

A Study of the Malaysian High School Co-operatives



2008

**Department of Co-operative
Ministry of Education
University of the South Pacific**

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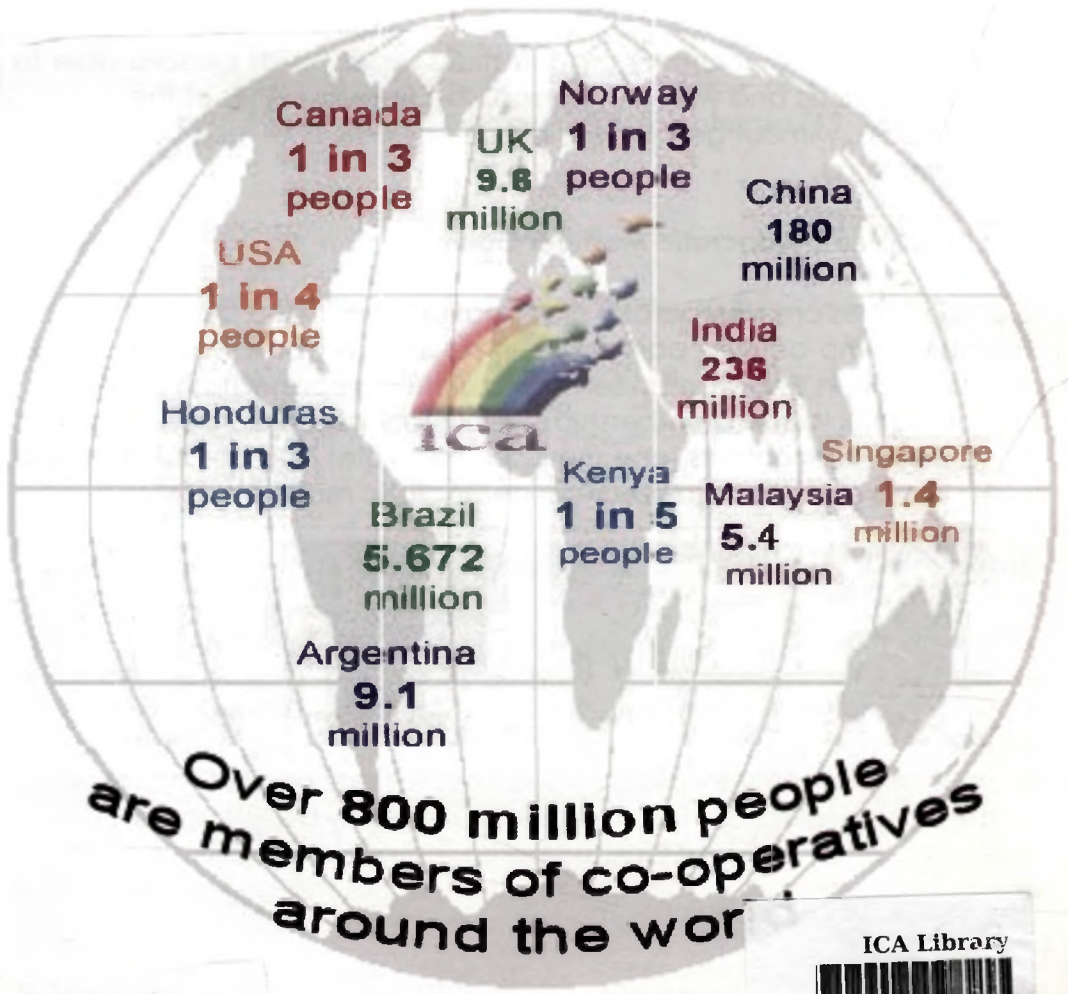
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INTERNATIONAL CO-OPERATIVE ALLIANCE (ICA) STATEMENT ON THE CO-OPERATIVE IDENTITY

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice. They are:

1st Principle: Voluntary and Open membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of the membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.



4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organization controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees, so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

This Report was put together during a visit to Malaysia (19-28 February 2008 – see Appendix A) by:

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Acknowledgement

The Fiji Co-operative Union Limited (FCUL) and the National Co-operative Organisation of Malaysia, ANGKASA, were instrumental in organising this study. To these institutions, the study team is most grateful. Members are most grateful to Ms Noor Azlinn Zahariman of ANGKASA who accompanied us everywhere and made sure that all we needed were provided. Her wealth of information gave us a glimpse of young competent Malay professionals proud of their country, work and inheritance.

The study team members are thankful for the opportunity to cover the Terms of Reference (TOR) and make recommendations that hopefully will establish school co-operatives that could be later nationalised as in Malaysia at a smaller scale.

We sincerely thank with appreciation and gratitude:-

ANGKASA - The introduction by Vice President Professor Madya Datuk Haji Mohammed Ali Hasan; General Manager Mr. Nasir Khan Yahaya in the final session.

Our visitation after the impressive ANGKASA introduction was as follows and we acknowledge the presentations and answers to our queries sincerely with the same appreciation and gratitude: -

KKUM and UCTRAVEL - Chairman Mohd Said Mohd. Kadis.

COOPERATIVE DEVELOPMENT DEPARTMENT - Mrs Zuraidah Hasni, Mrs Norhayati Ahmad Zainuri

MINISTRY OF ENTREPRENEUR AND COOPERATIVE DEVELOPMENT- MD Zakuan Arief B. Dato' Alias

MINISTRY OF EDUCATION - Mr Haji Kamaruddin Ismail

SCHOOL COOPERATIVES – Head Teachers and staff of SMK Gombak Seitia and SMK Seru Serdang.

CO-OPERATIVE COLLEGE OF MALAYSIA – Deputy Director Idris Ismail, Amin; Head of Education and Higher Education Centre, Norwatim HJ. ABD. Latiff; Training Officer, Noor Aisyah Binti Mohd Yusuff.

The FIJI MISSION in Kuala Lumpur attended to all our needs and more. After presenting our *sevusevu* to the Office as is our tradition, we were invited to a sumptuous lunch in a busy down town open restaurant on our first day at KL. We were further invited to a Sunday lunch at the residence of the Acting High Commissioner, Ms Vani Rarawa Saumaiwai.

She accompanied the team on several occasions gracing them with her presence and adding insights based on her experiences as a co-operator who formulated a policy (that was not implemented) of youth co-operatives during her days in the Ministry of Youth and Sports. We are grateful to her and the staff – Mr Basir Ali, Mr. Elik Bolaitamana and Mr. Kumanan whose local knowledge filled us in with information that we definitely would have missed. We would like to express a special *Vinaka vakalevu* to Mr. Kumanan for his services, courtesy and knowledge. The team acknowledge Mr. Jale Samuwai, an experienced teacher from the International School, Laucala Beach Estate, Nasinu, Fiji on leave in Kuala Lumpur. He joined the team in the school visits and participated in a manner that added dimensions that we would have otherwise missed.

Finally, the team is indebted to Mr. Ponipate Vonuaaqa, Director and Registrar of Co-operatives & Small Business and his staff in Fiji who facilitated the study.

Vinaka saka vakalevu.



Abstract

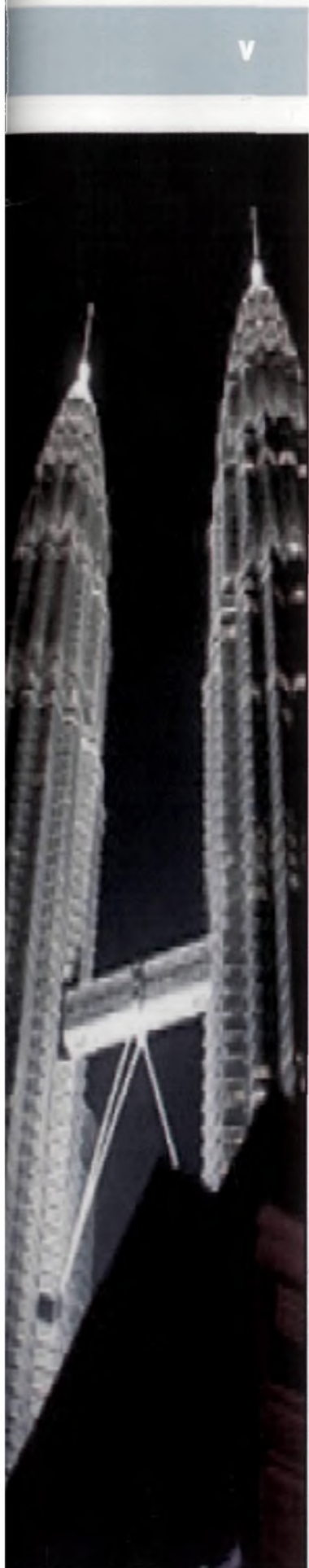
This study was organised by the Fiji Co-operative Union Limited (FCUL) and ANGKASA, the National Co-operative Organisation of Malaysia. The study followed a programme acknowledged above (also see Appendix A for details) from which we collected the data we present. The structures of co-operative institutions and their functions were indeed impressive with our calculation that about one in four (1:4) were members of co-operatives relative to Japan and Canada with one in three (1:3). Updated from ICA stats above there are 6.1 million Co-op members in Malaysia now in 2008.

Royal Professor Diraja Unku A. Aziz the President of ANGKASA summarised the exuberant progress of School Co-operatives when he stated –

"Never before have I witnessed a week that had mobilised over a million members from 1007 school cooperatives with various activities, as did the celebration of the School Co-operative Day" (School Co-operative Day 2006, ANGKASA).

