NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"

Singapore - April 13-19, 1970

Documentation

Working Papers

Prem Kumar
Seminar Secretary.

PROGRAMME FOR THE INAUGURATION
OF THE
NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"

Date: 13th April, 1970
Time: 10 A.M. - 11 A.M.
Place: Main Lecture Theatre,
Singapore Polytechnic,
Prince Edward Road,
Singapore-2.

1.	Welcome address by:	Mr. N.G. Raju, B.B.M. Chairman Singapore Cooperative Union Singapore.
2.	Remarks by:	Mr. Mak Kam Heng Member ICA Advisory Council
3.	Remarks by:	Mr. Lionel Gunawardana Deputy Director ICA Regional Office and Education Centre for S.E.Asia, New Delhi (India)
4.	Inaugural address by:	Mr. H.V. Hogan, B.B.M. President Port of Singapore Authority Employees' Coop. Thrift and Loan Society Ltd., Singapore.

Refreshments.

pk/2nd December, 1971

NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"
SINGAPORE - APRIL 13-19 1970

P R O G R A M M E

	Session No.	
13th April, 1970 Monday		
1000 - 1100		Inauguration
1100 - 1130		Tea
1130 - 1230		Working methods of the Seminar
1230 - 1500		Lunch
1500 - 1600	1	Reformulated principles of cooperation and their relevance to management
1600 - 1630		Tea
1630 - 1700		Discussion
14th April, 1970 Tuesday		
0930 - 1030	2	Cooperative legislation - promotion, supervisory and statutory functions of the Registrar.
1030 - 1100		Discussion
1100 - 1130		Tea
1130 - 1230	3	Role of cooperative unions in cooperative and leadership development.
1230 - 1300		Discussion
1300 - 1500		Lunch
1500 - 1700		Group Discussions on Session Nos 2 & 3.

15th April, 1970 Wednesday

0930 - 1030	4	Collaboration between cooperatives and trade unions for mutual benefit.
1030 - 1100		Discussion
1100 - 1130		Tea
1130 - 1230	5	Methods of financing cooperatives
1230 - 1300		Discussion
1300 - 1500		Lunch
1500 - 1600	6	Necessity and functions of the cooperative banks in cooperative development.
1600 - 1630		Tea
1630 - 1700		Discussion

16th April, 1970 Thursday

0930 - 1100		Plenary on Group Discussion Session Nos 2 & 3.
1100 - 1130		Tea
1130 - 1230	7	Problems and prospects of a urban credit cooperatives in Singapore (Presentation of a case).
1230 - 1300		Discussion
1300 - 1500		Lunch
1500 - 1700		Group Discussion on Session No. 7.

17th April, 1970 Friday

0930 - 1030	8	Investment possibilities for thrift and loan societies in industries and other ventures.
1030 - 1100		Discussion
1100 - 1130		Tea
1130 - 1230	9	Multipurpose cooperatives - advantages and disadvantages of the multipurpose techniques.
1230 - 1300		Discussion
1300 - 1500		Lunch
1500 - 1700		Group Discussion on Session Nos. 8 & 9.

18th April, 1970 Saturday

0900 - 1000		Plenary on Group Discussion on Session Nos. 8 & 9.
1000 - 1100	10	Tasks of the Managing Committee in a thrift and loan society and Manager's functions.
1100 - 1130		Discussion
Afternoon		F r e e

19th April, 1970 Sunday

1000 - 1300	Presentation of the Draft Report.
	Evaluation and closing of the Seminar.

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Inaugural Speech by Mr. N.G. Raju, B.B.M.,
Chairman, Singapore Cooperative Union Limited, Singapore.

Fellow Cooperators, Ladies and Gentlemen:

Indeed, it is a pleasure and a great privilege to preside at this National Seminar of Cooperative Societies in Singapore, conducted jointly by the Education Centre, ICA, New Delhi, and the Singapore Cooperative Union Limited.

The idea of convening this Seminar was first thought of by the Singapore Cooperative Union and it was most fortunate for us that ICA Education Centre fell in with our plans. If the efforts of this Seminar prove fruitful then the Singapore Cooperative Union plan, with the collaboration of ICA Education Centre, to have more regular seminars of this nature.

The programme of this Seminar covers some interesting matters about Cooperatives and will include:

Current cooperative principles and their relevance to Management.

Cooperative Legislation.

Role of the Cooperative Union in cooperatives and leadership development.

The managerial functions of a thrift and loan society.

The problems and prospects of urban credit cooperatives.

Methods of financing cooperatives.

Necessity and functions of cooperative bank in cooperative development.

Investment possibilities for thrift and loan societies in industrial and other ventures.

Multipurpose societies.

Tie-up between cooperatives and the trade unions.

The Seminar promises to be a most interesting and informative session in which I have no doubt all those present will actively participate.

The Seminar will be opened by Mr. Hilary V. Hogan, President of the PSA Employees Cooperative Thrift and Loan Society Ltd. Mr. Hogan is an indefatigable worker and friend of the Cooperative Movement and needs no special introduction because of his close association and popularity in the many fields of labour.

We have with us today, Mr. Goh Chong King, the Registrar of Cooperative Societies, Singapore, the principal officer and friend of the Cooperative Movement. A very approachable and likeable personality but one whose decisions are not always popularly received by that section of cooperators who are always wanting just that little bit more.

We welcome to this Seminar the delegates of local cooperative societies who will be the principal participants and who I know are always keen to learn more about our Cooperative Movement.

It is my pleasant duty to welcome:

Capt. H.S. Lather	- Former Chief Executive of Delhi State Cooperative Bank.
Mr. N.A. Kularajah	- President, Cooperative Union of Malaysia Limited.
Mr. G.S. Dass	- Assistant Commissioner of Cooperative Development, Malaysia.
Mr. Arthur K. Isaac	- Retired Registrar of Cooperative Societies, Singapore.
Mr. Andrew B. Pinto, M.B.E.	- A veteran cooperator with some 40 years experience in local cooperatives.

whose presence here leads not only glamour but prestige to a Movement that is close to their hearts.

The Seminar has attracted, as observers, our cooperative friends from Malaysia. We welcome them to the Republic of Singapore and to our Seminar and thank them for their presence and encouragement. I trust that they too will benefit in some small way by their presence here.

It is very gratifying to note that we have a section of the industrial community represented here today from the Texas Instruments. We are glad that they have been attracted by the principles of the Cooperative Movement, to study it more closely and, no doubt, eventually to introduce and implement the Cooperative Movement to the numerous members on their staff. We thank them for their presence and participation.

Here I would specially like to mention a word of thanks to Mr. E.B. Pereira who motivated the idea of Texas Instruments participating in this Seminar. Mr. Pereira was at one time a Vice President of the PSA Employees' Cooperative Thrift and Loan Society Ltd.

Our affiliation to the ICA London has resulted in many advantages in our favour, and this jointly-sponsored Seminar was only made possible by that affiliation. We, the Singapore Cooperative Union, are grateful to the Director of the ICA and more especially to the Regional Director, ICA Regional Office & Education Centre, New Delhi, for the many opportunities of assistance, advice and collaboration. In the organising of this Seminar, I would particularly mention and thank Mr. Lionel Gunawardana (and his staff) for their guidance and assistance to our Secretariat in organising this Seminar, arranging for speakers, and the many other forms of assistance rendered.

As a consequence of this Seminar, it is my hope that closer collaboration will be established between the cooperative and the Trade Union Movement to our mutual benefit.

Finally, I thank all of you for your presence here and wish this Seminar every success.

Speech by Mr. Mak Kam Heng, Vice Chairman, Singapore Cooperative Union, and Member, ICA Advisory Council.

Mr. Chairman, fellow co-operators and friends,

1. It is a curious fact in Singapore today that the National Trade Union Movement which has been receiving an annual grant of $400,000/- from the Government to finance its activities, has decided to launch into Co-operative ventures to improve its financial position and to strengthen its economic base. Yet the Co-operative Movement which has been in existence for 45 years, having progressed and advanced silently and unobstructively, without publicity and without fanfare, and having accumulated a working capital of some $40,000,000/-, is still very much confined to its thrift andloan business and has not considered branching out into other forms of Co-operative undertakings to further improve the economic well-being of its members.

2. Now it is all very well to talk about and desire to go into Co-operative undertakings. We must know that not only is it necessary to have an understanding of the true nature of Co-operation and its principles, but what is more important is to master the business and administrative techniques through which Co-operative principles are applied to practical problems. If common people with the ambition to try to provide for their own needs, and become their own merchants, bankers and creditors, their own employers and their own insurers, it would indeed be imprudent if they do not equip themselves with the knowledge and skill for the task.

3. We in the Co-operative Union have always keenly felt the lack of Co-operative education and training facilities in Singapore. We had depend on the limited facilities for Co-operative Courses of short

duration at the Co-operative College in Kuala Lumpur, Petaling Jaya. Therefore with the setting up of the Education Centre in New Delhi in 1960, the Co-operators of the Singapore Co-operative Union have always taken advantage of the programmes of the Education Centre and have in fact attended and participated in the majority of the 60 odd conferences, seminars and workshops organised by the Education Centre.

