

MAPPING: KEY FIGURES

NATIONAL REPORT: VANUATU

ICA-EU PARTNERSHIP

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Republic of Vanuatu- 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 Republic of Vanuatu, hereafter referred to as Vanuatu.

i. Historical background

The cooperative movement goes back to the 1960s when Vanuatu was still called New Hebrides. During this time, cooperatives were given monopoly over the import of certain commodities. Following independence in 1980, cooperatives remained active in many islands, but there was progressive weakening due to withdrawal of government support and increased competition from private players. In recent years, there has been an increase in the number of cooperatives with large membership bases who are able to survive in the current business environment. The government is now looking to stabilise smaller cooperatives by helping them to diversify while pushing for more producer and fishing cooperatives.

In 1939, a group of Melanesian farmers started a copra production and marketing cooperative in the province of Malekula. During the French and British colonial period, the term "native cooperatives" was used as membership was restricted to the indigenous people. Beginning in 1951, joint regulations were issued with both colonial jurisdictions in consensus, for governing cooperatives. The cooperatives were given monopoly over the import of commodities such as rice and sugar. The modern cooperative movement began with the passage of the 1962 joint regulation.

The New Hebrides Cooperative Department provided services related to basic accounting and management training for cooperators. Most cooperatives were marketing local produce such as copra, coffee, cocoa and retailing some consumer goods. In the late 1960s, the first cooperative transport societies and a cooperative shipping business were established.

In 1973 two apex cooperative organisations were established, the New Hebrides Cooperative Foundation (NHCF) for the English-administered, and the Syndicat des Coopératives Autochtones sous Contrôle Français (SCAF) for the French-administered areas. Many local copra producers formed cooperatives to wrest control of the trade from the colonists. NHCF became one of the most powerful and successful rural business empires. By 1979, the cooperative movement was going strong with 287 societies and members accounting for 80% of the nationwide household heads. Post-independence, in 1981, NHCF changed its name to Vanuatu Cooperative Federation (VCF), while the SCAF was liquidated when the French withdrew. The VCF struggled with the lack of finance, absence of trained staff and mismanagement. By 1986, it had stopped importing goods at wholesale prices and instead arranged for private wholesale markets. The post of the Registrar was set up in 1986. In 1989, the Vanuatu Cooperative Savings Bank was restructured, due to financial and management difficulties, into the National Commercial and Trading Bank. It was later renamed the National Bank of Vanuatu.

During the 1990s, nearly all of Vanuatu's cooperative societies were wholesale and retail consumer cooperatives. Many primary and secondary level cooperatives continued to fail. In 1998, the Cooperatives Department, which used to be a part of the Ministry of Finance and Economy, was transferred to the Ministry of Trade. In 1999, the VCF finally closed. In 2001, the Cooperatives Department established a fund to offer loans and business trainings to small productive cooperatives. Interest in cooperatives renewed in 2008 when the government decided to stem urban migration by creating more employment opportunities in rural communities. This saw the establishment of the Department of Cooperative and Ni-Vanuatu Business Development Service. In 2013, both these organisations merged with the Cooperative Registrar to form the Office of Registrar of Cooperatives and Business Development Services (ORCBDS). In 2014, the ORCBDS recorded a 0.9% average growth rate of active cooperative societies. They also deregistered 357 cooperatives that were inactive/unsustainable. The VCF was revived and renamed as Vanuatu Cooperative Business Network (VCBN) in 2018. It was designated as the national apex for cooperatives to develop, promote and strengthen the cooperative movement. In 2020, the VCBN signed an MoU with the Vanuatu National Provident Fund (VNPF) to establish a fruit canning facility in Santo where agricultural cooperatives will sell their produce. The dividends will be paid back to each participant.

ii. Public national statistics

For a more comprehensive picture of the cooperative movement in Vanuatu, 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 stems mostly from ORCBDS.

NUMBER OF COOPERATIVES:

In 2019, there were 314 cooperatives.

EMPLOYMENT:

In 2019, there were 403 employees in 314 cooperatives.

COOPERATIVE MEMBERSHIP:

In 2019, there were 12,846 members in 314 cooperatives.