The Malaysian income per capita US\$14,500 (ANGKASA) relative to Fiji's US\$3000 suggests much to be considered. The resources and the GNP of Malaysia is well placed to pursue its educational policy. The structure of education in the two schools we visited with over two thousand (2,900 and 2,040 respectively) students and teachers (162 and 140 respectively) complement the numbers working a morning and afternoon dual system.

Our recommendations of the "thrift and credit" co-operative is found below. It suggests that co-operatives be included and encouraged as provided in the ILO Recommendation 193 when reviewing our Education Act of 1969. This is to complement the 1996 Co-operative Act which provides for School Co-operatives. Given the challenges faced by Fiji since 1987, the core values of TRUTHFULNESS, TRUSTWORTHINESS and TRANSPERANCY of co-operatives is absolutely vital to the building and nurturing of a strong nation for the young and their future. Education being a lifelong process it is our adult responsibility to hand our children if not the best, at least, something close enough for them to develop further for their future and beyond. Isn't this the future we long for?



Terms of Reference (TOR)

To study the rationale behind the development of school co-operatives in Malaysia.

To assess and evaluate it's applicability into the Fiji context.

Make recommendations on a practicable approach to adapt the concept Locally in Fiji.

To study the structure and operations of the University of Malaya Co-operative Bookshop with the view of establishing similar co- operatives for tertiary institutions such as the USP (University of Fiji, Fiji Institute of Technology, Theological College, and TPAF).



Recommendations

1. It is high time that school co-operatives are established in Fiji as assumed in the Fiji Co-operative Act of 1996 Section 37.1a.
2. The Fiji Education Act 1969 in the process of being reviewed must provide and encourage the establishment of High School Co-operatives voluntarily just as Cadetship, Red cross, Sports and so on are conducted.
3. The School Co-op Shops is a great innovation as observed in Malaysia (Section 8 below) in two government schools that set the bench-mark for them. However, certain characteristics that were common to both schools question their applicability in Fiji. These are, they both have more than 2,000 students; both have a dual morning and afternoon sessions and matching number of teachers besides a well developed Apex institution that is complemented by Government facilitation and promotion. These are both very supportive and committed (See Sections 3, 5, 6 and 7 below).
4. An incremental approach will be prudent and recommended for Fiji beginning with "thrift and credit". This was not observed in our study as well as School Banks that were available at Boarding Schools (See Section 7.4c below. Other activities mentioned in 7.4 were not observed due to the time limitation). In addition the Fiji Teachers Union Thrift and Credit Society Limited (FTU-TCSL) is the most successful co-operative in Fiji. The Fijian Teachers Association Credit Union (FTA-CU) might wish to consider joining the Co-operative weaning itself from the Credit Union League. The international standing of co-operatives under Recommendation 193 of the ILO makes it a robust movement fully supported by government as stated in the Recommendation (See Appendix B).
5. The FCUL should headhunt for a core of 30 interested young teachers not over 40 years for a crash course on the basics of Co-operatives to pilot a "thrift and credit" system in Suva. This activity is being attempted at one school and there is an independent report on its operation. It is a home grown concept mindful of our local context in Fiji and our earning power (GNP percapita) as well as our educational structure and reality of how we function.
6. It is recommended that the pilot schools that could be approached because of their close proximity to each other are:
- Ratu Sukuna Memorial, Nabua Secondary, Suva Muslim, Mahatma Gandhi, DAV College, Indian College, John Wesley, Indian College, Sun Yat Sen, Laucala Secondary and Lami Secondary. Other schools may replace those that do not agree to join the project. Co-operative is a voluntary movement and must begin as such.



7. The 30 teachers after their training may be posted to these pilot schools to establish Co-ops for students and teachers with the help of the Department of Co-operatives and the Ministry of Education with possible input from the ILO, UNDP or UNESCO should they be interested in view of the MDGs.
8. The Ministry of Education should consider allocating 15% of its internal assessment for participation in core extra curricula such as sports, Cadetship/St. John Ambulance/Red Cross/Cultural Group etc and Co-operative in the pilot schools up to Form 5 in the pilot stage.
9. Should these Recommendations be accepted : - Participating school Principals, Deputies, Managers, Bursars, and Head of Commercial Studies in the pilot schools are invited to a work shop for a day in the school holidays. The objective being to familiarise them with the processes that each school may begin with. The workshop is to be conducted by the FCUL, Co-operative Department, Ministry of Education, USP and ILO.
10. A committee could be formed with a representative from each of the above schools and institutions at the end of the workshop. The committee is to meet quarterly to compare notes, report on the positives and work out solutions to issues or challenges. Members could suggest zoning to correspond with sports.
11. In this innovation to Fiji's education system, the Co-operative core values from ANGKASA are central. These are – TRUTHFULNESS, TRUSTWORTHINESS and TRANSPARENCY which will enhance the Virtue Study from Primary School.
12. Generally, students with the cooperation of the parents will deposit an amount (recommend \$250 – from FNPF if not available) at school which is put into an account. The student will be issued with a pass book from a school nominated Bank.
13. For the withdrawal of any amount the endorsement from the class teacher, one of the parents and the student will validate the withdrawal for school purposes only, including sports gear and school visits. In this process the class co-op will work together. The school will obtain the goods or pay for the visits. When the amount is paid back to the Bursar with a tithe, the slip is "stamped paid" and kept in a class file in the Bursars office.
14. Student will remind parents of the withdrawal and ask for the repayment. Parents to insist that the student will recover the amount plus a tithe if the student do some house work during the week or week-ends e.g. cleaning the windows, bathroom, weeding, washing the dishes/clothes/car, ironing etc.



15. The student is also encouraged to plant vegetables and flowers to sell. Collect bottles, plastics and aluminium cans to sell, besides selling cookies, fruit, roti parcel to the tuck shop etc. This should encourage and develop entrepreneurship at a young age.

16. This is not a recommendation as such but a system that has been suggested for establishment while we evolve a more efficient model.

Assuming \$250 principal loans of \$100 in a year and promptly paid will yield a \$10 tithe to the student while the student's money is earning interest in the Bank. During the year the student has to save another \$50 during the Christmas holiday from work or spending money given to her/him. This will earn the student two stars and a minimum of \$310 savings in Form 4. If the amount falls short of \$310 then s/he gets only one star. In Form 5 students should save over \$460 for Form 6 and get two stars. In Form 7 \$750 gets another two stars. At the end of the year any student that saves \$1,000 consistently gets six (6) stars and a Crown. Those who have not measured up will be lacking a star or two but could go for the Crown at Prize Giving at the end of the year.

17. On TOR 4 it is recommended that the Co-operative Department should build on the information provided on **Section 4**(pp. ? below) with the USP and determine a follow up study should the University is interested or approach the University of Fiji or FIT.

18. Schools should be approached ASAP for the formation of the workshop (Recommendation 10.3.6 above) by a Steering Committee.

19. Fiji Teachers Confederation is approached/consulted by the Ministry of Education and Co-operative Department prior to any move to the implementation of piloting in a broader sense (See 10.3.6 above).

20. The Steering Committee should be later consolidated as a sub-committee of the FCUL that is the Apex of Fiji's Co- operative movement linked to the International Co-operative Alliance (ICA).



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Section 1: Why Malaysia and Fiji?

1.1 The study of the High School Co-operatives specifically and the observation in general of the workings of the Malaysian Co-operative movement was an initiative of the Fiji Co-operatives Union Limited (FCUL) and ANGKASA after a tour to Malaysia in February last year (2007) by an FCUL and Credit Union of Fiji contingent. It was inevitable that the guests were inspired by what they observed as a highly successful and robust Malaysian Co-operative movement. This became obvious to the team during the study and which we attempt to present in this report.

Besides "Malaysia is the second fastest growing economy in the South East Asian region with an average Gross National Product (GNP) growth of eight-plus percent per year in the last seven years. Since independence in 1957, Malaysia has moved from an agriculturally based economy to a more diversified and export oriented one. The Malaysian market is fairly openly oriented, with tariffs only averaging approximately fifteen percent and almost non-existent non-tariff barriers and foreign exchange controls. The open trade based economy is supported by the fact that the total two way trade almost amounts to 120 percent of the GNP (1994). Together with a stable political environment, increasing per capita income, and the potential for regional integration throughout the Association of South East Asian Nations (ASEAN), Malaysia is an attractive prospect for FDI" (Foreign Direct Investment). [<http://answers.yahoo.com/question/index?qid=20080205175829AA>]. The Fiji dollar is equal to RM\$1.1 on currency exchange with Fiji.

1.2 Malaysia and Fiji have much in common besides economic development mentioned above. Citizens in both countries who have taken the time to observe these two countries closely despite their enormous differences in physical size and resources, will find that issues with the composition of our population, climate, vegetation and a British colonial past are somewhat familiar. Our historical ties as former colonies in the early 1950s and since then are much appreciated by our leaders participated in protecting the rubber plantations from communists and their descendants.