4. You may recall that in 1963 the Singapore Co-operative Union in collaboration with the I.C.A. Regional Office & Education Centre in New Delhi organised a seminar on "Co-operative Member Education". This was followed in 1967 with the organisation of a regional seminar on "Co-operative Training." Then in July 1969 the Singapore English School Teachers Co-operative Thrift & Loan Society requested the Union to organise a Co-operative National Seminar. The Singapore Co-operative Union thought that the time is opportune for holding such a seminar and that it would be beneficial to the Co-operators concerned. So while this was being considered, the I.C.A. Education Centre advised the Co-operative Union that they were prepared to organise 3 National Seminars in 1970 in collaboration with member organisations on the following subjects:- (1) Member education, (2) Co-operative management (3) Agricultural Co-operation, including credit, planning and marketing activities, (4) Consumer co-operative. We therefore felt it is timely to have this seminar on "Co-operative Management" where various aspects of Co-operative management will be studied and discussed.

5. You may also remember that at the recent N.T.U.C. modernisation seminar, our Finance Minister, Dr. Goh Keng Swee spoke of the 4 principles for the healthy growth of Co-operative undertakings, namely, (a) Co-operative ventures should be fully competitive, (b) Co-operative enterprises should be organised in those fields where labour has natural built-in advantages, (c) There should complete integrity in the operation of the Co-operatives, (d) There should be effective management. On Co-operative management he said:- "But whatever type of Co-operative you decide to establish, whether it fails or whether it succeeds, depends so much on one factor alone as of all other combined, and this is the factor of management. If you have good, keen, effective management, any kind of co-operative that you establish will succeed. On the other hand, if you have a lazy, fumbling ignorant and indecisive kind of management, even the most promising project will fall apart in your hands." So you see the importance that is being attached to the subject of Co-operative management. As you may be aware one of our major difficulties has been the lack of management talent and skill among our elected Co-operative leaders who are not professional in the field of management. We therefore hope this seminar will be of benefit to the participants and our Co-operative leaders, which will ultimately be reflected in an improvement in the quality of their managerial work in their respective Co-operative societies.

6. Finally I would like to stress that building up of our Co-operative Movement in Singapore is primarily the responsibility of the Co-operators themselves. Being voluntary workers, its progress depends very largely upon their zeal, sincere and selfless devotion to the Movement.

7. Co-operators should also realise that Co-operation is not merely confined to thrift and loan. It could be adapted to various fields of applications. It would be difficult to mention any useful business or service that is not undertaken by Co-operative Societies. In some countries the Co-operators own and administer many of the largest existing stores, warehouses and factories. Therefore, if the Co-operative Movement is to expand and progress and if we believe in the workability and desirability of Co-operation as an economic method, we must get out of our thrift and loan complex and branch out in a big way into other Co-operative activities and ventures. That, I think, is the future of the Co-operative Movement in Singapore. With that note, let me conclude with wishing you every success in a fruitful week of Co-operative education, for after all, education results in good co-operatives and good co-operative in turn become a continuous source of education in itself for the members.

REPORT OF THE

NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"

SINGAPORE - APRIL 13 to 19, 1970

Seminar Leader: Mr. Lionel Gunawardana
Deputy Director
ICA Regional Office & Education
Centre for South-East Asia
New Delhi.

Organised by

THE SINGAPORE COOPERATIVE UNION LTD.
Post Box 366
Singapore

with the assistance of

THE INTERNATIONAL COOPERATIVE
ALLIANCE Regional Office &
Education Centre for S.E.Asia,
43 Friends Colony, New Delhi-14.

pk/30th August, 1971

THE SINGAPORE COOPERATIVE UNION LIMITED

NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"

Singapore April 13 to 19, 1970

A National Seminar on "Cooperative Management" was organised by the Singapore Cooperative Union Limited with the assistance of the International Cooperative Alliance Regional Office & Education Centre for South-East Asia from 13th to 19th April, 1970 at the Singapore Polytechnic, Singapore. Forty-eight participants from various Cooperative Thrift and Loan Societies of Singapore and two observers from Malaysia and Thailand attended the Seminar. Mr. Hilary V. Hogen, President of the P.S.A. Employees' Cooperative Thrift and Loan Society Limited, Singapore, declared the Seminar open.

Mr. Lionel Gunawardana, Deputy Director, ICA Regional Office & Education Centre, directed the Seminar. Dr. Dharm Vir, Joint Director, ICA Regional Office & Education Centre also participated in the Seminar. In addition to the ICA officers, the following resource persons delivered talks and led discussions on various subjects at the Seminar:-

1.	Capt. H.S. Lather	Former Chief Executive Officer of the Delhi State Cooperative Bank.
2.	Mr. N.A. Kularajah	President, Cooperative Union of Malaysia Limited.
3.	Mr. G.S. Dass	Assistant Commissioner of Cooperative Development, Malaysia.
4.	Mr. Goh Chong King	Registrar of Cooperative Societies, Singapore.
5.	Mr. Arthur K. Isaac	Former Registrar of Cooperative Societies, Singapore.
6.	Mr. Andrew B. Pinto	Former Secretary of Singapore Cooperative Union Limited.
7.	Mr. N.G. Raju	Chairman, Singapore Cooperative Union Limited.
8.	Mr. Mak Kam Heng	Vice-Chairman, Singapore Cooperative Union Limited.
9.	Mr. Koh Watt Seng	Vice-Chairman, Singapore Cooperative Union Limited.

The Cooperative Movement in Singapore

The Seminar briefly surveyed the present position of the Cooperative Movement in Singapore. According to statistics published by the Government of Singapore, at the end of 1967 there were 104 cooperative societies in Republic. A majority of these societies were of the thrift and loan category which forms the backbone of the Movement.

The total membership of all societies at the end of 1967 was a little over 55,000 and the working capital of the societies was over 30 million dollars.

The membership of thrift and loan societies at the end of 1967 totalled over 37,000 and these societies had a combined working capital of over 26 million dollars. Loans granted by them in 1967 amounted to 33 million dollars while loan repayments amounted to 32 million dollars.

The eight Employees' Credit Societies which cater mainly for the daily-rated workers had a membership of over 2,000 and a working capital of 999,000 dollars. The loans granted by these societies in 1967 amounted to over 400,000 dollars, while loan repayments totalled over 355,000 dollars.

The Cooperative Movement in the Republic of Singapore has now been in existence for more than 45 years. However, cooperative activities in other spheres, such as consumers and marketing, have been limited. Cooperative activity in the sphere of industry is absent.

The coverage of the population by the Cooperative Movement

The Seminar felt that the coverage of the population by the Cooperative Movement was insufficient. Out of a population of over 2 million, the Movement counted in its membership only 55,000 people, out of which 37,000 were members of Cooperative Thrift and Loan Societies. It was therefore observed that the membership coverage by thrift and loan societies was inadequate. While making attempts to branch out to other cooperative activities, it was felt necessary to organise new thrift and loan societies and also to increase the membership of existing ones. In order to increase the membership, the existing societies must provide more services to their members with such schemes as group life insurance, scholarship fund and death benefit schemes, and educational and recreational facilities.

Personal contact and communication between committee members and non-members are of vital importance in increasing the membership. Publication and distribution of literature informing

members and non-members of the advantages of cooperatives could be a great help. Steps should be taken to start a monthly or a quarterly cooperative publication which can serve as an education medium. It was suggested that the Singapore Cooperative Union should start a printing press, to enable the Cooperative Movement to bring out literature.

The printing work of the Movement could also be undertaken by this press, providing additional income to the Union which could be used for educational purposes. Publications may be in the four recognised languages of Singapore. The Cooperative Union should also take the initiative in organising societies in institutions where such cooperatives do not exist. It was suggested that the organisation of cooperatives in schools is one of the best ways of bringing the younger generation into the cooperative fold. For this purpose, the Cooperative Union should enlist the assistance of existing Singapore Teachers' Cooperative Thrift and Loan Societies.

I. MEMBER EDUCATION AND EMPLOYEE TRAINING

The Seminar stressed the need for training office-bearers, committee members and employees of societies for improving efficiency, and for furthering progress of the Movement. It was strongly felt that the Singapore Cooperative Union should play a leading role in initiating measures to organise educational activities and training schemes for members and employees to develop leadership qualities and ensure efficient management.

In order to embark on such educational and training schemes, the Union would need not only the moral support of all affiliates but also their generous financial contributions.

Realizing the urgency for such courses of action and considering the Union's financial position and the necessity of reformulating its constitution to allow for such activities, the Seminar felt that steps should be taken :

a) to set up a sub-committee to review and modify the Union's by-laws providing for wider participation and representation and to carry out all activities effectively and to encourage other societies to become affiliates.

   Representation in the general meeting of the Union should be in proportion to the membership of the society to a maximum limit. As the membership of the Union increases, it may become unwieldy if the Chairmen of every society were represented in the Executive Council. The sub-committee must look into this question in detail to evolve a workable solution.

b) to transfer to the Union, the two per cent of the net profits which hitherto was being contributed to the Cooperative College, Malaya, by the cooperative societies in Singapore, and thus to establish a Cooperative Education Fund for carrying out educational activities. In addition, another one per cent of the profits should be contributed to the Union to meet other expenses required for carrying out the activities of the Union.

c) to request each affiliate to set aside a certain amount from the profits to build a common building to be called "The Cooperative House" similar to that of the Trade Union House. The existing building funds of societies may be pooled together for this purpose.

d) to persuade non-affiliated cooperative societies in the Republic to become affiliates of the Union.

