Act No. 11:

- Provides cooperatives a six-month-trial period to start generating income from economic activities before official registration.
- Allows cooperatives to conduct business and take up community work with non-members.
- Prevents active politicians from holding office in a cooperative society and from getting elected to the board.
- Allows the admission of associate members for the purpose of business.
- Assigns special provisions to cooperatives funded by the State and authorises their control to the registrar.

Under the National Policy Statement of 2024, the Government recognizes cooperatives as vital to building a production-based economy by strengthening the cooperative banking system, and promoting cooperative business models that harness the collective power of collaboration and inclusive growth.

Women's Development Services Co-operative Society Ltd.:

In the heart of Sri Lanka, women unite to build resilience, savings, and empowerment.

Established in 1998 under the Cooperative Act No. 5 of 1972, the Women's Development Services Co-operative Society Ltd. is a leading force in women-led transformation, empowering over 150,000 members nationwide. The society operates through ten divisions: Financial Affairs, Entrepreneurship, Health, Disaster Management, Children, Agriculture, Housing, Welfare, Insurance, and Education, promoting economic self-reliance and social progress. Each region is divided into up to thirty small groups of twenty women, fostering teamwork and shared responsibility. Members meet weekly, contributing \$0.02 weekly and \$0.004 daily to a strong savings and insurance network. Through programs such as "Subani," "Puthu," "Nivasa," and "Yuwathi," the cooperative cultivates financial discipline, strengthens women's economic independence, and drives sustainable community development.



PC: NICD



PC: Asian Farmers

Angammana SANASA Society:

Guided by the SANASA movement, farmers build strength through cooperation, innovation, and shared prosperity.

Established in 1958 in Angammana Village, Central Province, the Angammana SANASA Society has grown into a vibrant cooperative with 1,200 members, including 175 farmers, 90 women, and 55 youth. Founded with 41 members contributing \$0.34 each, the society has expanded its assets to \$690,000 and created a business plan to ensure sustainable progress. In 2024, it introduced a pepper drying machine valued at \$9,500, transforming processing and improving quality. Members contribute \$1 monthly and access SANASA Bank loans and training in sustainable agriculture. Through collective effort and innovation, the cooperative strengthens farmer incomes, promotes entrepreneurship, and advances community resilience.



PC: NICD

Morawakkorale Milk Producers Co-operative Society Ltd

In the lush hills of southern Sri Lanka, farmers unite to build an inclusive dairy future.

Established in 2010 and officially registered in 2013 under the Cooperative Act No. 5 of 1972, the Morawakkorale Milk Producers Co-operative Society Ltd. has grown from 10 founding members to 2,000 active participants across seven regions, including Deniyaya, Kotapola, Pasgoda, and Pitabaddara. Formed to overcome challenges in local milk production, the cooperative now supports diversified ventures such as mushroom cultivation, beekeeping, and organic fertilizer production—all rooted in green principles. With guidance from the Department of Livestock, it enhances feeding practices and livestock management. Financially, it has grown from \$36 to \$120,000, empowering women entrepreneurs and reducing reliance on informal credit. Each region operates through up to 77 small groups and seven local marketplaces, hosting regular fairs that promote community participation and sustainable rural development.



PC: NICD

Northern Cooperative Development Bank (NCDB)

Rebuilding the North through cooperation, innovation, and trust.

Established in 2019 and headquartered in Jaffna, the Northern Cooperative Development Bank (NCDB) is Sri Lanka's first provincial cooperative bank, dedicated to rebuilding and empowering post-war communities in the Northern Province. With branches in Kilinochchi and Vavuniya, NCDB operates as a non-profit institution, reinvesting its earnings to strengthen weaker cooperatives and promote inclusive, sustainable regional growth. Guided by the vision "A prosperous North through cooperative action," the bank supports over 95 secondary cooperatives through democratic governance and transparent management. Its six key units—Development, Technical, Marketing, Research, Finance, and Administration—work together to enhance credit access, product quality, market competitiveness, and innovation within the cooperative sector. In partnership with academic and research institutions, NCDB drives knowledge-based development, ensuring cooperatives play a vital role in the socio-economic transformation of the Northern Province.



- The December 2004 Indian Ocean tsunami devastated the coastal areas of Sri Lanka. ICA and other international cooperatives stepped in to help with post-tsunami reconstruction projects, which included support to fishery cooperatives to help members who had lost their boats.
- The 2014 World Conference on Youth's Colombo Declaration recognized the importance and role of cooperatives for the development of youth.
- Since 2008, We Effect and NCCSL have strengthened 175 primary cooperatives, trained 57 women's groups, and supported 1,600 eco-friendly home gardens, empowering over 1,100 women through leadership and livelihood programs.
- In May 2025, the ILO, with support from Australia and Norway, and in partnership with the Department of Cooperative Development (DCD), launched the \$2.8 million GROW Project to promote climate-resilient agriculture, social empowerment, and cooperative-led value chains in Sri Lanka's Northern Province.
- In September 2025, during a high-level meeting in New Delhi, officials from Sri Lanka's cooperative development ministry and India's Ministry of Cooperation agreed to deepen institutional ties, share cooperative know-how and launch pilot exchanges to strengthen rural cooperatives.

Engagement with ICA-AP

- The third and fourth Regional Directors of ICA-AP were from Sri Lanka - Mr. PE Weeraman (1968-77) and Mr. RB Rajaguru (1977-86).
- Sri Lanka is represented at the ICA-AP Regional Board by Mr. G. D. Sarath Weerasiri for the 2021-2025 term, and has previously been represented by Mr. P. A. Kiriwandeniya, Mr. Lionel Samarasinghe, Mr. Bandu Ranawake, and Mr. Lalith Peiris.
- Sri Lanka hosted the 3rd Cooperative Ministers' Conference in 1994. It focused on Cooperative-Government Collaborative Strategies.
- The Training of Trainers Program on Management Capacity Building of Women for Cooperative Development was organised in collaboration with the NCCSL in 2011.
- The Asia-Pacific Cooperative Development Conference (APCDC) was organised in Colombo in 2018 and aimed at the UN SDGs.
- The 17th ICA-AP Regional Assembly, hosted by the NCCSL with the DCD, SANASA Federation Ltd., and the Matara District Cooperative Hospital Society Ltd., will be held in Colombo during November 2025 alongwith 12th Asia Pacific Cooperative Forum and 19th ICAAP Research Conference. Sri Lanka previously hosted the 7th Regional Assembly, 4th Cooperative Forum, and 4th Research Conference in 2006.

What are cooperatives?

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

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

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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 119 members from 29 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

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International Cooperative Alliance



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