# THE PHILIPPINE COOPERATIVE CENTER'S REPORT



# THE CHAIRPERSON Philippine Cooperative Center

Strategic Direction of the Philippine Cooperative Movement

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# Share of the Total Number, Total Assets and Net Surplus of Coops by Size Category

Size Category	Share of Total Number	Share of Total Assets	Share of Net Surplus	
Large	4.7%	74.2%	72.2%	
Medium	15.3%	18.1%	18.5%	
Small	26.7%	6.0%	7.3%	
Micro	53.2%	1.6%	1.9%	

# Average Assets and Average Net Surplus of Coops by Size Category

Size Category	Average Assets per Coop (in '000 Php)	Average Net Surplus per Coop	Return on Assets
Large	503,850	28,954	5.7%
Medium	37,528	2,263	6.0%
Small	7,112	512	7.2%
Micro	982	68	6.9%
Total	31,750	1,875	5.9%

### Top 10 Coop Types Ranked by Asset Share and Net Surplus

Coop Type	Share of Assets	Cum. Share	Coop Type	Share of Net Surplus	Cum. Share
Multi-purpose	72.5%	72.5%	Multi-purpose	74.7%	74.7%
Credit	10.0%	82.5%	Credit	10.5%	85.2%
Coop Banks	3.9%	86.5%	Electric	8.9%	94.0%
Electric	3.6%	90.1%	Insurance	1.1%	95.1%
Agrarian Reform	3.0%	93.1%	Coop Banks	1.0%	96.1%
Federations	2.4%	95.5%	Service	0.7%	96.7%
Insurance	1.0%	96.5%	Federations	0.6%	97.3%
Service	0.7%	97.2%	Health	0.5%	97.8%
Labor	0.6%	97.8%	Producers	0.4%	98.2%
Health	0.6%	98.5%	Consumers	0.4%	98.6%

### Top 5 Coop Types Ranked by Return on Assets

	Total Assets per Coop Type (in '000 Php)	Share of Total ssets	Total Net Surplus per Coop Type (in '000 Php	of	hare Total Net Irplus	Return on A	Assets
Fishermen's	6,408	0.0%	1,651		0.0%		25.8%
Electric	13,832,105	3.6%	1,985,889		8.9%		14.4%
Dairy	20,805	0.0%	2,531		0.0%		12.2%
Consumers'	815,743	0.2%	87,192		0.4%		10.7%
Transport	424,584	0.1%	29,780		0.1%		7.0%/
All Coop Types	380,082,857	3.9%	22,442,222		9.4%		5.9%

### Last 5 Coop Types Ranked by Return on Assets

	Total Assets per Coop Type (in '000 Php)	Share of Total Assets	Total Net Surplus per Coop Type (in '000 Php	Share of Total Net Surplus	Return on Assets
Agrarian Reform	11,381,092	3.0%	65,024	0.0%	0.6%
Unions	75,691	0.0%	-353	8.9%	-0.5%
Housing	242,698	0.1%	-7,170	0.0%	-3.0%
Advocacy	8,558	0.0%	-919	0.4%	-10.7%
Small scale	1,933	0.0%	-470	0.1%	-24.3%
All Coop Types	380,082,857		22,442,222		5.9%

### Regions Ranked by Asset Share and Net Surplus

Coop Type	Share of Assets	Cum. Share	Coop Type	Share of Net Surplus	Cum. Share
Region 02	4.7%	83.2%	Region 12	2.5%	90.4%
CAR	4.6%	87.9%	Region 01	2.5%	92.8%
Region 12	3.6%	91.5%	Region 02	2.3%	95.1%
Region o8	2.7%	94.2%	CARAGA	1.6%	96.7%
Region 09	2.2%	96.4%	Region o8	1.4%	98.1%
Region o5	2.0%	98.3%	Region 09	0.9%	99.1%
CARAGA	1.7%	100.0%	Region o5	0.9%	100.0%