Several of the following activities do not have to await the creation of sufficient funds. But it was felt that once the Union had sufficient funds at its disposal, then it could speed up the implementation of the following:-

a) To set up an Education and Training Committee comprising of Union officials and veteran cooperators to plan and conduct various activities connected with member education and employee training;

b) To organise courses/classes/lectures in collaboration with appropriate educational agencies to make known the aims and objectives, basic principles and working of the Cooperative Movement.

c) To organise, at least once annually, a seminar to discuss the problems of the Movement and assess its progress;

d) To organise advanced courses leading to the award of certificates/diplomas in liaison with the Extra Mural Studies Department of the University of Singapore and the Singapore Polytechnic to further the knowledge and research work in various cooperative fields;

e) To set up a Cooperative Education Centre to be manned with instructors chosen from local cooperators and other resource persons;

f) To set up a library in the above Centre for reference and guidance;

g) To organise film shows, socials and forums over T.V./radio in all four languages to popularise the activities of the Cooperative Movement;

h) To secure full-pay leave from the employers concerned for cooperators to attend cooperative courses/seminars/conferences held both locally and abroad from time to time.

II. PROVISIONS IN THE COOPERATIVE LAW

The Seminar noted that in certain countries the Registrar of Cooperative Societies is empowered, after inspection or enquiry, if he considers necessary, to:-

i. dissolve all or any of the activities of a society;

ii. suspend or dissolve the committee of management;

iii. remove any particular member of the committee or employee of a society.

It was felt that the aim and intent of the law were to safeguard the interests of the members and hence appreciated the need to give wide powers to the Registrar. If these powers were wisely exercised, it would work to the good of the Cooperative Movement, but if abused there would be unwelcome and undue interference.

The Seminar took cognizance of the fact that under certain circumstances an appeal could be made to the Minister to reconsider a decision of the Registrar. Notwithstanding this provision, the Seminar expressed that the Registrar should disclose in a full report the relevant facts and the grounds upon which his decision was based, and in cases of dissolution, the matter should be brought before a board of inquiry composed of the Registrar or his representative, a representative of the Cooperative Union and an impartial Chairman acceptable to both the Registrar and the Cooperative Union to examine the case.

Desirability of separating statutory and development functions of the Registrar

The Seminar considered this as a vital topic for discussion, especially in the context of the favourable socio-economic climate prevailing in the Republic, which provide several openings for the cooperative societies to expand their scope of transactions beyond provision of credit, into other fields of economic activities. It has become quite expedient that the functions of the Registrar should be divided into two separate parts, viz. (i) statutory function; and (ii) development function.

The Seminar, therefore, felt that under the statutory function, the duties of the Registrar should be confined to registration of societies, and their supervision, inspection, audit, assistance, counsel and control in accordance with the Cooperative Law. The Seminar also observed that the long string of duties and responsibilities of the Registrar arising from the Cooperative Law and the by-laws of the different cooperative societies and policy decisions governing the day-to-day administration of the societies are indeed too burdensome for the Registrar to provide advice, be it oral or in writing, let alone supervision etc. Administering 104 odd societies in the Republic alone was considered a full-time job for the Registrar. This explains the need to have the statutory functions of the Registrar to be operative in its entity.

The Seminar considered "development" here as diversification of the Movement into other areas of cooperative ventures, e.g. multi-purpose cooperatives, cooperative super markets, printing, etc. All these aspirations require the engagement of an expert from the ICA or even from the United Nations specialised agencies or alternatively, collaboration with the Economic Development Board of Singapore for expert advice so that the societies would be in a position to embark on definite plans to expand their business ventures. In view of the difficulty of both these heavy functions being performed by the same person, the Seminar recommended that the development function should be separated from the statutory function of the Registrar.

III. MOBILISATION OF FUNDS

The cooperative economic system is entirely different from profit-seeking enterprises, not only due to its democratic administration, but also due to the principles which determine the allocation and division of the savings and provision of other financial benefits which successful cooperatives provide to their members. While the immediate goal of cooperative effort might be to supply the necessities of life for consumers at fair prices or to

provide better prices for the products of farmers and craftsmen, the ultimate aim was to establish a new social order. In order to achieve these objectives, cooperatives need sufficient volume of capital, the need for which is constantly increasing in order to undertake varied services for the members.

The financial resources of the societies are raised in the following three forms:-

i. Subscribing of shares by members;

ii. Deposits from members and raising of loans, and

iii. Constitution of reserves.

The Seminar recommended the following methods to increase share capital and deposits:

a) Launching a campaign to increase membership.

b) Encouraging existing members to increase their monthly subscriptions and/or deposits.

c) Encouraging members to contribute to several types of deposits for specific purposes.

d) Making a contribution of a small definite percentage of their regular income as a habit of thrift and saving on the part of the members.

e) Managing the cooperatives efficiently thereby creating confidence among the general public and encouraging non-members to deposit their savings in the societies.

f) Creating an insurance scheme for members.

The Seminar stressed the importance of building up strong reserves in societies, as such reserves along with share capital greatly increase the economic strength of the societies.

It has been argued that reserves are not divisible and therefore members are reluctant to help the societies as they are rather interested in immediate gains. In today's economic conditions, if a society is not dynamic and progressing continuously, the members will sooner or later feel frustrated and leave it for good. In developing countries, therefore, the cooperative workers have to act vigorously and educate members continuously to increase owned funds of the societies by subscribing to share capital and by creating reserves.

IV. INVESTMENT POSSIBILITIES FOR THRIFT AND LOAN SOCIETIES

In the Cooperative Societies Ordinance there is a provision for cooperative societies to invest its surplus funds in the Post Office Savings Bank, Government, Municipal and other gilt-edged securities, in approved banks and in any other modes approved by the Registrar of Cooperative Societies. The last provision provides large scope for thrift and loan societies to invest their surplus funds. The societies can get the assistance and advice of their bankers and share brokers in finding out opportunities for investment. With such advice and careful selection, societies may invest their surplus funds in insurance, travel agencies, petrol kiosks, restaurants, transportation, industries, agricultural enterprises etc. The Government owned industries in Singapore provide a good opportunity for investment.

The Seminar recommended that the surplus funds of the cooperative societies also be invested in the proposed insurance society being organised by the N.T.U.C. and any other cooperative ventures organised by them or by any other group. The Cooperative Movement should address their thought to starting new joint ventures to undertake consumer and industrial activities. Either multipurpose or single-purpose societies may be started to undertake such ventures. The Seminar stressed the importance of forming large units if any consumer or industrial activity is to be successfully undertaken. It is, therefore, necessary that all societies should join hands in undertaking such activities. The individual societies, however, may also undertake multipurpose activities in fields where small units can function efficiently.

The practice of combining credit function with trading activities would create complex management problems. The main objectives of the thrift and loan societies, and especially the sacred trust put in by the members should be kept in view in investing the capital of the societies. A most cautious policy for safeguarding members' hard-earned money should be followed when making investment decisions.

Diversifying the activities of the British Defence Services Societies

There are eight cooperative thrift and loan societies in the British Defence Services. These societies will have to be liquidated with the completion of the British miliary withdrawal unless alternative arrangements are made for them to diversify their activities.

The Seminar considered this situation in detail and made the following suggestions :

(1) Transport Service : The British Army has a fleet of buses. These societies could purchase these buses from the employers at a special concession - special concession in view of the number of years of service put in by the members of these societies, and that they are soon going to be discharged from service. These buses could then be reconditioned to provide service for tourism, for hotels, and other purposes.

(2) Workshop Services : These societies can also start workshop services to undertake repairs required for these buses and other vehicles belonging to the general public. It was also suggested that to provide real service, the workshop services should be available round-the-clock.

(3) Petrol Kiosks : In conjunction with (1) and (2), the Seminar proposed that petrol kiosks should be started by the cooperative societies concerned.

(4) Cafeteria/Curio Shop : The Seminar recommended the setting up of a cafeteria and a curio shop to cater for tourists who visit Singapore.

(5) Laundry Service : As more hotels go up, these cooperative societies concerned can look into the prospects of providing laundry services for these hotels as well as the members of the public.

(6) Supermarkets : Small sized supermarkets can also be established in various housing estate to serve the residents. This service can be extended to include even house-delivery.

The Seminar felt that there may be other avenues to diversify the cooperative activities. An expert should be sought to give advice on diversification into the different areas.

Employment : The Seminar unanimously agreed that the recommended measures and activities mentioned above would undoubtedly help to minimize the unemployment problem that would arise as a result of these employees being made redundant by 1971. It was emphasized that preference must be given to employment of these redundant workers in the above enterprises.

Finance : Every encouragement should be given by the societies concerned to get members to buy as many shares as possible to enable the Cooperative Movement to venture into these business enterprises. It is desirable, the Seminar felt, for these societies to get together and start their activities jointly.

However, even if some societies are unwilling to come together, those that are willing to amalgamate must do so. Other Cooperative Societies should be approached to invest their surplus funds to make this embryo organisation realise its necessary objectives of setting up a multipurpose cooperative venture.

Technical Assistance : All efforts to obtain assistance and advice should be made by these societies to branch off into this new set up. Suggested agencies that would be likely to give such greatly-needed technical know-how are the: (i) The Economic Development Board; (ii) The Development Bank of Singapore; and (iii) The International Cooperative Alliance through the Singapore Cooperative Union.

As the British Military pull-out taking place by the end of 1971 will constitute a very grave and crucial situation for the workers, the Cooperative Movement as a whole should immediately meet to mobilise its resources to overcome this impending "unemployment" problem and give every cooperation required by these fellow cooperators.

The Seminar requested the Singapore Cooperative Union to take a lead in helping these societies to branch out into new activities.