*As they were known to the public at the time.
As the country Malaysia was known prior to their Independence in 1957.*



- 1.3** The late President of Fiji (1985-94) and former Minister of Fijian Affairs Ratu Penaia Ganilau (1970-84), served in Malaya as the battalion Commander replacing Ratu Sir Edward Cakobau (Deputy PM 1970-72). Ravuama Vunivalu (1964-66) and Sir Josua Rabukawaqa (1965-69) were members of the Lgislative Council. Five more officers in Livai Nasilivata (Minister of Co-operatives from 1972 – 77), Momoivalu (Minister of Information), Ratu William Tonganivalu (Minister of Agriculture 1973-82 and Land 1983-87), Militoni Leweniqila (Assistant Minister in several Ministries (1970-86) before be coming a Minister of Land 1987-99 (Nawadra 1995).
- 1.4** Leaders prior to Fiji's independence in 1970 and later with their strong presence as ex-Malayan campaigners in government from 1960 and later becoming Cabinet Ministers together with senior civil servants like senior army officers Joji Mate, Moses Buadromo, Apisai L. Masi, Ratu Glanville Lalabalavu, Ratu Naiqama Lalabalavu, E. Toronibau, N. Vikoso, G.N. Komaisavai, V. Navunisaravi, K. Tagivetaua, A. Tagivetaua, J.R. Rabukawaqa, K.P. Dimuri, E.D. Levula, that could be recalled at the time of writing. See Nawadra 1995: 520 for more names. These names are prominent today holding positions of leadership.
- 1.5** Malaya was often held up by ex-Malaya as a country to be emulated and which suited the colonial power perfectly as they ratify the UN resolution of decolonization. The fact that children who grew up with parents and family members who served in what was known then as Malaya and seeing their parents take up important positions in Fiji speaks volume of the influence of Malaya to Fiji. Those children some went to Malaya with their parents themselves took up positions of responsibilities today. Our High Commissions in both our countries, is a testimony to the Malayan influence in Fiji especially. Our first High Commissioner to Malaya was the late Colonel Mosese Buadromo who is mentioned earlier as an Army Officer who served in Malaya. The late Dr. Ahmed Ali succeeded him.

One of Ratu Penaia's sons responds to the name Merdeka. Families adopted the name Tikomaimaleya meaning residing in Malaya as a middle name. Those who had family members who died or fell have Balemaimaleya or Fell in Malaya as a middle name for remembrance.

The Revitalization Conference Report (December 2007) on the presentation by the Department of Co-Op state that "In its prime, there were 600 Co-Ops employing more than 850 people both directly and indirectly (sic).

He was a former Minister of Education and Foreign Affairs, recalled to be Fiji's Minister of Information after the 2000 coup.

- 1.6** Given the Malay influence in Fiji's development policies it is inevitable to notice the familiar and perhaps the similarity of public policies. With regards to Co-operatives it is rather unfortunate to note that the status of Co-operatives in Fiji at Ministerial level in 1972 has been relegated to a departmental level in recent years. The new Malaysia Cooperative Societies Commission (MCC) Act of 2007 and the Co-operative Act of Malaysia yet to be publicised appears to be the rational stage of organisational evolution to merge all the different sectors, as in agriculture, entrepreneurship, education and others under a single Ministerial status under two separate major Acts.
- 1.7** The introduction of the cooperatives at an early age in Malaysia in schools in 1965 has guaranteed its steady development. Now it has blossomed with its 6.1 million members (MeCD 2007:4) which makes it approximately one person in four (1:4) people in Malaysia are cooperative members or 25% of the population.
- 1.8** In Fiji we have about four hundred (400) co-operatives to date and a population of about 876,000 and it is estimated that less than 0.01% of the population are members of co-operatives. The lack of available data on Fiji relative to Malaysia should convince the reader that studying and emulating Malaysian Co-operatives is overdue, pragmatic and prudent for our sake, the people of Fiji. This is especially so when 55.7% of fulltime employees earn less than the PAYE Tax exemption of \$8,500 and an overall unemployment rate of 4.6% or approximately 1:20 people (Wadan 2007:08).



Section 2 Study Methodology - Malaysia & Fiji

- 2.1** Section 1 attempted to answer an obvious question that will arise. This section builds on the previous and attempts to express how the study was conducted. Central to the study are the theoretical basis or methodology that must be established to clarify our recommendations. Needless to state that any observer who stops to address each difficulty one encounters will seldom get any useful work done. There are mistakes in this report and we apologise for them at the outset for the reason stated.
- 2.2** Theoretically our study cannot evade the structural and functional aspects of organisations expounded over the years from Weber (1864-1920) to the present multi national corporations (MNC) that benefited from such knowledge and analyses besides plundering resources. The ensuing corporate culture that has evolved from such background is assumed in this study and will be the basis of our analyses. Coupled with that is our application of C. Wright Mills sociological imagination (1959) to view our Fijian context beyond the limited understanding of co-operatives that has led to its relegation in terms of entrepreneurial and a Community Driven Development (CDD).
- 2.3** In the team's view, sociological imagination was applied recently in Malaysia. In the 8th Asia Pacific Co-operative Ministers' Conference, themed, "Fair Globalisation through Cooperatives" held in Kuala Lumpur Centre from the 11th to 17th March, 2007 in which the structure and functions of globalisation was flagged diplomatically challenged by the Prime Minister of Malaysia, *Dato Seri Abdullah Badawi*.

He said, "Although, some co-operatives are global in their reach, they may not have fully addressed the effects of globalisation ... (a co-operative) being people based, tends to concentrate on domestic issues, and therefore faces difficulty when trying to expand its activities beyond national borders" (ANGKASA News April-June 2007 Issue 6).





2.4 Globalisation is a conglomeration and layers of structures and functions criss-crossing across the globe in numerous ways. In economics it is about the increasing integration of the local and international economy for those who benefit in stock markets. These structures are exclusive unlike co-operatives that are voluntary and inclusive. In Malaysia there are co-operatives that one can join and pay FJD\$15 or RM30 for life and earn dividends from it for life.

2.5 The Malaysian structure and functions noted above illustrate sociological imagination which allows us to look beyond a limited understanding of human behaviour especially with the blinders of individualism and the preference for more (rather than less) in stead of co-operating and sharing. In the process the core values of co-operative such as truthfulness, trustworthiness and transparency are absolutely necessary.

2.6 The theoretical background to our study of structures and functions together with sociological imagination will probably not be obvious in certain areas of this report and that is to be expected. However, a reader with an interest in this subject will be able to ponder and make the association or more with imagination and understanding. Theories in such a case are rather like our undergarments that we wear under our suits and not above or outside it.

Section 3

ANGKASA

The National Co-Operative Organisation of Malaysia

6

3.1 To understand ANGKASA is to understand its structure and functions as well as the Malaysian socio-economic realities. Team members were honoured with the presence and presentation of Vice President, *Professor Datuk Haji Mohamad Ali Hasan*. This report has unabashedly borrowed liberally from the presentation needless to say that we were most impressed and gained much more than we expected. Indeed we had a thorough illustration of transparency, truthfulness and trustworthiness that was mentioned as core values of ANGKASA.

3.2 Malaysia is located two (2) and seven (7) degrees north of the equator (see map). The population is 25 million made up of a diverse mix of ethnic groups consisting of Malays, Chinese, Indians, Ibans, Kadazans and others. Malays make up 57% of the population.

The GDP per capita is US\$14,400 mainly derived from export commodities such as electronic equipment, petroleum, liquefied natural gas, wood and wood products, palm oil, rubber, textiles, chemicals and more. Given this huge resource base unemployment rate is 3.1%. The city of Kuala Lumpur is buzzing and moving ahead and below are some pictures that bear witness to the strides taken by a robust economy emphasising co-operatives.

3.3 ANGKASA is The National Co-Operative Organisation of Malaysia, the apex body representing the co-operative movement in Malaysia and was established on the 12th of May 1971. It is recognised by the government as the apex of the co-operative movement and is representative of the majority of co-op

Relative to Fiji – Fijians 53%; Indo-Fijians 43% and Rotumans plus others 4% (Wadan 2007:09).

Fiji estimated at USD\$3,000 derived from tourism, remittances, sugar, copra products, timber, garments, and agriculture products like dalo, (taro or Galati in Malasia) fruits and spices.





societies nationally and internationally.

3.4 Presently there are 3,501 member co-operative representing a total individual membership of 4,747,411. It must be noted that not all co-operatives in Malaysia are affiliated to ANGKASA and recruitment is always on the agenda.

Member co-operatives in industries are involved in:-

- Banking and credit;
- Agriculture;
- Consumer goods;
- Land development;
- Education;
- Fisheries;
- Insurance;
- Housing;
- Transportation;
- Entrepreneurship and Manufacturing.

3.5 ANGKASA plays a central role in the co-operative movement by providing training services and assistance to the members. The objective of which are:-

- The unification of Malaysian co-operatives and to be the custodian of the rights and the philosophy of the co-operative movement;
- To represent the co-operative movement at the national and international level;
- To conduct educational programs and to instil co-operative principles amongst Malaysians;
- To provide service based facilities and to assist in the development of member co-operatives.

3.6 ANGKASA is governed by a representative system. The National Assembly is held annually during which the President, a Deputy President, three Vice Presidents are elected. The Assembly approves the annual budget, formulates policies, and approves any amendments or changes to the by-laws. It is also a platform for members to voice their views and opinions on the management of ANGKASA.

The Board of ANGKASA known as the National Administrative Committee is chaired by the President and includes the Deputy President, three Vice President, ten chairpersons of the State Liaison Committee, a representative from the Ministry of Entrepreneur and Co-operative Development and a representative of Finance. The National Administrative Committee oversees the implementation of all policies and objectives of ANGKASA.

The National Executive Committee which is appointed by the National Administrative Committee ensures the effective execution of the decisions made by the National Administrative Committee. The National Executive Committee also monitors the daily operation of ANGKASA and makes certain that the organisation is managed accordingly.

3.7 The Registrar of Co-operatives issued a directive stating that all Board Members and Internal Audit members were required to attend mandatory courses and, assigned ANGKASA as one of two organisations to run these courses.