### Regions Ranked by Asset Share and Net Surplus

Coop Type	Share of Assets	Cum. Share	Coop Type	are of Surplus	Cum. Share
NCR	27.4%	27.4%	NCR	36.1%	36.1%
Region 07	9.4%	36.9%	Region 04	16.1%	52.2%
Region 04	9.1%	45.9%	Region 07	10.6%	62.8%
Region 10	8.1%	54.1%	Region 10	6.2%	69.0%
Region 11	7.4%	61.4%	Region o3	6.1%	75.1%
Region o3	6.7%	68.2%	Region 11	5.1%	80.2%
Region o6	5.6%	73.8%	Region o6	4.2%	84.4%
Region 01	4.8%	78.6%	CAR	3.5%	87.9%

# Average Assets and Average Net Surplus of Coops by Type

	Average Assets per Coop (in '000 Php)	Average Net Surplus per Coop	Return on Assets
Region 04	22,025	2,302	10.5%
NCR	78,599	6,123	7.8%
Region 07	48,793	3,231	6.6%
Total	31,750	1,875	5.9%
Total	31,750	1,875	5.9

### Penetration Rate of Coops by Region

Region	Coverage	Penetration Rate	Share of Total Coop Membership	Share of Total Population
10	Misamis, Bukidnon, Camiguin	17.1%	10.5%	4.6%
CAR	Abra, Benguet, Mt. Province	17.0%	3.8%	1.7%
11	Davao	13.7%	8.8%	4.8%
7	Bohol, Cebu, Siquijor	12.0%	9.5%	6.0%
2	Batanes, Cagayan, Isabela, NV	11.1%	5.0%	3.4%
NCR		10.3%	17.3%	12.8%
1	Ilocos, La Union, Pangasinan	10.2%	6.7%	5.0%
9	Zamboanga	9.6%	4.5%	3.6%
8	Samar, Leyte, Biliran	8.8%	5.1%	4.4%
	Total Philippines	7.6%		

### Penetration Rate of Coops by Region

Region	Coverage	Penetration Rate	Share of Total Coop Membership	Share of Total Population
Caraga	Agusan, Surigao	6.0%	2.1%	2.6%
3	Central Luzon	4.5%	6.6%	11.1%
4	CALABARZON & MIMAROPA	4.4%	10.0%	17.2%
6	Western Visayas, Negros	4.4%	5.1%	8.8%
12	Cotabato, Gen. Santos, Sultan Kudarat, Saranggani	4.2%	2.5%	4.5%
5	Bicol	3.0%	2.3%	5.7%
ARMM	Basilan, Lanao, Sulu, Maguindanao, Tawi Tawi	0.2%	0.1%	3.7%
Total Phil		7.6%		

### Penetration Rate of Coops by Region

Regions	Penetration Rate	Share of Total Coop Membership	Share of Total Population
Above National Average	11.6%	71.3%	46.3%
Below National Average	4.0%	28.7%	53.7%
Total Philippines	7.6%	100.0%	100.0%

### Strategic Themes of the 10th National Coop Summit

Mergers and consolidation

Integration of business processes

**Business process outsourcing (BPO)** 

**Expansion of operations and markets** 

Diversification of products and services

Refocusing on core business and competencies

Innovation, Research and Development

ICT, MIS, e-Commerce

Capability-building

### 10<sup>th</sup> National Cooperative Summit

Vision: An integrated and transformative cooperative system

 Mission: To build integrated enterprises imbued with cooperative values for the improvement of the quality of life

### **Strategic Choices**

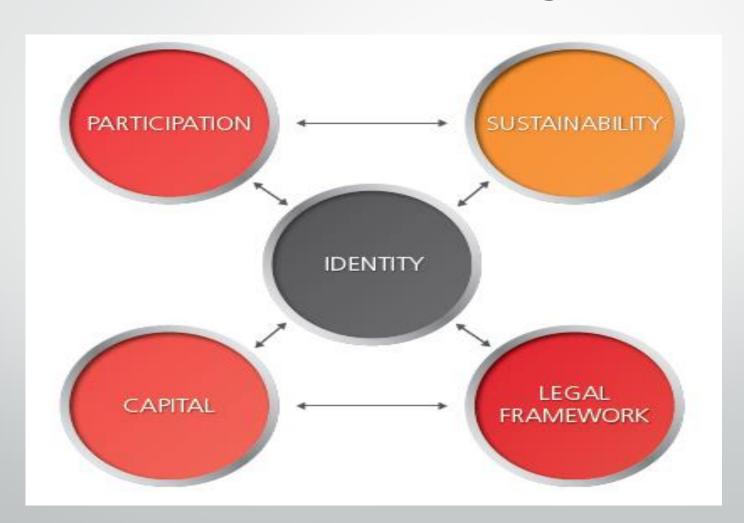
- An integrated coop financial system
- An integrated marketing and distribution system
- Transforming public utilities and services into genuine coops
- An integrated coop advocacy, education and information system