V. NECESSITY FOR A COOPERATIVE BANK

The Seminar unanimously decided that a cooperative bank is essential for the furtherance and expansion of the Cooperative Movement and listed the following as some of the activities that could be undertaken by the bank:-

1. to mobilise surplus funds available in the Movement;
2. to use the fund so mobilised for the promotion of new cooperative undertakings and also to enlarge the existing cooperative enterprises and to provide cooperatives with loans to successfully implement their schemes;
3. to provide the cooperative entering into new ventures in a big way, with assistance of experienced and trained personnel to provide expert advice in planning, preparing financial reports etc. and also give guidance on the management of the schemes;
4. to channel government funds to cooperatives particularly rural cooperatives;
5. to promote international cooperative trade especially in respect of export-oriented production;

6. to serve as a sort of central collection agency for member cooperatives;

7. to provide assistance with modern management techniques in accounting etc., and also supervise the societies who have borrowed from the bank.

The Seminar made the following observations with regard to the establishment and running of the cooperative bank:-

1. Feasibility Study: A thorough study of the financial position and the potential of credit cooperatives of Singapore must be undertaken. An expert from an international organisation may be invited to assist in conducting this study. Once such a study is made and the real position of the credit movement is ascertained, a cooperative bank may be established if found desirable and feasible. The assistance of a banking expert may be sought for the establishment and running of the bank in the initial stages.

2. Suitable Office: Member societies to contribute towards the renting of a suitable building to operate the bank at the initial stage till the bank is able to have its own building.

3. Publicity: All societies should be adequately informed of the advantages of investment in the cooperative bank.

4. Management/Administration: The bank must be managed by a trained administrator with a sound knowledge of cooperative banking.

5. Representation in the general meeting of the cooperative bank should be based on the number of shares held by the society with a maximum of not more than three from any one society.

6. The Board of Directors should have powers to appoint advisors, internal and external.

7. General meetings should be held annually, immediately or in any case not more than three months after the financial year. The Board of Directors should meet as often as may be necessary but at least once a month.

8. Minutes and notices of meetings should be circularised punctually.

9. At the annual general meeting financial and other related reports should be presented to all members.

10. The value of a share in the cooperative bank should be substantial and realistic.

11. The deposit should be for varying periods, for example, ranging from 3 months to 3 years. If the deposits are kept with the bank for a period of two years or more, then the rate of interest paid could be higher than for short-term deposits. This will encourage societies to place their money in the bank for longer periods.

12. All cooperatives should have their accounts with the cooperative bank. To attract societies to invest in the cooperative bank, the possibility of paying for deposits must be at least ½ per cent higher than in commercial banks.

13. In view of the strong financial position of the cooperatives in Singapore, it is not necessary nor advisable to seek government funds, except to offer the facility of channelling government funds to rural cooperatives if the government so desires.

VI. COLLABORATION BETWEEN COOPERATIVES & TRADE UNIONS

The Cooperative Movement and the Trade Union Movement have similar objectives as both are endeavouring to work for the welfare of the workers. While the trade union movement is established to secure for the workers better wages and working conditions, the Cooperative Movement aims to provide to the workers the economic services required by them. It was therefore felt that the two movements in Singapore must collaborate with each other and work jointly to raise the economic well-being of their members.

SUMMARY OF RECOMMENDATIONS

1. In view of the inadequate coverage of the population by the cooperative societies, a drive to organise new societies and to increase the membership of existing societies must be undertaken. Organisation of school cooperatives is one important step to be undertaken in this direction.

2. Adequate arrangements must be made for education of members, prospective members and training of employees. For this purpose, the financial position of the Singapore Cooperative Union should be strengthened by the affiliate societies by making increased contributions towards the Union.

3. The Union should start a cooperative journal on a monthly or a quarterly basis. The Union may set up its own printing press to undertake publication of literature and to undertake printing jobs as a means of raising additional income to carry out its educational activities.

4. A sub-committee should be appointed to revise the constitution of the Union.

5. It must be recommended to the Government to separate the statutory and development functions of the Registrar so as to enable the cooperative department to give increasing assistance in cooperative department work.

6. Steps should be taken to strengthen the capital base of the societies in ways enumerated elsewhere in the Report.

7. The Cooperative Movement should diversify its activities. For this purpose, the thrift and loan societies should provide the necessary support without jeopardising members' savings.

8. The cooperative should offer to collaborate with trade unions in activities directed at improving workers' welfare.

9. A cooperative bank should be started after a detailed study of the credit cooperatives.

10. Cooperative societies in Singapore should give every possible assistance to the Base Defence Services Societies in their new endeavour to form multipurpose societies after the British military withdrawal in 1971.

A STEERING COMMITTEE TO IMPLEMENT SEMINAR RECOMMENDATIONS:

A Steering Committee consisting of six members from the Union's Executive Council and six participants of the Seminar should be set up to implement the recommendations of the Seminar. The Steering Committee at its meeting must make a detailed work plan with target dates to implement the various recommendations.

CONCLUSION

The Seminar expressed its appreciation and thanks to the participants, the ICA Regional Office and Education Centre and to the Singapore Cooperative Union Limited, for organising this Seminar which gave Singapore cooperators an opportunity to discuss their problems and to give thought to future plans for expansion and development. It wishes to record its thanks to all the lecturers for their valuable contributions. The Seminar gratefully appreciates the encouragement given by the Registrar of Cooperative Societies in Singapore who not only delivered a lecture at the seminar, but also participated in several of its sessions.

The Seminar wishes to thank the Principal of the Singapore Polytechnic for the excellent facilities provided for conducting the Seminar. Last but not the least, the Seminar would like to express its thanks to the various cooperative organisations which entertained the participants at different social functions.

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LECTURE OUTLINE

REFORMULATED PRINCIPLES OF COOPERATION AND THEIR SIGNIFICANCE TO MANAGEMENT

Lionel Gunawardana
Deputy Director
International Cooperative Alliance
43, Friends' Colony
New Delhi-14. India

NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT
Singapore April 13-18, 1970

jointly organised by

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The Committee made its final report to the Congress of 1934 in Paris.

As a result of this report the International Cooperative Alliance recognized seven Rochdale principles, but concluded that only four of those could be applied universally at the international level for purpose of ICA membership.

They were :

1. Voluntary Membership;
2. Democratic Control;
3. Distribution of surplus to members in proportion of their participation in the transaction of the society;
4. Limited interest on capital;

The other three were :

5. Cash trading;
6. Religious & Political Neutrality;
7. Education;

ICA Congress held in 1963 in Bournemouth adopted a resolution requesting the Central Committee to constitute an authoritative Commission to formulate the fundamental principles of activity of cooperation under modern conditions.

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The Commission based its studies on answers to a questionnaire it issued to the ICA's affiliated organizations as well as selected non-member organizations and individuals, and interviews it had with leading co-operators.

The Commission submitted its report to the ICA Congress held in Vienna in 1966.

The Commission in its Report recommended that the following should be considered as essential to genuine and effective cooperative practice both at present and in the future as far as that can be foreseen.

1. Membership of a co-operative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

2. Co-operative societies are democratic organizations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

3. Share capital should only receive a strictly limited rate of interest, if any.

4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others.

They may be done by decision of the members as follows :-

(a) By provision for development of the business of the Co-operative;

(b) By provision of common services; or

(c) By distribution among the members in proportion to their transactions with the society.

5. All co-operative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Co-operation, both economic and democratic.

To these the Commission recommended the addition of a principle of growth by mutual co-operation among cooperatives.

6. All co-operative organisations, in order to best serve the interests of their members and their communities should actively co-operate in every practical way with other co-operatives at local, national and international levels.

Membership:

1. Those who can make use of the services of a particular cooperative society should be able to become its members without any artificial restrictions. It is important to note that only those whose needs and services are supplied should become and allowed to become members.

2. Co-operative Movement is at once a social movement seeking to increase its adherents. Naturally it should welcome and encourage the eligible persons to become members.

3. The member should realize and fulfil his obligation to the society and the society in turn should reciprocate.

4. The individual should be free to join or withdraw from a society. There should not be any direct or indirect compulsions. However, his entry or exit should not affect the society adversely. Therefore this freedom can rarely be absolute. It can be modified or restricted by other considerations of greater validity.

5. A Society is not obliged to retain a member if his conduct is detrimental to its interest. The condition of explusion however should be clearly laid down in advance and known to both parties.

6. The open membership (with the unavoidable restrictions)make a cooperative society distinctly different from a Joint Stock Company. Because of open membership shares remain at the nominal value fixed in the society's rule.

Democratic Administration:

1. The primary purpose of a cooperative society is to promote the interest of its members. To achieve this end the members must have the final say in the society. Therefore there should be an effective method of consulting the members as a body and their support and loyalty keep the society alive and active. To ensure that the members interest get the highest priority in the administration of the society's affairs, those who administer the affairs must be chosen directly or indirectly by the members.

2. "One man, one vote" is the most condensed expression of the democratic administration of cooperative societies.

3. In the case of organizations of higher tiers, where members are societies indirect systems of elections are adopted.

4. In developing countries where governments contribute capital of the societies, government representation on Boards of Management become necessary. Without generous amounts of government finance, cooperative development in these countries will be slow. However, representation should not continue a day longer than it is necessary.

Interest on Capital:

1. The Cooperative Movement since its beginning has followed the system of paying a fixed and limited interest on capital of members.

2. The three main forms of capital in a cooperative :
   i. Share capita;
   ii. Capital owned by society in the form of reserves etc.;
   iii. External borrowing etc.
   The limitation applies really to the first.

3. Situation where principle of limited interest can be tested.
   A. The cooperators are not unanimous on the question whether any interest should be paid on capital or not. There is no principle which obliges that interest should be paid. If no interest is paid there is no clash with the principle.

