

# MAPPING: KEY FIGURES NATIONAL REPORT: PAKISTAN

ICA-EU PARTNERSHIP



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## **Pakistan- 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 Pakistan.

#### **i. Historical background**

The history of the cooperative movement in Pakistan can be understood in two phases: pre-partition from India and post-partition from India. While the pre-partition phase is dominated by British control of the cooperative movement, the post-partition phase of independent Pakistan has strengthened the cooperative movement to address its socio-economic issues. Cooperatives in Pakistan have emerged to be solutions to housing problems due to the influx of migrants and refugees post-partition, and for improvement in economic and social conditions through finance and agricultural cooperatives.

In the pre-partition phase, cooperatives were introduced in Pakistan with the enactment of the Indian Cooperative Societies Act, in 1904. Introduced by the British colonial administration, cooperatives were a response to overcome exploitative informal money lending practices and to encourage economic growth amidst famine and poverty. The phase witnessed a flourishing sector of credit-cooperatives. The Act was replaced with the Cooperative Societies Act 1912 permitting the registration of cooperatives that had objects other than the provision of financing. The Malagan

Committee Report on Co-operation published in 1915 provided important proposals for cooperative development. This report played a vital role in governmental and civil thinking. Various provinces established committees of enquiry which ultimately promoted the cooperative movement and led to the passing of Co-operative Acts in several provinces. The Act authorised provincial governments to appoint Registrars of Cooperative Societies and allowed for only registered cooperatives to provide credit.

With the partition of India and creation of Pakistan in 1947, housing emerged as a major problem due to the influx of migration to the new state. As the state was unable to provide adequate housing for its population, squatter settlements soon appeared, and refugees and rural migration contributed to the growing number of urban poor. In 1949, the Karachi Co-operative Housing Societies Union (KCHSU) was founded as a central cooperative organisation by 24 primary housing cooperatives. In the absence of strong government support and capacity to meet housing needs, the cooperatives largely took the responsibility by adopting township approach. To support these initiatives, the state leased out more than 1,200 acres of land to the union for township development. The housing cooperatives in the Sindh province have played a vital role in solving the housing problems, with particular emphasis in Karachi, the largest city in Pakistan. As of 2020, housing cooperatives can be found in every part of Karachi.

The cooperative movement gained momentum during the 1960s due to financial assistance from the government. Cooperative Banks were established providing loans to agricultural and non-agricultural cooperatives. To help the movement in its extensive and more technical role, the Cooperative Development Board was established in 1962 to create the required capacity for development planning and project preparation on the one hand, and of promoting self-management within the movement. The Board was quite successful in implementing several development schemes for agricultural credit supply, marketing and processing. The Government constituted another committee in 1963 to examine the working of the cooperative movement and to suggest plans for its reorganisation and improvement. In 1966, the Cooperative Board was abolished. The programmes run by the Board were either abolished or transferred to private businessmen.

In 1976, the Federal Bank of Cooperative (FBC) was established. The main purpose of this bank was "to provide credit facilities to the Provincial Cooperative Banks (PCB's) and regulate their operations" Later on, the Government decided to provide mark-up free loans to small farmers through cooperatives in 1978-79. Co-operative Bank Ltd. c) The Punjab Provincial Co-operative Bank Ltd. d) The Sindh Provincial Co-operative Bank Ltd.

Even today, while housing remains one of the biggest problems, housing cooperatives have been playing a significant role in meeting the needs of the dignified shelter. The impetus is given by making laws more enabling for housing cooperatives. To achieve the same, in June 2020, amendments have been made to the Cooperatives Housing

Societies Act, 1925 by the Minister for Law, Parliamentary Affairs and Social Welfare: Earlier, there was a requirement of 30 members to move an application for registration of a housing society but now 10 members can do it. In addition, through agricultural cooperatives, the cooperative movement is playing a key role in helping rural communities in Pakistan.

## ii. Public national statistics

Public national statistics on cooperatives in Pakistan have been taken from the Statistical Year Book published by the Pakistan Bureau of Statistics for the year 2016.

### NUMBER OF COOPERATIVES

In 2016, there were 43,533 cooperatives.

### NUMBER OF MEMBERS

In 2016, there were 440,287,000 members in cooperatives.

## 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.

The Mapping report for Pakistan was prepared using the information made available in the Statistical Year Book published by the Pakistan Bureau of Statistics for the year 2016 and data from Karachi Co-operative Housing Societies Union (KCHSU).

## II. Key figures

Pakistan has one ICA member organisation:

1. Karachi Co-operative Housing Societies Union (KCHSU)

Established in 1949, KCHSU is a federation of housing cooperatives in Pakistan. It became a member of the ICA in 2007.

### i. ICA member data

The data on ICA membership in this section was collected from KCHSU for the year 2017.

### ii. General overview

The present section provides an overview of data from ICA member in Pakistan.

Category	KCHSU
Year	2017
Number of cooperative memberships	24
Number of individual memberships	100,000

Table 1: Cooperative statistics representing ICA membership in Pakistan

### III. Annexes

Sources and contacts are listed below.

#### Sources

1. [Cooperative Movement in India and Pakistan](#)
2. [Cooperative movement in Pakistan](#)
3. [Pakistan Statistical Yearbook, 2016](#)
4. [Co-operative Housing, Pakistan Archives - Co-operative Housing](#)
5. [Co-operatives are empowering dairy farmers in Pakistan | ICA](#)

#### Contacts

Further details on the Mapping research and other country reports are available on [www.coops4dev.coop](http://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](mailto:mappingresearch@ica.coop)

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