ANGKASA currently offers the Series 1, 2 and 3 mandatory courses and further optional training programs for Board members, internal auditors and members.

- 3.7.1** ANGKASA Compulsory courses Series 1 – Co-operative Management and Administration Course for Board Members.
- 3.7.2.** ANGKASA Compulsory courses Series 2 – Co-operative Accounting and Auditing Course for internal Audit Committee members.
- 3.7.3** ANGKASA Compulsory courses Series 3 – . Co-operative Management and Administration Course specifically designed school co-operatives.
- 3.7.4.** School Co-operative Tourism Course, which is a prerequisite for the School Tourism Project.
- 3.7.5.** Training of Youth Co-operators in Information and Communication Technology.
- 3.7.6.** Women leadership skills Course.
- 3.7.7** Training of Trainers for women co-operators.

ANGKASA also conducts conferences, seminars and workshops for its members. All programs are provided to members on a complimentary basis.



3.8 ANGKASA places great emphases on the development and involvement of its young co-operators. The program is aimed at encouraging secondary schools to establish and manage their own co-operatives.

* School Co-operative Day has been celebrated annually since 1995 across the 14 states of Malaysia to unite all ANGKASA school co-operative members and to provide them with the opportunity to interact and learn from one another. The event also allows the public to learn more about the vital role school co-operatives play in instilling the principles, values, and ideals of the cooperative identity in students (Refer to Appendix B ILO Recommendation 193: also Amendment on Fiji Co-op Act Co-op Principles Appendix C).

* Tourism School Co-operative Project aims to unifying the school co-operative movement. The Apex organisation ANGKASA provides suitable training and workshops to the school co-operatives involved in order to educate the members on the basic tasks and responsibilities involved in the tourism business.

3.9 The development of women co-operators is provided by ANGKASA on various subjects to increase their participation in Co-operatives. In addition ANGKASA has also established an entrepreneur development program to encourage entrepreneurship in women co-operative members.

* TCM or Child Training Institute train women in the professional field of child care.

* Development of Women Entrepreneurs in the Chip Making Industry program to encourage women co-operative members to get involved in the chip production industry.

3.10 The provision of services and maintenance is vital to the structure and processes that supports the functions of co-operatives.

Three examples of note are presented below.

* SEKKOP 123 (an integrated software system) was introduced by ANGKASA to its member school co-operative to assist the co-operative in its accounting and management of inventory, stock



and point of sale.

* PEKA is a service offered by the Apex body ANGKASA in an effort to provide assistance to member co-operatives in need of aid in rehabilitating and improving their co-operative. PEKA provide assistance in the preparation and updating of their financial statement, business planning and other advisory services.

* PRE AUDIT is provided by ANGKASA to member co-operative to help them with their accounts. A team assists co-operatives to update their accounting system. This will enable the co-operative to prepare their annual financial statement and to call for their AGM.

3.11 A crucial service provided by ANGKASA to its members is the facility of salary deduction. Co-operative members pay subscription, insurance premium, and obtain loans from their Co-operative. ANGKASA provides the service of liaising with the employer and facilitating the deduction of a sum from the member's salary and forwarding the payment to the co-operative. ANGKASA derives its annual income to finance all ANGKASA overheads and activities by providing this service at 0.6% to 2.0% with a total of RM402.8 million per month in 2007. The service is certified MS ISO 9001:2000.

3.12 As a member of the International Co-operative Alliance (ICA) representing Malaysian co-operatives internationally ANGKASA frequently hosts international co-operative events and visits annually to foster working relationships between co-operatives globally. It is important to ANGKASA to continue to work with international co-operatives, government bodies and the ICA to facilitate so as to ensure the development of co-operatives in Malaysia and around the world.

3.13 The sources of income of ANGKASA at the end of its financial year in June 2007 were:-

	RM	Percent
Co-operative Development Fund (KWAPK)	4,414,790	8.6%
Salary Deduction Service Charges	41,726,440	81.5%
Investment Returns	2,651,565	5.2%
Other Revenues	2,410,446	4.7%
Total	51,203,241	100%





- 3.14 Time caught up with us and we moved on after a sumptuous lunch where our hosts were inundated with more questions.
- 3.15 We attended our final session with ANGKASA on 27.08.08 at 2.30 pm (Malaysian Time) chaired by the Manager, Mr. Nasir Khan Yarya. During the session we presented our First Draft to the Head of Education of ANGKASA, staff members and the developers of the *Integrated Software Sekkop 123*. This session is an expression of transparency that allowed discussions of matters of mutual interest to correct data, mistakes or explain why certain data were preferred.

Section 4 KKUM and UC Travel

- 4.1** We were received by the Chairman, Mohd Said Bin Mohd. Kadis, Vice Chairman Professor Datuk Haji Mohamad Ali Hasan (also Vice President of ANGKASA) and two other senior lady administrators of the Board of KKUM which stands for Koperasi Kedaibuku Universiti Malaya Berhad. It was initially formed as a co-operative to supply books to the University of Malaya campus community. It was established on 31st May 1968. Today it is a respected organisation involved directly in supplying books to the country.
- 4.2** As a successful business entity KKUM diversified into other areas of businesses to benefit the members. The Book Division remains the flagship while other divisions are Marketing, Consumer Services, Catering, and Tourism.
- 4.3** The Administration and Accounts Division manages the organisation and co-operative membership who gain from annual dividends. This KKUM division handles all payment transactions and co-operative accounts.
- 4.4** Book Division benefits from the sale of books to university staff, students, and the public. Member purchases are computerised with an initial 10% discount and a points system that may build up for further benefits. The books were very reasonably priced and members of the team placed orders and one member had to return the next day because he ran out of money. It offers a wide range of academic books, general, fictions, children's material, magazines, videos etc. In addition it offers special book enquiries services as well as arrange for orders of local and overseas publications.
- 4.5** Further to the above KKUM has a Medical Books Branch located at the University of Malaya Medical Centre for the convenience of medical students, doctors and nurses. It supplies medical books to hospitals, institutions and other universities together with a range of medical equipment. On INTAN, Bukit Kiara books on management/administration and business are sold to course, seminar and workshop participants.



- 4.6** There is a Marketing Division that processes bulk orders and purchases for libraries and government contracts. The serial Section of this division handles subscription of local and overseas magazines including academic journals, entertainment, and others.
- 4.7** The Consumer Services Division has four (6) outlets on campus – a Mini market, electrical & computer shop, and two mini market & souvenir, a shop for snacks, stationeries and photocopying services near the Faculty of Science, the sixth is Perdana Optometrist that provides eye check and sells contact lenses, accessories for spectacles, sun glasses, films, cameras etc. All of the above are situated strategically for students and academic and support staff convenience.
- 4.8** Interesting is the Electrical & Computer Shop offering electrical goods of various brands with competitive prices which could be purchased through instalments or salary deduction mentioned earlier through ANGKASA. No deposit is required for members. It sells all main brands of computers or clones with accessories, printers as well as providing computer services and repairs. The section also sells furniture, jewellery and bicycles.
- 4.9** Catering Division – This is housed at the Rumah Universiti where the team were accommodated at rooms on special for RM110 per night discounted from the normal RM150. We were grateful for this as guests. The dining hall, conference and seminar rooms where the catering services were provided for guests in the 27 accommodation room is comparable to a four star hotel room complete with study table etc besides being quiet and conducive to writing and reading. The team enjoyed it thoroughly.
- 4.10** Tourism Division is basically a travel agent that will book, ticket, and facilitate any travel anywhere in the world. It was buzzing when we visited it with clients lining up. This service complements the Rumah Universiti (RU) guest house with travel from the airport to RU and in sightseeing.



Section 5 The Malaysian Co-operative Commission (MCC)

5.1 The Malaysian Co-Operative Societies Commission Act (MCC) 2007 or Act 665 was given the Royal Assent on 18 July 2007 and Gazetted on 19 July 2007. It appears to the team as an Act which evolves a structure that will unite functions from its present location. Section 1 (2) reads "This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette* and the Minister may appoint different dates for the coming into operation of different provisions of this Act" (2007:07).

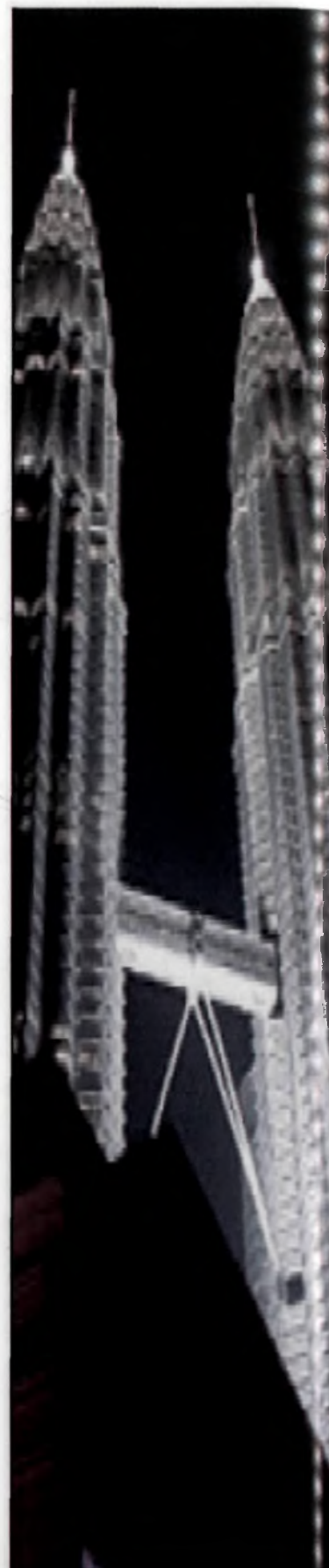
5.2. The objects of the Commission are to: -

- (a) foster sound and orderly development of co-operative societies and the co-operative sector in accordance with co-operative values and principles to contribute towards achieving the socio-economic objectives of the nation;
- (b) promote a financially sound, progressive and resilient co-operative sector, and
- (c) maintain confidence in the co-operative movement.