   B. If interest is paid below the rate which may be regarded as fair elsewhere then also this can be regarded as payment of limited interest.

   C. A third situation is where limited interest is paid for a certain period but raised or lowered not in response to short term fluctuation on the money market but the long range movement of interest rates. This too does not contravene the principle.

   D. A fourth situation would be where a premium is merged into the rate of interest. From a cooperative point of view, this is dubious.

Disposal of Surplus (Savings)

1. There are two main points that should be kept in mind:-

   A. How to find the proper balance between the interest of the society and those of the individual members.

   B. To do justice as between one individual member and another. It is important to remember that economic benefits conferred on the members are of various kinds - money, goods or service.

2. With regard to the distribution of surplus there are certain operational aspects that must be considered:-

   A. Provision of goods to members at low prices which hardly leads to accumulation of surplus for distribution.

   B. The business prudence sometime may require that all or large part of the society's earnings to be placed to reserve.

   C. A major part of the surplus may have to be devoted to provision of common enjoyment to the members.

3. The distribution of surplus among members is an important characteristic that distinguishes a cooperative from a Joint Stock Company.

Education:

1. The Commission elevated "Principle of Education" to that of a regular principle.

2. The definition of education for the purpose of cooperation (Quotation from Principles Commission Report) P. 34.

"For the purposes of Co-operation, however, education needs to be defined in a very broad sense which includes academic education of more than one kind but much besides. It includes both what people learn and how they learn it. Every phase of experience, which adds to people's knowledge, develops their faculties and skill, widens their out-look, trains them to work harmoniously and effectively with their fellows and inspires them to fulfil their responsibilities as men or women and citizens, can have educational significance for Co-operation Less and less in the contemporary world can education be limited to what is learnt in schools and colleges at special periods of people's lives. According to the Co-operative concept, education is a life-long process.

3. Cooperative education process can be divided into three groups :

   A. Member education;

   B. Staff training;

   C. Education of the public in cooperative methods.

Cooperation among Co-operators:

1. The cooperation among cooperatives is playing now and destines to play in future a very important role.

2. This may be discussed under three headings :

   A. Relationship between primary societies and between primaries and higher tier organizations.

   B. Cooperation among national federations.

   C. International Cooperation.

International cooperation can be discussed under two headings :

   i. Economic collaboration;

   ii. Ideological collaboration;

Cash Trading:

The main reasons why cash trading was emphasized by the pioneers were :

a. High cost involved in credit buying.

b. Credit buying may hold the temptation to spend more than one can afford.

The conditions at least in some parts of the world have changed where it is reasonable to think that the rule of cash trading may not be adhered to strictly.

Political and Religious Neutrality:

Internal:

The internal aspect concern the relations of a cooperative with its members. There should be no discrimination on the basis of religion or politics in admitting members or in the treatment to members.

External:

The external aspect deals with the society's or the Cooperative Movement's relation with the external social and political system.

The Commission thought that
"Cooperation as a economic movement with an economic doctrine of its own and representing well-defined economic interest, cannot avoid involvement in affairs of government, which whether they are or are not the subject of party conflict, are in nature political."

Co-operative Legislation - Promotion, Supervisory and Statutory Functions of the Registrar

The co-operative movement of each nation reflects its national characteristics and social, political, economic and cultural heritage. These factors account for the varied types and degree of development of co-operatives in countries. The co-operative movement in Singapore was started by the British when Singapore was part of the British Empire. Like other countries except Thailand in Southern Asia, Singapore was influenced by the British not only politically but also judicially. As such, the co-operative legislation in Singapore is also based on concepts and institutional principles of the British System.

The first co-operatives were believed to have started in Singapore in the early 1925. The present legal status is provided by the Co-operative Societies Ordinance, which is based on a law enacted in 1924 which came into force on 1.1.1925, amended and revised in 1953. The Co-operative Societies Rules, 1925 amended in 1953 are the executive and subsidiary adjuncts to the Ordinance and contain the administrative procedures. The Ordinance consists of 11 parts sub-dividing into 59 sections. It may briefly be divided as follows:

1. Preliminary.
2. Registration.
3. Duties and Privileges of Societies.
4. Rights and Liabilities of Members.
5. Property and Funds of Registered Societies.
6. Audit, Inspection and Inquiry.
7. Dissolution.
8. Surcharge and Attachment.
9. Disputes.
10. Rules.
11. Miscellaneous.

Under the Ordinance, the Minister may appoint a Registrar of Co-operative Societies and his assistants to register such societies with objects for the promotion of economic interest of the members. The Registrar is not intended to be merely a registering officer. He is also expected to provide supervision, inspection, audit, assistance, counsel and control. The Registrar, therefore, plays an important role in the proper working of the co-operative societies registered in the Republic. The objects of a co-operative society must be the promotion of the economic interests of its members in accordance with co-operative principles. In order to see that a new society is formed on a sound basis, the Registrar must not confine himself merely to seeing that the applications for registration satisfy the provisions of the Ordinance and the Rules made thereunder. He must also study the feasibility of the proposed society and assess whether such a society is economically viable if the registration is granted for its formation. On him rests the responsibility to see that a society starts and develops under healthy and favourable conditions. The object for which a society is to be formed should also be clearly and exhaustively set forth in the by-laws which have to be approved for registration. As the objects of the society must be the promotion of economic interests of its members, it is imperative that a society must not serve non-members. The Registrar is, therefore, given authority to use his discretion in the discharge of almost all of the duties assigned to him by the Ordinance. The effect of the exercise of this discretion is to make him responsible

in some degree for the efficient working of the societies registered by him. Section 7 of the Ordinance amplifies the discretion by saying that where the provisions of the Ordinance and the rules have been complied with, the Registrar may, if he thinks fit, register the society and its by-laws. The same discretion is allowed in the case of an amendment to the by-laws.

Registration

Under the Ordinance, the word "Co-operative" is allowed to be used only by societies registered under the Ordinance. Section 56(1) stipulates that no person other than a registered society shall trade or carry on business under any name or title of which the word "Co-operative" is part without the sanction of the Minister. Conditions of registration are that there should be at least 10 persons who must have attained the age of 18 years. For the purposes of registration, members are required to sign personally on the application for registration and copies of the proposed by-laws before submission to the Registrar. Signatures on the by-laws signify that members agreed to the terms and conditions contained therein. A copy of the duly signed minutes of the meeting of all members should also accompany the application in which special emphasis is given to the agreement to abide by the by-laws, Ordinance and Rules and to undertake the rights and liabilities accrued therefrom. If the Registrar is satisfied that a society has complied with the provisions of the Ordinance and the rules, and that its proposed by-laws are not contrary to the Ordinance or to the Rules, he may, if he thinks fit, register the society and its by-laws by returning a copy of the by-laws attested by him together with a Certificate of Registration. The society is then a body corporate, bound to carry out its business according to its by-laws. These by-laws can also be amended from time to time in the light of experience as stipulated in Rule 9 of the Co-operative Societies Rules. A general meeting should be called for by giving 15 days' notice of such intended amendment and it is required that not less than half of the members of the society should be present at such meeting. Three copies of such amendments to the By-laws and one copy of the resolution of the general meeting passing the amendments accompanied by an application for registration signed by the Chairman and two Committee Members should then be submitted to the Registrar. If the Registrar approves the amendments, he will register them and return two copies of amendments with a Certificate of Registration attached to it. However, exemption is provided in the Rules for societies which could not comply with the above quorum. By the written order of the Registrar, one-quarter of the members or 100 members, whichever is less, present at the meeting shall form the quorum necessary for the amendments. However, two-thirds of the members present should vote in favour of the amendments.

Duties and Privileges of Societies

Every society should have a registered address to which all notices and communications may be sent. Notice of every change of that address should be sent to the Registrar as soon as possible. Every society should keep a copy of the Ordinance, Rules, By-laws and a list of members for inspection and reference. It is the duty of the society to keep all books and registers. Since the society is registered it can carry on its business in the name of the society in accordance with its aims and objects until it is liquidated. It can own property,

enter into contracts, institute and defend suits and do any other business necessary for the working of the society. The society can set off its claims against members' shares and deposits. The income of co-operatives is also exempted from taxation as provided in section 13 of the Income Tax Ordinance (Chapter 166) which states that "There shall be exempt from tax the income of any co-operative society registered under the Co-operative Societies Ordinance." Further, section 35 of the Stamp Duty Ordinance (Chapter 170) also provides that "No duty shall be chargeable in respect of any instrument executed by or on behalf of a society registered under the Co-operative Societies Ordinance or executed by an officer or member of any such society and relating solely to the business of such society". Another important privilege enjoyed by co-operative societies is the granting of deduction facilities to enable members of co-operative societies to pay their dues by deduction from their salaries. All employers are permitted to provide deduction facilities to enable their employees to participate in the activities of co-operative societies. This is clearly provided in section 27 of the Employment Act, 1968 that the deduction may be made from the salary of an employee in respect of deductions made with the written consent of the employee and paid by the employer to any co-operative society registered under the provisions of any written law for the time being in force in respect of subscriptions, entrance fee, instalments of loans, interests and other dues payable by such employee to such society.

Rights and Liabilities of Members

Every member of the society is entitled to one vote irrespective of the amount of shares held by him in accordance with the co-operative principle of "one man one vote." But in the case of "society-members", the number of votes varies and is provided in the by-laws. In other words, "society-members" are allowed to give more votes than individual members. The rights of membership can be exercised only after payment in respect of membership has been made as prescribed in the by-laws. The liabilities of members in case of societies with limited liability is limited to the extent mentioned in the by-laws of the society. This liability is enforceable against the member for two years after his withdrawal.