### Integration or Unification?

• Integration = to make whole

• Unification = to make one

# The International Cooperative Alliance (ICA) Blueprint Strategy



#### Participation: Some Major Challenges

- Low growth in membership
- Fragmented; many feds/unions
- Succession; aging leadership
- Lack of involvement of the youth
- Unclear delineation of the roles

#### Sustainability: Some Major Challenges

- Stiff competition
- Low institutional capital/high PAR/low provisioning/liquidity
- Low investment in leadership and staff development
- Low adoption of the risk management framework
- No deposit insurance coverage
- Fast changing and expensive technology

#### **Identity: Some Major Challenges**

- Mission drift/diminished coop identity
- Unclear vision & mission
- No common coop brand
- Lack of awareness and recognition of the coop sector and of cooperativism
- Lack of cooperation among coops
- Political dynamics/internal politics/nepotism

#### Legal Framework: Some Major Challenges

- Non-compliance with coop legislation
- Differences in interpretation of tax exemption for coops
- No enabling law for the Stabilization Fund and Deposit Insurance

#### **Capital: Some Major Challenges**

- Limited access to finance
- Remittance of CETF

#### **Critical Success Factors**

- Strong sense of shared responsibility
- Strong partnership & collaboration
- Strong presence of secondary coops for each cluster under the stewardship of an Apex
- Strong support in the areas of education & training, data analysis & research, advocacy & related support programs
- Expressed support from government

#### **Critical Success Factors**

- Inclusive participation in the necessary intervention(s) and in the benefits therefrom
- Necessary focus on specific target groups
- A fully-capacitated government agency counterpart of the Apex
- A strongly-linked values-driven coop sector

- Keep, sustain, reinforce efforts toward: an integrated financial marketing, distribution, advocacy and training system
- Lobby for government support of labor service coops
- Strengthen genuine utility and service coops
- Explore dual memberships among coops
- Pursue and strengthen value chain mechanisms

- Keep a close watch on technical smuggling
- Strengthen coop banks
- Lobby for a wider range of services that coop banks can offer
- Campaign for equal opportunities for PWDs in the workplace
- Rethink, re-evaluate strategic initiatives where we have not had much success in

- Provide non-financial support services
- Standardize learning modules and ensure that the coop ideology,
   values and principles are deeply embedded in these modules
- Explore alternative forms of marketing communications
- Encourage big brother-small brother mode of partnership among coops

- Optimize the use of the Credit Surety Fund
- Explore alternative sources of coop capital while ensuring strict adherence to coop values and principles
- Help preserve cultural heritage and the environment
- Integrate youth development programs into coop development programs
- Encourage formation of lab coops and youth coops

- Strengthen the coop sector's partnership with CDA
- Support the proposed increase in the CDA budget
- Ensure proper channelling of CETF
- Broker collaboration between CODIS and the Stabilization Fund

### PCC as the Apex

- BHAG (Vision) for 2020: to become the recognized full-fledged and unifying Apex
- Core Purpose: the unifying and transforming voice of the Philippine coop movement/sector
- Mandate 4 dimensions/aspirations:
  - Unite (Integration)
  - Promote (Voice of the sector)
  - Develop (Linkages for holistic development)
  - Transform (Services)

### Do we integrate? Do we unify?

• As long as it's for the sector's sake ----→ Let's do it!

As long as we all work together ----→ We can all do it!

Daghang Salamat sa Inyong Tanan!