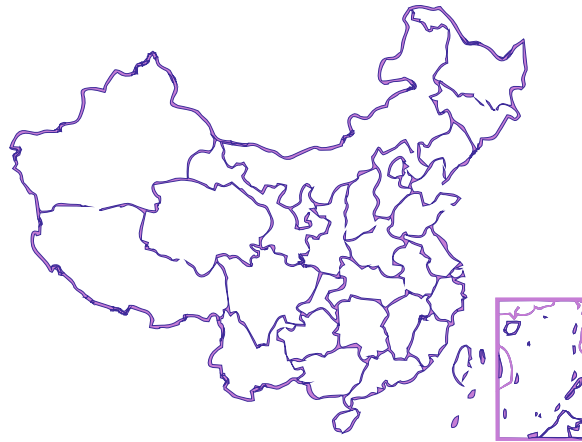


MAPPING: KEY FIGURES

NATIONAL REPORT: CHINA

ICA-EU PARTNERSHIP



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People's Republic of China- 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 co-operators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in the People's Republic of China, hereafter referred to as China.

i. Historical background

Over its 100 years history, the Chinese cooperative movement has undergone periods of upheavals and revivals. Agriculture, handicrafts and rural credit were the three main sectors in which cooperatives were popularly found in China. Today, cooperatives, especially the supply and marketing cooperatives, play a vital role in developing the rural economy by providing services such as agricultural social service, rural e-commerce and rural cooperative finance; developing labour intensive industry, such as recycling of resources and daily consumption products to enable women and senior citizens to work at nearby places; and exploring housekeeping services, cultural and creative industries, tourism and other services.

The cooperative movement in China started in the early 1920s with the emergence of agricultural marketing cooperatives and credit cooperatives. The cooperative movement during this period developed in three phases. In the first phase (1920s), the movement was started by common people (particularly Chinese intellectuals) on experimental basis. In the second phase (1930s), the movement was continued by the Kuomintang government. During this period, credit cooperatives were the main type of cooperatives that flourished, with a smaller number of agricultural marketing and purchasing cooperatives. This was also the time when the Gung Ho initiative was started in 1937 with the primary objective to mobilise laid-off workers from the rural community and refugees into a resistance industry (manufacturing

cooperatives) against the Japanese occupation of China. In the third phase (1940s), the movement operated under the Chinese Communist Party which led to the emergence of agricultural mutual aid cooperatives and SMCs.

Between 1950-1960, massive land reform programs were carried out in China with the aim to boost agricultural production. The cooperative movement was supported extensively by the government. The cooperatives that were promoted at this time included agricultural production cooperatives, supply and marketing cooperatives (SMCs) and rural credit cooperatives. In 1950, the United Headquarters of the Chinese Supply and Marketing Cooperatives was established (renamed to the All China Federation of Supply and Marketing Cooperatives; ACFSMC in 1954). The ACFSMC was set up as a unitary system of SMCs nationwide. In 1957, the All China Federation of Handicraft and Industrial Cooperatives (ACFHIC) was established as a national collective economic organisation by various collective trade unions, handicraft industrial cooperatives and collective economic societies in rural and urban areas. In the late 1950s, the cooperative movement was characterised by incorporation of cooperatives into state-owned commercial departments.

The period between 1980-2000 was marked by the revival of cooperative movement in China with the introduction of reforms in SMCs. The reforms were undertaken in six phases (1982-2002) with the aim to restore the basic characteristics (such as membership and management in cooperatives) and improve economic operations and performance of SMCs. In 1987, the International Committee for the Promotion of Chinese Industrial Cooperatives (ICCIC) revived its services for the development of cooperatives and has been supporting a large number of cooperatives through various programs. In 1995, ACFSMC was re-established and worked towards building a new system of SMCs and developing logistical services with the aim to benefit farmers.

In 2003, a reform program to restructure rural credit cooperatives was launched. After the pilot, the reform program was scaled up to transform rural credit cooperatives into agricultural cooperative banks and agricultural commercial banks. From 2006 onwards, farmer cooperatives in China have diversified into different sub-sectors involving, crop farming, livestock-raising, farming machines, forestry, plant protection, information technology, handicraft, biogas services, and agro-tourism. In 2007, with the objective to strengthen the rural distribution network, the New Net Project was started by ACFSMC. The project focuses on developing modern marketing and serving network for agricultural means of production; purchase and sale network of agricultural sideline products; buying and selling network of consumer goods and network for recycling renewable resources. In 2011, the ACFSMC launched the farmer specialised cooperatives to improve agricultural production and increase income of farmers. In 2015, the ACFSMC introduced e-commerce and distribution systems across the village, city and county levels to expand agriculture sales. By 2018, there were 1,571 e-commerce companies run by SMCs.

ii. Public national statistics

Public national statistics on cooperatives in China are currently unavailable. Majority of the cooperatives in China can be found in the agricultural sector and comprise of SMCs. While

ACFSMC is the apex organisation for SMCs it does not represent all cooperatives in China. For the purpose of this report, we have taken cooperative statistics of ACFSMC for 2017 to be representational of the national context in China. Cooperatives are widely spread out in China and found across four levels- village, county, city and provincial.