Property and Funds of Registered Societies

Co-operative Societies shall make loans only to its members but with the permission of the Registrar it can lend to another co-operative society. Co-operative societies may receive deposits from non-members only to such extent and under such conditions as may be prescribed by the rules or by-laws. The funds of co-operative societies are to be deposited in Post Office Savings Banks, Government Securities and other banks. The co-operative societies should declare dividends after allocation of one-fourth of the yearly net profits to the reserve fund. The rate of dividend paid on shares should not exceed 6 per cent per annum without the sanction of the Registrar. After the allocation of reserve fund, the society may, with the sanction of the Registrar, contribute an amount not exceeding ten per cent of the remaining net profits to any charitable purpose or to a common-good fund.

Promotion

Mr. H. Calvert in his book - "The Law and Principles of Co-operation " defines Co-operation as "Co-operation is a form of organisation, wherein persons voluntarily associate together as human beings, on a basis of equality, for the promotion of the economic interests of themselves." The co-operative

movement by its nature is a voluntary movement of the people. Though in many developing countries where the government has been the organiser of co-operatives, co-operatives which were not developed voluntarily by the people but given them by others do not generate enthusiam so necessary to bring about success. The role of government is to establish laws and by-laws, to register co-operatives under the said laws, to supervise (audit) co-operatives while enforcing the compliance of these laws so as to safeguard the interests of members.

Supervision

The term "supervision" should be understood in a wide sense. It does not mean solely that form of control which ensures that a co-operative should operate according to the law and its by-laws and in the interest of all its members. It also means that advice and counsel given to a co-operative either orally or in writing for the guidance of its administration for the prevention of errors in the management. In this sense supervision includes also auditing. It is often considered that auditing is a measure for safeguarding the interests of third parties and that the obligation upon co-operative societies to submit their accounts for auditing has contributed to a large extent to their development and their general solidarity. As regards audit, the important point is that it should be (a) compulsory (b) actually carried out and (c) carried out by competent auditors. Section 35 therefore provides that the Registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing the accounts of every registered society once at least in every year.

Inquiry

It is a statutory function of the Registrar on his own motion, or on the application of a majority of the Committee or of not less than one-third of the members of a registered society, to hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a registered society. The main object of this provision is to secure detailed investigation into the affairs of societies suspected of mismanagement. Responsibility of the Registrar for proper working of the societies makes such provision inevitable.

Liquidation

The Registrar may make an order for the cancellation of the registration of the society if he is of opinion that the society ought to be dissolved after an inquiry has been held or after an inspection has been made under section 37 of the Ordinance or on receipt of an application made by three-fourths of the members of a registered society. The Registrar may also order a society to be wound up when the membership of the society has been reduced to less than 10. Where the registration of a society is cancelled, the Registrar would appoint a liquidator to wind up the affairs of the society.

To sum up, it is said that a co-operative is not for profit, not for charity, but for service. As the movement is of the people and for the people and therefore must be run by the people and the Registrar is said to be the guide and friend of the co-operative movement.

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WORKING PAPER

ROLE OF COOPERATIVE UNIONS IN COOPERATIVE AND LEADERSHIP DEVELOPMENT

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NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"
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pk/14th April, 1970

ROLE OF COOPERATIVE UNIONS IN COOPERATIVE AND LEADERSHIP DEVELOPMENT

N.G. Raju, B.B.M.

The Cooperative Movement was introduced in Singapore in 1925 with the enactment of the Cooperative Societies Ordinance. From the outset the initiative was taken by the government in forming credit societies known as Thrift and Loan Societies in Singapore to meet the pressing need of the middle-class man.

As early as 1933 the need for a coordinating body for the movement in Singapore was felt, and as a result the Singapore Urban Cooperative Union Limited was formed by 12 of the existing Cooperative Thrift and Loan Societies.

By virtue of its name the functions of the Union were limited to the urban workers. However, after the Second World War, the Union realised that it was time for it to be recognised as a National body and to this end in 1953 the name of the Union was amended to the Singapore Cooperative Union Limited. In 1958 yet another step was made by the Union in affiliating to the International Cooperative Alliance. The Union also has contacts with the Cooperative Movements in many parts of the world.

Membership in the Cooperative Union is open to all registered Cooperative Societies in Singapore.

The objectives of the Cooperative Union are:-

1. To promote the Cooperative Movement.
2. To propagate the principles of Cooperation.
3. To serve as a channel of Cooperative opinion within the limits of its operation.

4. To take measures to coordinate the activities of all affiliate societies.

In furtherance of these objects the Union performs various functions which include, among other things, the following:-

1. To advise and assist affiliates and to work for the common good of all cooperators.
2. To organise public lectures, conferences and to undertake cooperative education through training classes and other appropriate means.
3. To act as an information bureau, and
4. To select members of affiliates to attend seminars, conferences in Singapore and abroad.

The functions of the Union are purely promotional and it is clearly understood that the Union would not interfere in any manner in the conduct of the day-to-day business of any affiliate society.

The democratic practice of parliamentary management of the Union and Cooperative Societies is strictly adhered to and to the Supreme Authority of the Union is vested in the General Assembly of delegates comprising of three delegates of each affiliate society. The Executive Council of the Union is constituted of the Chairman of each affiliate society.

The Executive Council of the Cooperative Union has under its constitution specialised committees for specific purposes such as:-

1. Finance
2. Planning
3. Select Committees

The Select Committee is further sub-divided into sections comprising:-

1. Education
2. Liaison
3. Publicity and Propaganda
4. Special functions, and
5. Other activities.

The funds of the Cooperative Union are derived from the affiliation fee due from affiliates. No financial assistance is rendered by Government to the unofficial sector of the Cooperative Movement. However, the Registrar of Cooperative Societies and his personnel in his department keep a watching brief over the functions of all registered Cooperative Societies and assists in organisations and supervision of societies. The Union is not in a position to provide consultative service due to the limitation of funds.

The main problems facing the Movement in general could be enumerated as follows:-

1. Lack of trained personnel
2. The limitation of funds to carry out the various activities in order to render services to affiliates.
3. The absence of an institution to train cooperators.
4. The movement has not been able to create an impact upon the cross-section of the people.

All this brings me to the point of cooperative leadership - perhaps, I have painted the picture in very sombre colours. Despite that, however, we have to face facts and appreciate the situation that what we need, and need very badly, is leadership in our Movement.

How and where can we look for this leadership - within our Movement or outside our Movement - Singapore has many citizens with latent talents of leadership. We must therefore begin, as our Movement suggests, in getting together the people of Singapore in our search for leadership. Our Movement can only work if there are leaders. Leadership is the element which makes democracy dynamic - where there is no leadership - there is no Movement, only drift and stagnation. It is time that we moved away from our present system of cooperative thrift and loan business.

As the old saying goes, "Some are born leaders, others achieve leadership, others have leadership thrust upon them."

Now what are the functions of leadership in the Movement.

1. Show fellow cooperators the way ahead.
2. Show greater acuteness of mind.
3. Keep the minds of members moving as a body.

The qualities are in-born qualities of character, temperament and intelligence. We shall classify them as:

1. Courage - to do the job, to stick by the job, to accept the results of your action.
2. Courage is guided by judgement - a sort of instinct to tell you how far to go, when to press on, when to stay action, when to hold your tongue.
3. Sympathy - without feeling or thought of others, leaders may be tactless, impatient and unfair to those with whom they deal.

   Leaders need imagination - to fire the imagination and enthusiasm of others.
4. Fluent speech, ready wit, gift of clear exposition, a mind quick to absorb new knowledge.

Besides general cooperative knowledge leaders must be equipped with special knowledge of the branch of the Movement, be it administrative, sales, conduct of meetings, interviewing members and others.

I have no doubt that cooperators with these qualities are available in our Movement. How shall we pick them out and mould them in the interest of our Cooperative Movement should be the task of this Seminar.

Cooperative education is clearly indicated - member education within each society, or at Union level. All parties concerned in the growth of Cooperation must sit round to discuss these avenues leading up to Cooperative Leadership. I trust that the discussions on my talk will bring forth some workable scheme.

WORKING PAPER

DEVELOPMENT OF COOPERATIVE LEADERSHIP

Dr. Dharm Vir

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New Delhi.14

NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT
Singapore - April 13-18, 1970

jointly organised by

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia
43, Friends' Colony, New Delhi.14

SINGAPORE COOPERATIVE UNION
Post Box 366
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Development of Co-operative Leadership

By Dr. Dharm Vir, ~~I.C.A.~~
Joint Director,
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Education Centre,
New Delhi

Eleanor Roosevelt, when asked to mention the leadership qualities of her husband - President Roosevelt, said:

> "It is very often the opportunities which bring out the leadership qualities".

Co-operative movement throws a challenge before the society and provides opportunities to social minded citizens for self-development and co-operative development.

Leadership may be defined as arrangement of the situation so that the group results may be achieved. The objectives of co-operatives may be well achieved if the qualities of imagination initiative and courage are brought forth in leaders and potential leaders. The trained leaders by their example and action can change and improve situation in co-operative movement.

B. Psychology of Leadership

Basic to sound leadership is an understanding of human social needs.

They are:

Activity and Variety

Basic achievement needs

- security of status
- sense of personal worth
- sense of participation
- group membership.