In the Vesting Provisions we have quoted below the relevant parts for our purpose.

Section 5 (1)"Subject to this Act, the Minister may, by order published in the *Gazette*, appoint a vesting date and on such date all property, rights and liabilities of -

- (a) the Government of Malaysia;
- (b) the Registrar-General of Co-operatives for Malaysia under the co-operative Societies Act 1993;
- (c) the Registrar of Fishermen's Associations under the Fishermen's Associations Act 1971 [Act 44]; and



(d) the Registrar of Farmer's Organizations under the Farmer's Organization Act 1973 [Act 109],

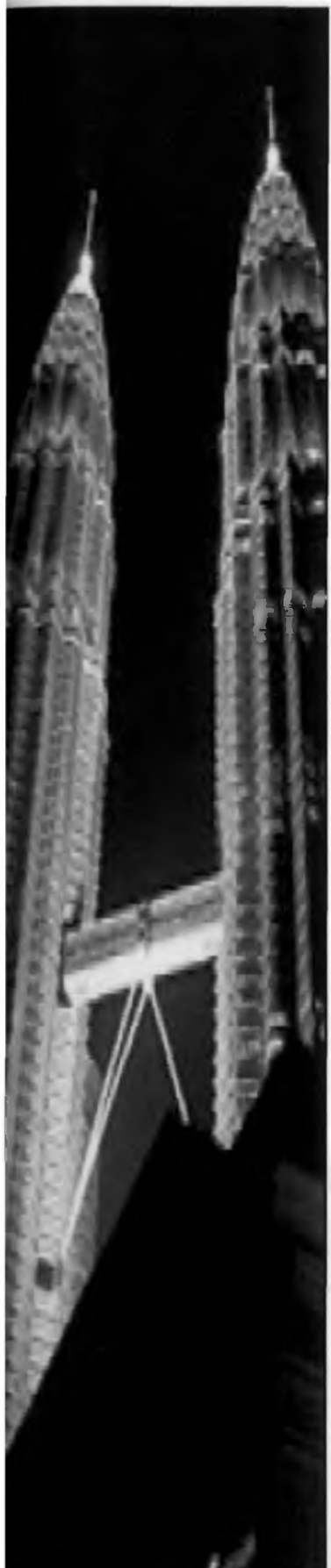
(hereinafter in this section, the persons mentioned [above] in paragraphs (b), (c) and (d) collectively referred to as "the transferor") relating to co-operative societies and as specified by the Minister in such order shall by virtue of this Act, be transferred to and vested in the Commission without any conveyance, assignment or transfer."

5.4 Further to the above and the various complementary sections of the Act Section 41 clarifies the "Maintenance of fund and account". On Section 41(3) "The Commission shall hold and administer the following:-

- (a) the Co-operative Central fund;
- (b) the Co-operative Deposit Account;
- (c) the Co-operative Development Trust Fund;
- (d) the Co-operative Education Fund;
- (e) the Co-operative Societies Liquidation Account;
- (f) the Central Liquidity Fund; and
- (g) such other funds as the Commission may set up with the approval of the Minister.

5.5 The attachment of a tribunal in the structure to adjudicate on matters pertaining to co-operative issues is interesting. We assume that its structure and functions may be provided in another Act (Co-op Act 1993).

5.6 The recent provision of an Act to enable the smooth transfer of previous functions in Co-ops housed in other Ministries under the MCC structure provides yet again a monumental witness to the sociological imagination of generations of Malaysians and progress. The development of the co-operative from 1922 to 2008 in Malaysia has allowed an ongoing impressive evolution despite the challenges. Such development will no doubt inspire the present members who are presently shaping the future just as the idea of the movement was mooted in Malaysia more than 100 years ago in 1907.



Section 6 Ministry of Entrepreneurship and Co-Operative Development

6.1 This Ministry illustrates yet again the sociological imagination of generations of Malaysians. The Ministry despite the common view that entrepreneurs are born and not made boldly promote the motto "Entrepreneurship - Career of Choice" (see below)... To this the Assistant Director, Muhammad Ammir bin Haron, thought otherwise stating that entrepreneurs could be nurtured early in schools. Paraphrasing Shakespeare he said, some are born entrepreneurs, some have entrepreneurship thrust upon them because of necessity and some achieve entrepreneurial blessings when they make discoveries like Bill Gates and many others.



MINISTRY OF ENTREPRENEUR AND COOPERATIVE DEVELOPMENT



MOTTO

**"ENTREPRENEURSHIP -
CAREER OF CHOICE"**

6.2 He stated that high school co-operatives highlight the fact that young minds are creative like entrepreneurs. This view was supported by the Assistant Director of Education in charge of school co-operatives, Mr. Kamarudin Ismail.



6.3 The development of the Ministry emerged as shown below in the mission "To assist in the creation of quality Bumiputera (indigenous Malays) Entrepreneurs".



MINISTRY OF ENTREPRENEURIAL AND COOPERATIVE DEVELOPMENT



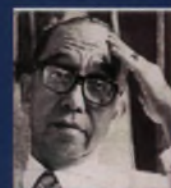
DEVELOPMENT STRATEGIES



National Vision Policy
2001 - 2020



National Development Policy
1991 - 2000



National Economic Policy
1971 - 1990

6.4 MeCD began in the Ministry of Co-ordination of Corporations in 1974 before it became the Ministry of Public Enterprise in 1976 later to become the Ministry of Entrepreneur Development in 1995 and eventually Ministry of Entrepreneur and Co-operative Development in 2004.

6.5 It must be stressed here that the Ministry is concerned about entrepreneurship across the board with the view of achieving 30% of entrepreneurial involvement of Bumiputeras in the country as a whole by 2020 (MeCD Annual Report 2006: 20). The national vision being: -

"To create a progressive, resilient competitive Bumiputera entrepreneurs



MECD's Four (4) Thrusts under the 9MP

1. Create Competitive Bumiputra Enterprises

2. Implement the "Groom Big" Programme & Exit Policy

3. Facilitate the Bumiputra Participation in New Growth Areas

4. Enhance Co-operatives as Commercial Enterprises

that can penetrate domestic and global markets".

6.6 The 4th Thrust above on the Enhancement of Co-operatives as a Commercial Enterprise is central to our study visit and interest. We note the

- "Important Channel to Improve the Quality of Life and Living Standard of Members
 - > To galvanize the 4,918 co-operatives with 5.87 million members, total asset of RM37 billion, share capital of RM7.3 billion (as at December 2006)
- Third Sector of the Economy after the Public and Private Sectors"

The team wishes to emphasise the co-operative dimension noted above for Fiji.

6.7 The Ministry conducts Programs such as: -

1. Assistance and Support

One-Stop Info Centre

Financing





Marketing & Promotion

Business Premises

2. Training and Entrepreneurship Acculturation

Young Entrepreneur Program

Undergraduates Entrepreneur Development Program

Undergraduate Entrepreneurship Training

Franchise Development Training

Vendor Development Training

Specialized Training

3. Create Business Opportunities

Genuine Joint Venture Program

Franchise Development

Vendor Development

Integrated Furniture Marketing Program

Construction Entrepreneur Program

Transportation Entrepreneur Program

Business Matching Program

Mentor Program

One District One Industry

Gerak Ushawan

6.8 There are mechanisms or agencies that facilitate the Ministry in carrying out its functions. There are eleven (11) as well as 13 State Development Corporation (SEDCs).

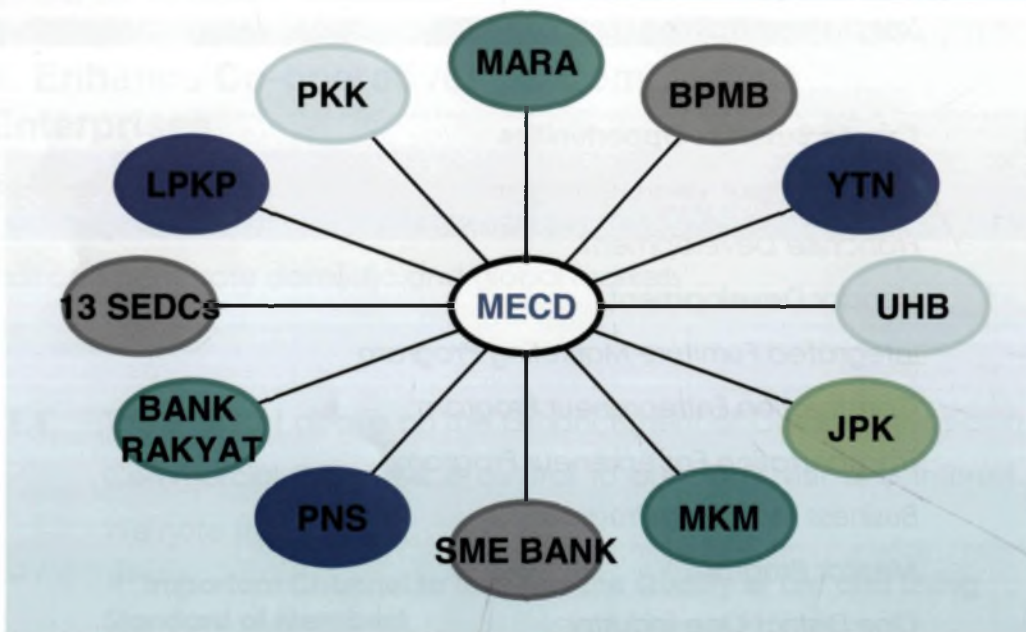
6.9 Co-ordinating mechanisms for the above are: -

- *Entrepreneur Development Council*
- *District Entrepreneur Development Council*
- *Federal – State Entrepreneur Development Liaison Committee*

Given the resources of co-operative alone of RM42.5 billion in assets and RM7.79 billion in share capital (2008) illustrates the enormous resources that are supervised and coordinated by the Ministry under its portfolio. The MECD building is nothing short of impressive and captivating with modern technological utilities and numerous



MINISTRY OF ENTREPRENEUR AND COOPERATIVE DEVELOPMENT



exhibitions and pictures of entrepreneurial pursuits.