PRODUCTION VALUE:

In 2019, total turnover of 159 audited cooperatives was EUR 4,129,769 (VUV 530,039,722)¹.

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.

¹ This amount was calculated based on the annual average rate (for the year 2019) between the two currencies, using the currency converter InforEuro: http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro

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 Vanuatu, the Mapping questionnaire, was distributed to, and completed by one ICA member organisation in the country. After some additional follow-up and clarifications from the member, the figures provided were compiled to be presented in the next section.

II. Key figures

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

Vanuatu has one ICA member organisation:

Office of Registrar of Cooperatives and Business Development Services (ORCBDS)

ORCBDS: Established in 2013, ORCBDS was formed with the merger of Department of Cooperative and Ni-Vanuatu Business Development Service. ORCBDS provides a number of services including business advisory, business training, supporting cooperative startups, cooperative audits, research and marketing among others. It became a member of ICA in 2015.

i. ICA member data

The data collected was provided by ORCBDS for the year 2019. While a significant portion of the questionnaire was completed, data could not be provided for the following variables:

- Gender-disaggregated data for employment in cooperatives
- Proportion of youth membership and employment in cooperatives
- Sector-wise data of membership and employment in cooperatives

ii. General overview

The present section provides an overview of the ICA membership data for ORCBDS. It is displayed in several categories and with the support of graphs, for clarity purposes.

| Category | Total (as of 2019) |
|---|--------------------|
| Number of cooperatives represented | 314 |
| Number of memberships in cooperatives represented | 12,846 |
| Number of employees in cooperatives represented | 403 |

Table 1: Cooperative statistics received from ORCBDS (2019)

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.

ORCBDS represents cooperatives in the following sectors:

| Sector | Wholesale and retail trade | Finance | Agriculture and food (fisheries) | Producer | Transport | Others |
|------------------------|----------------------------|---------|----------------------------------|----------|-----------|--------|
| Number of cooperatives | 145 | 125 | 19 | 16 | 1 | 8 |

Table 2: Cooperative statistics received from ORCBDS (2019)

III. Graphs

i. Number of cooperatives per sector

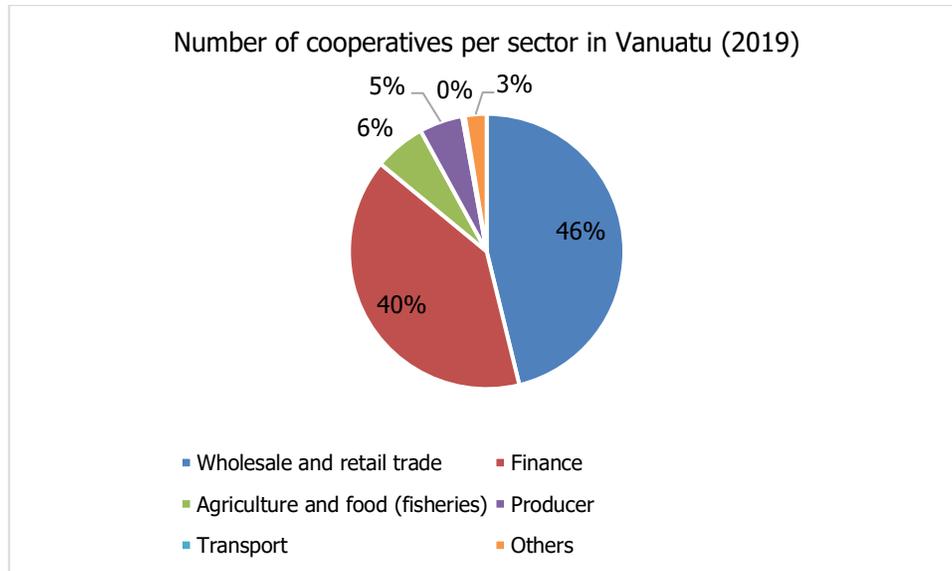


Figure 1: Number of cooperatives per sector in Vanuatu (2019)

IV. Annexes

Sources and contacts are listed below.

Sources

1. ORCBDS (2019). [Annual report](#)
2. ICA-AP (2020). [Vanuatu 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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