Secondary achievement needs:

- Personal development
- release from emotional tension.
- service to community

Characteristics of successful leaders

Surveys of studies on leadership conducted in the U.S.A. showed the following personal factors which may be attributed to the success in leadership functions:

Capacity (intelligence, alertness, verbal facility orginality and judgement).

Achievement (Scholarship, knowledge, athletic accomplishment).

Responsibility (activity, socialibity, cooperation, adoptability humor).

Status (Social-economic position, popularity)

Situation (Mental level, status skills needs interest of followers objectives to be achieved)

Methods of Leadership:

According to the types of leaders there are three main methods of leadership as given below:-

1. Autocratic Leadership: The leader mainly seeks obedience from his group. He determines policy and considers decision making a one man operation.

2. Democratic Leadership: The leader draws ideas and suggestions from the group by discussion and consultation. The group members are encouraged to take part in setting policy. The leader's job is largely that of moderator.

3. Free-reign Leadership: The leader is more or less an information booth. He plays down his role in the group's activity. He has hand mainly to provide materials and information. He exercises a minimum of control.

It is generally said that democratic leadership is the best. But the experience especially in developing societies, shows that some times autocratic or free reign leadership may be more suitable under exceptional circumstances. However for the Co-operative Movement the democratic type of leadership has been found most suitable.

Techniques of Leadership:

Stimulate People to Right Action by

1. Managing the People you Direct.
2. Making your Advice Get Results
3. Presenting Effective Training.
4. Correcting People's Mistakes.
5. Inducing People to Try Harder.
6. Encouraging People to Think.
7. Giving Instructions and Orders.
8. Improving Confidence and Morale.

Strengthen and Increase Your Prestige by

1. Recognizing your Responsibilities.
2. Adjusting Your Personal Outlook.
3. Developing Estimates of People.
4. Securing Active Cooperation.
5. Getting Along with Your Boss
6. Gaining Recognition and Credit.
7. Creating a Favourable Reputation.

LEADING AND BOSSING

The Boss	The Leader
1. Drives his men.	1. Coaches his men.
2. Counts on authority.	2. Gets their good will.
3. Keeps them guessing-fearful	3. Arouses their enthusiasm
4. Talks about "I"	4. Makes it "We"
5. Says "get here on time"	5. Gets there ahead of time.
6. Finds blame for breakdown	6. Fixes the breakdown.
7. Knows how it is done	7. Shows how it is done.
8. Makes work a drudgery.	8. Makes work a game
9. Says, "Go"	9. Says, "Let's go 1"

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Evaluate your Leadership:

Some tests for Leaders are available to measure leadership qualities. Some of the tests have been constructed by psychologist.

Chairman as Leaders:

Chairman of Co-operative Societies are democratic Leaders elected by members of board members according to accepted election rules. They are not boses or executives. Their main job is to help in formulation, administration and evaluation of cooperative policies. They preside over the meetings of board of directors, in which decisions about policies are taken. Beside duties mentioned in by-laws the following additional responsibilities may be assigned to the chairman and members of the board:-

1. Public relation work.
2. Education work
3. Human relations, development of leadership and team spirit of among members, employees etc.

The role of o-operative Union in Leadership Development

1. The unions which are promotional leaders should attract talented people toward Co-operative Movement and train them in various tasks.

2. They should encourage and support right type leaders. Especially young leaders. Should get adequate attention and publicity.

3. The Unions should conduct educational and training programmes for existing, leaders and executives. They should also encourage member societies for having a planned educational and leadership development programmes.

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----------WORKING PAPER

COLLABORATION BETWEEN CO OPERATIVES & TRADE UNIONS FOR MUTUAL BENEFITS

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Vice-President
Singapore Cooperative Union
Singapore

NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT
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COLLABORATION BETWEEN COOPERATIVES & TRADE UNIONS FOR MUTUAL BENEFITS

MAK KAM HENG

Before we get down to the actual question of collaboration between Co-operatives and Trade Union for mutual benefit, let us, first of all, examine the roots and characteristics of these two Movements.

(1) ROOTS OF TRADE UNIONISM

The roots of modern trade unionism and cooperation sprang up out of the industrial revolution at the end of the 18th century in Western Europe, particularly in England. As a result of this revolution, there was a mass exodus of people from the rural areas into the towns during that time, for it was thought then that the towns had better things to offer in life than the rural areas. These people who had placed their hopes and future in the towns were greatly disappointed and disillusioned for they were exploited by those in the so called upper strata of society. Wages were a mere pittance while prices of commodities were high. A large majority of these workers were in fact paid in kind. The food given to them in return for their labour was far below the subsistence level.

These exploited workers then realised the need for collective efforts to fight against exploitation. Arising out of this realisation trade clubs and other kindred organisations were formed. These early associations of workers were frowned upon by the employers as well as those in authority. The Combination Act of 1799 passed by the English Parliament is evident of the antipathy of those in authority during that period of the workers' efforts for collective action against exploitation.

In 1825 by an Act of Parliament in England workers' right to join a union was recognised. From then on workers through painful and slow struggle through the generations gained for themselves the right to be treated as human beings.

ROOTS OF CO-OPERATION

The modern Co-operative Movement was born in 1844 in England when the famous Rochdale Equitable Pioneers' Society was founded in Lancashire. A group of 28 workers principally cotton weavers formed themselves into a society "for the pecuniary benefits and improvements of the Society and domestic conditions of its members ...." From the day of inception of this Society, co-operative societies spread first over Britain and then all over the world based on the Rochdale principles.

(2) CHARACTERISTICS OF THE TRADE UNION MOVEMENT

The characteristics of the trade union movement in the free world can be summarised as follows:-

(1) Restricted membership
(2) One man one vote
(3) Secure the best returns for the workers' labour
(4) Defend the rights of workers
(5) Voluntary association
(6) Workers education and mutual aid schemes
(7) Racial, political and religious tolerance.

The immediate objectives with which trade unions have been formed in Asia are essentially the same as in other parts of the world, namely to minister to the educational, material, social or recreational needs of their members. The end objectives, in most instances, have also been the same, namely to obtain for their membership a higher standard of living than they would be currently enjoying.

The trade union movements in Asia have certain common features. The workers organised in trade unions form only a small percentage of the working population in most Asian countries. They are centred mainly amongst the urban population. The excess labour force, the enormous unemployment problems and the migratory character of the labour force have severely limited the growth prospect of these unions.

Another important feature of the Asian trade union movement is that it is influenced by political parties. In nearly every country the development of the trade union centres is closely linked to the development of various political parties. In some countries the trade union movement grew up as a part of the political movement for the liberation of the country.

CHARACTERISTICS OF THE COOPERATIVE MOVEMENT

The characteristics of the co-operative movement are embodied in the following principles based on the rules formulated by the Rochdale Pioneers:-

(1) Open membership
(2) Democratic control
(3) Limited interest on capital
(4) Patronage dividend
(5) Cash Trading
(6) Co-operative education
(7) Political and religious independence.

The characteristics of the co-operative movement in our region reflect the process of transplanting an essentially Western soil. Instead of the movement originating from the people who realised the need for organising themselves into a system for their own economic uplift, the movement was introduced by the Government.

A second characteristic is the use of the co-operative movement as an essential to economic development.

A third characteristic of the movement has been what can be aptly termed the creation of a dichotomised movement. This means that the co-operative movement has diverged because of existing circumstances into two sectors: the urban and the rural sectors.

(3) THE RELATIONSHIP BETWEEN THE TRADE UNION AND CO-OPERATIVE MOVEMENT

The cooperative movement is naturally close to the trade union movement. When the workers by bitter struggle secured the right to organise and then by discovery. After the State had been compelled to permit these two steps, some workers observed that the problems of labour still was not solved. Although the employer at first resisted paying increase of wages or granting shorter hours or making any concession to the workers still when the concession was made, the workers found that the employer did not pay for it. He added the increased cost of producing the commodity to the selling price, and passed it along to be paid by the consumers. And since, most of the consumers are working people, it was the workers themselves who paid much of the increase in their wages. In the early part of the nineteenth century, when the working people realised this fact, the modern co-operative movement was born.

Trade unionism is incomplete without organisation at the point of consumption to supplement organisation at the point of production. So while the trade union movement was established to secure for the workers the best returns for his labour, the co-operative movement was established to secure for the worker the best returns for the fruits of his labour. The first gives the worker more means to purchase, the second gives him more purchasing power for his means. The two movements are complementary.

From the brief outline of the roots and characteristics of the trade union and co-operative movements, it can be perceived that conditions are conducive to the establishment of some relationship between the two movements which will be of ultimate benefit for the working class.

Trade unions and co-operatives have a number of common basic features. Both have the same motivation i.e. to raise the economic well-being of their members, both are democratically controlled by officers elected by the members themselves, and both are supported by contributions from members who share equal risks and benefits.

The basic philosophy of the trade union movement being to unite the workers and to improve their standard of living, its natural reaction to the cooperative movement will be one of a sister affinity.

(4) THE NEED FOR TRADE UNION SUPPORT TO COOPERATIVES

Although trade unions are primarily interested in improving wages and working conditions, they also attempt to support many other activities which are likely to contribute to the economic betterment of members. Over a period of time, increase in monetary wages may not necessarily mean increase in real wages, if, for instance, the prices of consumer commodity increase faster than the increase in money wages.

The ultimate concern of the worker is to see that when his money wage increase, such an increase leads to an improvement in his living standard. It is therefore essential to ensure that the worker receives not only the best possible wage butthat he also gets the maximum value for the money wage available to him. It is in these fields that the cooperative movement has valuable contributions to make.