JPK above is now the MCC.

6.10 The Challenges expressed by the Ministry are: -

- Globalization
- Moving Target
- Changing Business Practices
- Entrepreneurship Acculturation
- Linkage between Public Procurement (PP) and Bumiputera
- Commercial and Industrial Community (BCIC).





- 6.11** The first three challenges are universal and are part and parcel of development. We have mentioned globalization earlier (p.7) which was diplomatically addressed by the Prime Minister, *Dato Seri Abdullah Badawi* how it favours only a certain dominant group especially MNCs and the G8. These paddle and promote globalization through institutions like the IMF and World Bank which are heavily funded and influenced by so-called core nations that are members of the G8. In essence these institutions encourage economic trade and development as well as to ensure the smooth operation of international financial market.
- 6.12** Many critics call attention to a variety of issues like the violation of workers' rights, the destruction of the environment, the loss of cultural identity, and discrimination of minority in population with regards to globalization.
- 6.13** The other two challenges are derived from demographic realities of the country. They impose sensitive issues that arouse ethnic tensions and conflicts. This is a real challenge because any country's instability through overt confrontations devoid of rationality and sensibility will be costly in human, physical and social dimensions.
- 6.14** We were briefed by seven young enthusiastic professionals in their mid 30s to 40. Three of them were women.

Section 7 Ministry of Education

22

- 7.1** The Malaysian Ministry of Education High School Co-operatives: -
- a was established in 1953;
 - b it is accepted and recognized as one of the most important co-curriculum in schools;
 - c the total number of school co-operatives in Malaysia stands at 1910 (as at January 2008);
 - d the total individual youth members of school co-operatives stand at 2, 022, 378 or 2.022 million (as at January 2008);
 - e total member shares in school co-ops is RM19. 9 millions (as at January 2008);
 - f the total assets in school co-ops is RM124.63 millions (as at January 2008).
- 7.2** Support for School Co-operatives: -
- a NATIONAL CO-OPERATIVE ORGANISATION OF MALAYSIA (ANGKASA) 2007 – USD \$300.000 or approx RM1 million.
 - b MINISTRY OF ENTERPRENEUR AND CO-OPERATIVE:2007 – USD \$200.000 or approx RM 600,000.
- 7.3** Objectives
- a To educate the members especially the school communities (teachers, students, supporting staff) with the value of saving;
 - b To help the members plan their expenses and avoid making rash loans;
 - c To inculcate the members with sound democratic principles;
 - d Provide a practical opportunity for students to practice commerce and accounting skills;
 - e To develop business, thrift, leadership skills and entrepreneurship.



7.4 Activities of School Co-operatives: -

- a Agriculture;
- b Stationary shops;
- c School Co-operative Bank in Boarding schools
- d Cyber café and internet services;
- e Laundry services in secondary school;
- f. Day-Care Centre and services;
and other activities.

7.5 SEKKOP 123

- a The SEKKOP 123 is an integrated software developed especially for the school co-operatives to be used by all school co-operatives in Malaysia.
- b Aiming at providing a computerized accounting application, custom – made to be used in school cooperatives to ensure better management and control of the whole accounting process.

Team Fiji recognizes this integrated software as the key to school co-operatives success which complements computer literacy in Fiji schools.

7.6 School Co-op Training for Student Committee Members

- > Compulsory course for all committee members of school cooperatives;
- > Fully sponsored by ANGKASA (One day held in school)
- > The module include :
 - i. Finance
 - ii. Administration of school Co-op

7.7 Tourism School Co-operatives

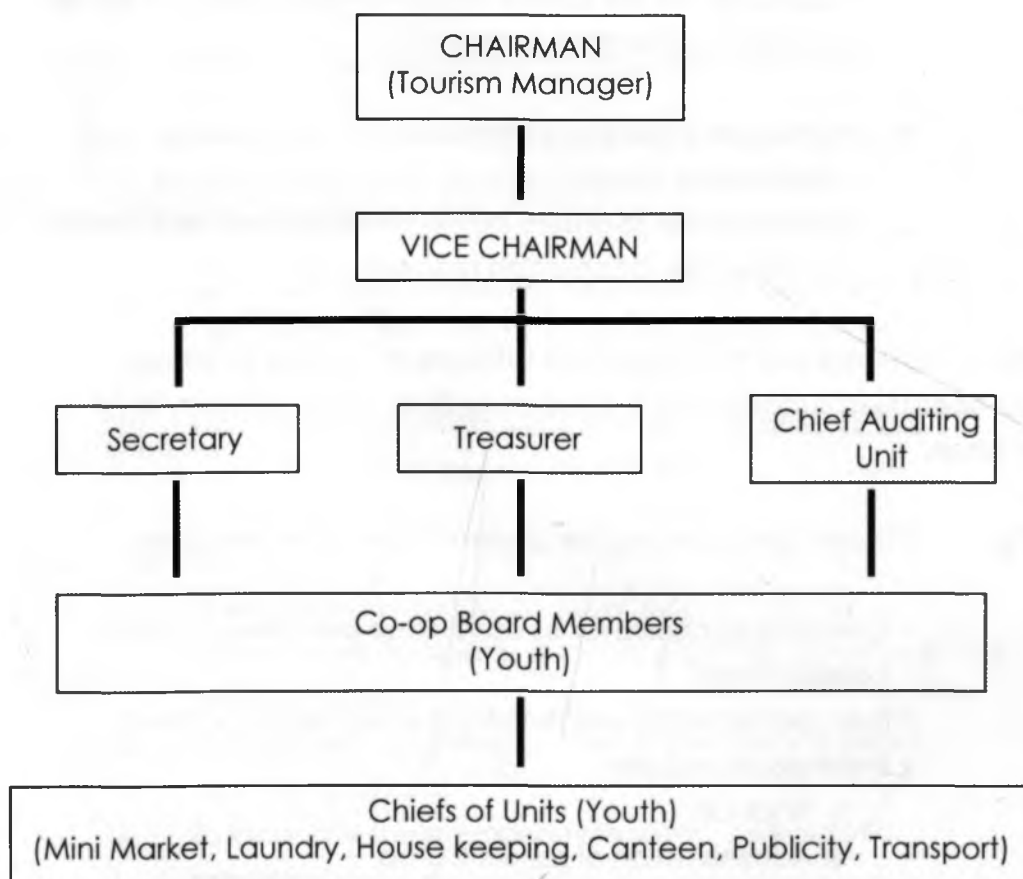
"TO ENCOURAGE STUDENTS TO KNOW THEIR COUNTRY BETTER, TOURISM MUST BECOME AN IMPORTANT ACTIVITY IN SCHOOL COOPERATIVES"
ROYAL PROFESSOR UNGKU A. AZIZ
PRESIDENT OF ANGKASA



7.8 Objectives

- a To diversify the co-op activities;
- b To encourage the school children and the youth to know and love their Country;
- c To promote the development of cooperative tourism locally;
- d To gain experience in hotel industry;
- e To create employment opportunities;
- e To help the members travel comfortably at an affordable

Organizational Structure



budget.

7.9 How does it Works at Schools

7.10 Customers include: -

- a. Students





- b. Youth
- c. Parents
- d. Teachers
- e. Everyone is welcomed

7.11 Accommodation for local tourists

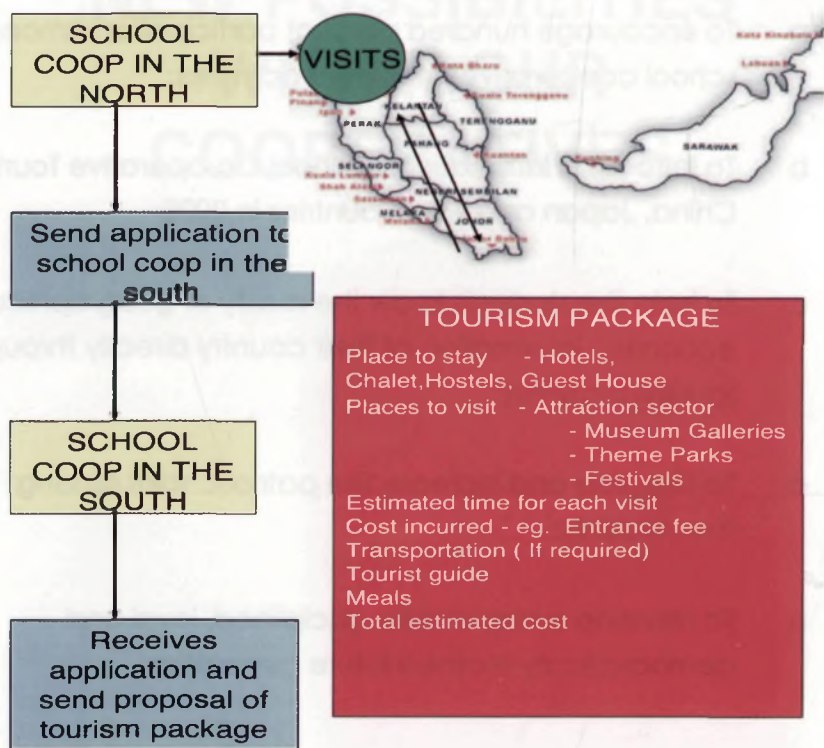
Chalets are cabins for holidaying
 School Hostels
 Youth Hostels
 Guest House

7.12 Services provided

Room Rental
 Room Cleaning
 Visiting Attractive Places
 Tourist Guide Services
 Transportation (Upon request)

Affordable by everybody who wants a comfortable and convenient place to stay for a holiday.