NUMBER OF COOPERATIVES

In 2017, there were 30,281 primary SMCs (village-level), 2,402 country-level federations of SMCs, 342 city-level federations of SMCs, 32 provincial-level federations of SMCs, 21,852 cooperative enterprises and 280 cooperative institutes represented by ACFSMC.

NUMBER OF EMPLOYEES

In 2017, there were 3.4 million employees in all SMCs represented by ACFSMC.

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 China was prepared using information available in the Country Snapshot on Cooperatives in China developed by ICA Asia and Pacific in 2019 and information on members through country presentations and reports available with ICA Asia and Pacific.

II. Key figures

China has six ICA member organisations:

1. All China Federation of Supply and Marketing Cooperatives (ACFSMC)

Established in 1954, ACFSMC is the apex organisation for supply and marketing cooperatives in China. It is also the largest cooperative organisation in the country. It became a member of the ICA in 1985.

2. All China Federation of Handicraft and Industrial Cooperatives (ACFHIC)

Established in 1957, ACFHIC is as a national organisation of various trade unions, handicraft industrial cooperatives and collective economic societies in rural and urban areas. The trade unions represent industrial, artisan and service producer cooperatives at all levels. It became a member of the ICA in 2010.

3. International Committee for the Promotion of Chinese Industrial Cooperatives (ICCIC)

ICCIC is an international non-governmental organisation founded in 1939 in Hong Kong. It suspended its work in 1952 but revived again in 1987. Gung Ho (i.e. working together) is the oldest running initiative undertaken in the Chinese cooperative movement. It was started by ICCIC to help laid-off workers and refugees set up manufacturing cooperatives. ICCIC became a member of the ICA in 2010.

4. Heilongjiang Guhe Cooperative Association (GUHE)

Established in 2015, GUHE belongs to the Guhe Agriculture Group and specialises in agriculture financial services and farm planting. It works to enhance members' sense of belonging, strengthen cohesion between members, reduce loan risks, scale agriculture, and increase production. It became a member of the ICA in 2017.

5. Jiangsu Supply and Marketing General Cooperative (JSMGC)

JSMGC is a provincial level federation representing supply and marketing cooperatives. It focuses on providing comprehensive services to the agriculture industry, rural areas and farmers, as well as their daily life. It became a member of the ICA in 2020.

6. Fujian Federation of Supply and Marketing Cooperative (Fujian Coop)

Fujian Coop is a union of all supply and marketing cooperatives across Fujian province. It became a member of the ICA in 2020.

i. ICA member data

The data on ICA membership in this section was collected from the Country Snapshot on Cooperatives in China and information on members in country presentations and reports available with ICA Asia and Pacific.

ii. General overview

The present section provides an overview of the ICA membership data for China. It is displayed in several categories. For the purpose of presenting the findings, common variables that are considered include- number of direct (cooperative) and indirect (individual) members, number of employees and turnover.

Category	ACFSMC	GUHE	JSMGC	Fujian Coop
Year	2017	2017	2019	2019
Number of cooperative memberships (direct)	30,281 primary cooperatives, 2,402 country-level federations of SMCs, 342 city-level federations of SMCs, 32 provincial federation of SMCs, 21,852 cooperative enterprises and 280 cooperative institutes	31 professional farmers' cooperative	13 city-level supply and marketing cooperatives, 81 county-level cooperatives, 1,145 farmers' professional primary cooperatives, and 8,920 farmers' specialised cooperatives	1 provincial-level supply and marketing cooperative, 9 district or municipal level cooperatives, 1 cooperative in an experimental zone, 68 county-level cooperatives, 938 grassroots cooperatives, 8,199 farmers' specialised cooperatives, and 413 federations of farmers' cooperatives
Number of individual memberships (indirect)	-	173	660,000	520,000
Number of employees represented by cooperative memberships	3.4 million	-	-	-

Turnover	-	-	CNY 472.4 billion (EUR 60 billion)	CNY 231.2 billion (EUR 30 billion)
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Table 1: Cooperative statistics representing ICA membership in China

In 2019, 95% of the towns and villages in China had primary supply and marketing cooperatives.

iii. Sector overview

Cooperatives in China are present in diverse sectors including handicrafts, rural credit, agricultural, renewable resources, supply and marketing, retail, and e-commerce, among others. The information on the number of cooperatives per sector is unavailable.

III. Annexes

Sources and contacts are listed below.

Sources

1. ICA-AP (2019). [China Country Snapshot](#)
2. ICA members' profile, reports and country presentations.

Contacts

Further details on the Mapping research and other country reports are available on www.coops4dev.coop

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