FLOW OF CROSS- LINK TOURISM ACTIVITY



7.13

TOURISM ACTIVITIES



7.14 Future Plan

- a To encourage hundred percent participation among the school cooperatives in tourism activities;
- b To Introduce International School Co-operative Tourism to China, Japan and Asia Countries in 2008;
- c To help the students know the reality of geographical and economic information of their country directly through tourism activities;
- d To develop and increase the patriotic spirit among the students;
- e To develop a responsible, disciplined, loyal and democratically-inclined future generation.



7.15 The Ministry of Education had this to say in their power point presentation: -

**COOPERATIVE
TOURISM IS A GOOD
WAY TO BUILD UP A
VIABLE
COOPERATIVE
MOVEMENT
SO LET'S ALL JOIN
HANDS
AND EXPLORE
NEW POSSIBILITIES
WITHIN OUR
COOPERATIVES**



Section 8 School CO-OP – Starting Them Young

8.1 Two top schools that won top prizes in previous years were visited on 26 February 2008. These schools set the benchmark for Malaysia with regards to High School Co-operatives. They are champion schools winning various prizes on Co-operative day since 2006. Visiting the schools showed what dedicated and commitment teachers could do to inculcate values that are central to the co-operative movement.



8.2 Student co-operative members and the school photographers had a field day as they enthusiastically welcomed the team. Unfortunately the drummers could not be seen as they announced our arrival to the school. This touch of tradition was appreciated with gratitude. The enthusiasm of these Malaysian students as we saw in both schools paints a bright picture of the future of the country.





8.3 These quiet lady teachers of SMK Gombak Setia (Roll of 2,900 and 162 teachers) welcoming what they called the Fiji Delegate. We were humbled and touched by what we saw and heard from their students.

8.4 SMK Seri Serdang (Roll of 2,040 and 150 teachers) was visited after a sumptuous lunch at Gombak Setia. Seri Serdang was equally enthusiastic in their welcome as we entered the school. The team was joined by an experienced teacher from Fiji Mr. Jale Samuwai whose insightful views and participation on the day was much appreciated.





8.4 We noticed again the quiet unassuming lady teachers whose students in the co-operatives, practice their core values under their watchful eyes. Teachers had their co-operative pink uniform on; proudly like the students and prefects they train and teach...One cannot but notice the discipline and the handiwork of the teachers around the school urging their charge to pursue excellence.

8.5 The shops in both schools were buzzing with activities and only pictures that we captured can convey a better view of what we saw and experienced. Below is a glimpse at *Gombak Seiti* students working in their co-operative shop and student customers.



8.6 Below is interval at 3.15 pm for students starting earlier at 12.30 pm at Seri Serdang. Their shop is busy as students are being served by students who are members of the co-operative...



8.7 Both schools have made profits and one is paying 20% this year in dividend while the other at 15% or more. The teacher who reported was cautious and visibly suppressed her optimism. Turnover per annum is no doubt satisfactory and hence the dividend.

8.8 Programs by ANGKASA were acknowledged and complemented by those teachers we spoke to. While there are challenges as we all know as teachers and trainers know, the day was enjoyed especially by students and it was appropriate that we could talk about that subject another day since contact has now been established. We will now keep in touch by e-mail.

We might be reminded here that if we address all the anomalies we encounter then we will find it most challenging and seldom have any useful work done.



Section 9 **Fiji and the Malaysian Co-operative**

9.1 Malaysia provides a glowing example of *why* and *how* Fiji must *revitalize* its co-operative movement. Instability in Fiji since 1987 imposed enormous unwelcome challenges in losses relating to migration, brain drain, productivity, efficiency, basic services besides psychological trauma and social dysfunctions. Given that reality it is prudent to revitalize the cooperative movement sooner rather than later. It appears that the revitalization workshop at the Raffles in Lami, Fiji in December 2007 was perhaps the initiator that followed a visit to Malaysia through ANGKASA earlier in February of the same year.

9.2 It is absolutely clear that changes for the better must take place in Fiji. Our study of the Malaysian co-operative model which appears to be the one that we have been emulating for sometime and seems familiar in many ways is fitting and favourable. From the outset we stated some of the reasons why we are studying the Malaysian Model although there are other examples in the world that are attractive that could be looked at later e.g. the Nordic countries in Europe, the Spanish Basque model, Japan, Argentina, Brazil and so on.

9.3 The team's finding in this study that about 1 in 4 people of Malaysians are members gives Fiji much hope even though our GDP per capita at about US\$3,000 relative to Malaysia at US\$14,500 suggests caution in making generalisations.

9.4 Following from the above the great influence of Malaysia on Fiji was briefly touched upon at the outset. During our study it became evident that the Malaysian influence was much deeper, spanning 55 years. Malaysia's independence (1957) was watched from afar with our ex-Malayan campaigners who held senior governmental positions as well as the population at large. Thirteen years later after Malaysia, we became independent.

9.5 Much that was borrowed from Malaysia was encouraged by the British colonial office as decolonization picked up speed





colonial operation to come up with new ideas. Conveniently, it was speedier to do a "cut and paste", as we know it today; from Malaya Fiji and other British colonies that needed to be de colonized and be politically independent. It is for such reason that Malaysia's influence is much more than it is realised by policy makers today in Fiji.

- 9.6 Given the mighty stride made by Malaysia with its rich physical endowment since independence in 1957 and despite the challenges it met, it is not only practical but prudent for Fiji to continue to look upon Malaysia perhaps quietly as a mentor.
- 9.7 With regards to Co-operative it is now time to take on a determined policy to look upon Malaysia as a mentor and work in unison with Malaysia's plan and policies of internationalising co-operatives.

Section 10 Conclusion

- 10.1** Time was limited and our program was tight, in the eight (8) days that was available for this study in Malaysia. The foregoing may not be as thorough as was envisaged by the Fiji Co-operative Union Limited (FCUL). Our combined efforts yielded the content above and our Recommendations above (p.vii) based on our Terms of Reference (TOR).



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Appendix A

Malaysian Program

Date	Day	Time	Programme
19.02.08	Tue	Midnight	Arrival
20.02.08	Wed		Rest/Money exchange
21.02.08	Thur	10.00 am	ANGKASA Introduction to Malaysian Co-op Movement
		02.30 pm	KKUM + UCTravel
22.02.08	Fri	09.30 pm	Malaysian Co-op Commission
23.02.08	Sat		Tour
24.02.08	Sun		Tour
25.02.08	Mon	10.00 am	Ministry of Entrepreneur & Co-op Development
		02.30 pm	Ministry of Education
26.02.08	Tue	10.00 am	School Coop (SMK Gombak Setia)
		02.30 pm	School Coop (SMK Seri Serdang)
27.02.08	Wed	10.00 am	Conclusion by Angkasa
28.02.08	Thur		Departure



Appendix B

ILO Recommendation No.193 on Promotion of Cooperatives

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 90th Session on 3 June 2002, and

Recognizing the importance of cooperatives in job creation, mobilizing resources, generating investment and their contribution to the economy, and

Recognizing that cooperatives in their various forms promote the fullest participation in the economic and social development of all people, and

Recognizing that globalization has created new and different pressures, problems, challenges and opportunities for cooperatives, and that stronger forms of human solidarity at national and international levels are required to facilitate a more equitable distribution of the benefits of globalization, and

Noting the ILO Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Conference at its 86th Session (1998), and

Noting the rights and principles embodied in international labour Conventions and Recommendations, in particular the Forced Labour Convention, 1930; the Freedom of Association and Protection of the Right to Organise Convention, 1948; the Right to Organise and Collective Bargaining Convention, 1949; the Equal Remuneration Convention, 1951; the Social Security (Minimum Standards) Convention, 1952; the Abolition of Forced Labour Convention, 1957; the Discrimination (Employment and Occupation) Convention, 1958; the Employment Policy Convention, 1964; the Minimum Age Convention, 1973; the Rural Workers' Organisations Convention and Recommendation, 1975; the Human Resources Development Convention and Recommendation, 1975; the Employment Policy (Supplementary Provisions) Recommendation, 1984; the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998; and the Worst Forms of Child Labour Convention, 1999, and

Recalling the principle embodied in the Declaration of Philadelphia that "labour is not a commodity", and

Recalling that the realization of decent work for workers everywhere is a primary objective of the International Labour Organization, and

Having decided upon the adoption of certain proposals with regard to the promotion of cooperatives, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of a Recommendation;

adopts this twentieth day of June of the year two thousand and two the following Recommendation, which may be cited as the Promotion of Cooperatives Recommendation, 2002.



I. SCOPE, DEFINITION AND OBJECTIVES

1. It is recognized that cooperatives operate in all sectors of the economy. This Recommendation applies to all types and forms of cooperatives.

2. For the purposes of this Recommendation, the term "cooperative" means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

3. The promotion and strengthening of the identity of cooperatives should be encouraged on the basis of:

- (a) cooperative values of self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of honesty, openness, social responsibility and caring for others; and
- (b) cooperative principles as developed by the international cooperative movement and as referred to in the Annex hereto. These principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.

4. Measures should be adopted to promote the potential of cooperatives in all countries, irrespective of their level of development, in order to assist them and their membership to:

- (a) create and develop income-generating activities and sustainable decent employment;
- (b) develop human resource capacities and knowledge of the values, advantages and benefits of the cooperative movement through education and training;
- (c) develop their business potential, including entrepreneurial and managerial capacities;
- (d) strengthen their competitiveness as well as gain access to markets and to institutional finance;
- (e) increase savings and investment;
- (f) improve social and economic well-being, taking into account the need to eliminate all forms of discrimination;
- (g) contribute to sustainable human development; and
- (h) establish and expand a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community.

5. The adoption of special measures should be encouraged to enable cooperatives, as enterprises and organizations inspired by solidarity, to respond



to their members' needs and the needs of society, including those of disadvantaged groups in order to achieve their social inclusion.

II. POLICY FRAMEWORK AND ROLE OF GOVERNMENTS

6. A balanced society necessitates the existence of strong public and private sectors, as well as a strong cooperative, mutual and the other social and non-governmental sector. It is in this context that Governments should provide a supportive policy and legal framework consistent with the nature and function of cooperatives and guided by the cooperative values and principles set out in Paragraph 3, which would:

- (a) establish an institutional framework with the purpose of allowing for the registration of cooperatives in as rapid, simple, affordable and efficient a manner as possible;
- (b) promote policies aimed at allowing the creation of appropriate reserves, part of which at least could be indivisible, and solidarity funds within cooperatives;
- (c) provide for the adoption of measures for the oversight of cooperatives, on terms appropriate to their nature and functions, which respect their autonomy, and are in accordance with national law and practice, and which are no less favourable than those applicable to other forms of enterprise and social organization;
- (d) facilitate the membership of cooperatives in cooperative structures responding to the needs of cooperative members; and
- (e) encourage the development of cooperatives as autonomous and self-managed enterprises, particularly in areas where cooperatives have an important role to play or provide services that are not otherwise provided.

7. (1) The promotion of cooperatives guided by the values and principles set out in Paragraph 3 should be considered as one of the pillars of national and international economic and social development.

(2) Cooperatives should be treated in accordance with national law and practice and on terms no less favourable than those accorded to other forms of enterprise and social organization. Governments should introduce support measures, where appropriate, for the activities of cooperatives that meet specific social and public policy outcomes, such as employment promotion or the development of activities benefiting disadvantaged groups or regions. Such measures could include, among others and in so far as possible, tax benefits, loans, grants, access to public works programmes, and special procurement provisions.

(3) Special consideration should be given to increasing women's participation in the cooperative movement at all levels, particularly at management and leadership levels.





8. (1) National policies should notably:
- (a) promote the ILO fundamental labour standards and the ILO Declaration on Fundamental Principles and Rights at Work, for all workers in cooperatives without distinction whatsoever;
 - (b) ensure that cooperatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat pseudo cooperatives violating workers' rights, by ensuring that labour legislation is applied in all enterprises;
 - (c) promote gender equality in cooperatives and in their work;
 - (d) promote measures to ensure that best labour practices are followed in cooperatives, including access to relevant information;
 - (e) develop the technical and vocational skills, entrepreneurial and managerial abilities, knowledge of business potential, and general economic and social policy skills, of members, workers and managers, and improve their access to information and communication technologies;
 - (f) promote education and training in cooperative principles and practices, at all appropriate levels of the national education and training systems, and in the wider society;
 - (g) promote the adoption of measures that provide for safety and health in the workplace;
 - (h) provide for training and other forms of assistance to improve the level of productivity and competitiveness of cooperatives and the quality of goods and services they produce;
 - (i) facilitate access of cooperatives to credit;
 - (j) facilitate access of cooperatives to markets;
 - (k) promote the dissemination of information on cooperatives; and
 - (l) seek to improve national statistics on cooperatives with a view to the formulation and implementation of development policies.
- (2) Such policies should:
- (a) decentralize to the regional and local levels, where appropriate, the formulation and implementation of policies and regulations regarding cooperatives;
 - (b) define legal obligations of cooperatives in areas such as registration, financial and social audits, and the obtaining of licences; and
 - (c) promote best practice on corporate governance in cooperatives.
9. Governments should promote the important role of cooperatives in

transforming what are often marginal survival activities (sometimes referred to as the "informal economy") into legally protected work, fully integrated into mainstream economic life.

III. IMPLEMENTATION OF PUBLIC POLICIES FOR THE PROMOTION OF COOPERATIVES

10. (1) Member States should adopt specific legislation and regulations on cooperatives, which are guided by the cooperative values and principles set out in Paragraph 3, and revise such legislation and regulations when appropriate.

(2) Governments should consult cooperative organizations, as well as the employers' and workers' organizations concerned, in the formulation and revision of legislation, policies and regulations applicable to cooperatives.

11. (1) Governments should facilitate access of cooperatives to support services in order to strengthen them, their business viability and their capacity to create employment and income.

(2) These services should include, wherever possible:

- (a) human resource development programmes;
- (b) research and management consultancy services;
- (c) access to finance and investment;
- (d) accountancy and audit services;
- (e) management information services;
- (f) information and public relations services;
- (g) consultancy services on technology and innovation;
- (h) legal and taxation services;
- (i) support services for marketing; and
- (j) other support services where appropriate.

(3) Governments should facilitate the establishment of these support services. Cooperatives and their organizations should be encouraged to participate in the organization and management of these services and, wherever feasible and appropriate, to finance them.

(4) Governments should recognize the role of cooperatives and their organizations by developing appropriate instruments aimed at creating and strengthening cooperatives at national and local levels.

12. Governments should, where appropriate, adopt measures to facilitate the



access of cooperatives to investment finance and credit. Such measures should notably:

- (a) allow loans and other financial facilities to be offered;
- (b) simplify administrative procedures, remedy any inadequate level of cooperative assets, and reduce the cost of loan transactions;
- (c) facilitate an autonomous system of finance for cooperatives, including savings and credit, banking and insurance cooperatives; and
- (d) include special provisions for disadvantaged groups.

13. For the promotion of the cooperative movement, governments should encourage conditions favouring the development of technical, commercial and financial linkages among all forms of cooperatives so as to facilitate an exchange of experience and the sharing of risks and benefits.

IV. ROLE OF EMPLOYERS' AND WORKERS' ORGANIZATIONS AND COOPERATIVE ORGANIZATIONS, AND RELATIONSHIPS BETWEEN THEM

14. Employers' and workers' organizations, recognizing the significance of cooperatives for the attainment of sustainable development goals, should seek, together with cooperative organizations, ways and means of cooperative promotion.

15. Employers' organizations should consider, where appropriate, the extension of membership to cooperatives wishing to join them and provide appropriate support services on the same terms and conditions applying to other members.

16. Workers' organizations should be encouraged to:

- (a) advise and assist workers in cooperatives to join workers' organizations;
- (b) assist their members to establish cooperatives, including with the aim of facilitating access to basic goods and services;
- (c) participate in committees and working groups at the local, national and international levels that consider economic and social issues having an impact on cooperatives;
- (d) assist and participate in the setting up of new cooperatives with a view to the creation or maintenance of employment, including in cases of proposed closures of enterprises;
- (e) assist and participate in programmes for cooperatives aimed at improving their productivity;
- (f) promote equality of opportunity in cooperatives;
- (g) promote the exercise of the rights of worker-members of cooperatives; and



(h) undertake any other activities for the promotion of cooperatives, including education and training.

17. Cooperatives and organizations representing them should be encouraged to:

- (a) establish an active relationship with employers' and workers' organizations and concerned governmental and non-governmental agencies with a view to creating a favourable climate for the development of cooperatives;
- (b) manage their own support services and contribute to their financing;
- (c) provide commercial and financial services to affiliated cooperatives;
- (d) invest in, and further, human resource development of their members, workers and managers;
- (e) further the development of and affiliation with national and international cooperative organizations;
- (f) represent the national cooperative movement at the international level; and
- (g) undertake any other activities for the promotion of cooperatives.

V. INTERNATIONAL COOPERATION

18. International cooperation should be facilitated through:

- (a) exchanging information on policies and programmes that have proved to be effective in employment creation and income generation for members of cooperatives;
- (b) encouraging and promoting relationships between national and international bodies and institutions involved in the development of cooperatives in order to permit:
 - the exchange of personnel and ideas, of educational and training materials, methodologies and reference materials;
 - the compilation and utilization of research material and other data on cooperatives and their development;
 - the establishment of alliances and international partnerships between cooperatives;
 - the promotion and protection of cooperative values and principles; and
 - the establishment of commercial relations between cooperatives;
- (c) access of cooperatives to national and international data, such as market information, legislation, training methods and techniques, technology and



product standards; and

- (d) developing, where it is warranted and possible, and in consultation with cooperatives, employers' and workers' organizations concerned, common regional and international guidelines and legislation to support cooperatives.

VI. FINAL PROVISION

19. The present Recommendation revises and replaces the Co-operatives (Developing Countries) Recommendation, 1966.