(5) THE RELEVANCE OF COOPERATION TO TRADE UNIONISM

The relevance of cooperation to trade unionism lies in the simple fact that all wage-earners are always consumers. While the trade union movement has tackled the problems of the working class from the point of view of their being wage-earners, the cooperative movement has looked at their problems from the point of view of their being consumers of goods and services. Both movements aim to protect the working class against exploitation, and also both movements

expenditure such as sickness and for repayment of old debts.

The consensus of opinion is that the thrift and credit societies have concentrated on lending functions and that adequate attention has not been paid to the promotion of savings. The cooperatives and trade unions should play an important role in promoting savings amongst the workers.

An important function of the credit society is to educate members to cut down or avoid heavy social expenditure well beyond their financial capacities. Family budgetting should be taught to enable them to contain their expenses within the incomes available and to budget for savings. The task of the thrift and credit societies is thus to ensure that the economy of the members is stabilised.

(b) CONSUMERS COOPERATIVES

In many cases the prices paid by the consumers do not bear any reasonable relationship tothe cost of production, particularly when the manufacturers and traders have a monopolistic position. Another factor which enables the private retailers to acquire and maintain their hold on the consumers is the widespread practice of consumers buying on credit. The habit of credit buying inevitably leads people into expenditure beyond their means and into debts which they are not able to clear off. Under such circumstances, private traders can take liberty with quality, prices etc. with impunity.

Consumers cooperatives have an important role to play in the distribution of consumers goods. The aims of these cooperatives are to provide goods and services to the members at the lowest possible prices, consistent with long range developments of the organisation, to provide unadulterated consumer articles to the members, to carry out consumer education in subjects such as home budgeting and the nutritional qualities of foodstuffs, and to undertake other activities likely to contribute toconsumer welfare. While the consumer's cooperatives might initially be organised for particular factories and establishments, they should be thrown open eventually to the general public.

On account of the potential contributions which consumer cooperatives can make to the solution of the consumer problems of workers, it is essential that they should be developed, and considerable scope exists for effecting this with the active support of the trade union members.

(c) CO-OPERATIVE HOUSING

Generally housing conditions in urban areas of most countries in the South East Asia Region are depressing on account of the rapid increase in urban population, extremely high land proces, high building costs and shortage of building materials. Co-operative housing can make some contribution to the solution of the problems of housing for the workers.

The cooperative housing societies operating in the Region may be broadly categorised into the following three types:-

(i) All-the-Way Co-operatives are those in which the entire property is owned and managed by the society and members continue to be its tenants. The function of such a society is to secure land, develop it, construct houses and let them out to the members on the most reasonable rents.

(ii) Co-venture Co-operatives are those in which the members are actively involved at one or several stages of operations and the ownership eventually passed on to the members. Thus after acquisition of land and construction of houses, the members buy out the houses allotted to them over a period of time.

(iii) Flat ownership Co-operatives are organised in order to economise on land, since this is very expensive in some cities. A large building containing a number of flats is constructed by the society and individuals buy out the flats from the co-operative society.

As the possibilities for members to make contributions out of their own savings to the housing societies are limited, government will have to make an important contribution to the development of co-operative housing by way

direct financial assistance, perhaps on concessional terms. Assistance from the government is also necessary with regard to acquisition of land and layout of a number of basic social facilities such as roads, water supply and sewage.

(d) INSURANCE CO-OPERATIVES

Insurance co-operatives is another field which will be of interest to trade unions. Trade unions members are generally interested in some kind of insurance or other but seldom taken them because of the high costs involved in individual insurances. Unions can help members here by encouraging the formation of insurance co-operatives, whether at the national or industrial level. The types of subjects these insurance co-operatives can cover will vary depending upon specific conditions but, in general, most of the following should be considered: life insurance death insurance, property insurance, sick and injury insurance, unemployment insurance, etc. Shortage of funds may discourage individual unions from embarking upon the creation of insurance co-operatives for their members: therefore, some kind of co-operation between different unions may be necessary.

(8) POSSIBILITIES OF COLLABORATION BETWEEN THE TWO MOVEMENTS

Trade unionism and co-operation are like the two rails on which the train, which is the working class society passes through and if the two rails are firmly established, the progress in the economic well-being of the workers can be assured.

Although the objects of both the movements are directed towards raising the living standard of the workers, the fact remains that in this Region both the movements have been running on two separate lines without having common understanding and collaboration between them.

However, trade unionists who are fully conscious of the hazards of the workers in modern society considered that if the economic, social and political life of workers is to have any meaning then the two movements should co-operate and work together towards their economic upliftment .

In Asia, it appears that the two movements function as separate entities, each concentrating on its own sphores of activities without much collaboration between them. This situation arose partly because of the attitude adopted by the Governments in giving preference to a certain extent, to the development of

the Co-operative movement while at the same time adopting an indifferent attitude to the trade union movement which has been struggling for higher living standards and social justice.

Under these circumstances, it was not possible for the two movements to come to a closer understanding and, therefore, develop a consolidated mass movement of the working people.

In recent years the idea of closer co-operation between the two movements has engaged the attention of trade unionists and enlightened co-operators. With the adoption of the recommendation concerning the role of co-operation in economicand social development in developing countries of by the General Conference of the I.L.O. at its 50th Session held on Geneva in June 1966, it has to a certain extent sparked the intensification of such cooperation.

Having been superimposed from the top, enjoying varying degrees of patronage from the Government, the movements, of necessity have been constrained in their growth by rules, regulations and ordinances. The excessive concern of trade unions in this region with immediate " bread and butter" issues during their formative years has now ceased to be their only consideration.

Financially and organisationally they are in a better position to-day to collaborate effectively with the cooperatives.

(9) POTENTIALITIES OF COLLABORATION BETWEEN THE TWO MOVEMENTS

There is a common core ofinterests between the cooperative movement and the trade union movement. Indeed, in some countries the trade union movement and the cooperative movement have developed side by side. Even the leadership in the two movements in some countries is common. Both demonstrate what individuals are able to accomplish by association and by joint effort with their fellows who share with them common interests.

Trade unions work ceaselessly for the improvement of of workers' wages. Cooperatives work to ensure that these wages secure for the workders the best possible benefits in terms of cheaper goods and better services. Members of trade unions can and do derive considerable social and economic benefits by joining thrift and credit co-operatives, consumers co-operative, housing co-operatives and insurance co-operatives. It is in these fields that both these movements can collaborate in protecting the industrial workers against exploitation and in ensuring that the best value of money is received by them. What is needed is greater recognition of the need, closer expression of

There is also considerable scope for joint action between the two movements in the field of workers' education. The trade union and the co-operative movements can constitute joint committees for carrying on workers' education. Collaboration should be developed between the two movements in the planning and conduct of educational programmes of common interest to both of them.

The trade union can promote co-operatives amongst the workers. Firstly, it may carry on propaganda amongst the workers - informing them of the advantages of co-operative action and the manner in which co-operatives can be formed. Secondly, the trade union leaders can take an initiative in organising co-operative societies amongst workers and may provide financial support in the initial stages. However, the co-operative society should attempt to see that the finances received from the trade unions are returned as quickly as possible, as it is important that the finances of trade unions and co-operatives should not be mixed up.

In both the trade union and the co-operative movements, it is essential to develop member loyalty and competent leaders. The co-operative and the trade union movements

must maintain a constant dynamic approach in order to achieve higher levels of efficiency. Both the movements operate within an existing socio-economic framework and must, therefore, constantly enlarge the number of sympathisers if they are to counteract the opposition of private enterprise and other vested interest groups. For this purpose, the movements should interprete their achievements, aspirations and ideology, to the general public.

(10) PROBLEMS ENCOUNTERED IN COLLABORATION BETWEEN THE TWO MOVEMENTS

In any concerted programme for the improvement of the welfare of workers both the trade union movement and the co-operative movement should retain this individual characters.

A delicate problem may emerge when the organisation formed so to speak, under the wings of another, matures. This will revolve around the fact that both trade unionists and co-operators should be aware of the possibility that one movement may attempt to attain a position of prominence vis-a-vis the other. This dangerous eventuality is possible because no two forces are of the same strength and vitality (as they operate in separate areas requiring different abilities) and, as such, the stage is set for the possible submergence of the identity of one to the other.

Given the suggested mode of collaboration between the two movements, a person holding leadership in the trade union may also hold office in the management of the co-operative and play a dual role. It is advisable in such circumstances for such a leader to maintain the relative interests of each of the movements.

The differences and rivalries, political or otherwise, among leaders, might also create problems in the collaboration between the two movements and necessary measures, will have to be worked out to avoid clashes and to promote smooth working.

Due to the dynamic role the trade union movement plays in the community, there might be a feeling that the co-operative movement is playing a secondary role. At the same time the financial strength of the co-operative movement may tend to dominate the trade unions. Such eventualities can be avoided by providing better studies for enlightenment and by constant exchanges of views between the two movements at all levels and in all respects.

(11) COLLABORATION BETWEEN THE TWO MOVEMENTS AT NATIONAL LEVEL

To provide for conditions conducive for collaboration closer contact between the two movements should be aimed at, initially, at the tertiary level. Such collaboration

need not be limited to representation at national meetings but also to joint participation in conferences or workshops whose theme should be the economic upliftment of the workers. Such methods of co-operation at the highest level would go far in oiling the wheels of collaboration.

An example of collaboration at the National level is from the Canadian Movements. Shortly after the formation of the Canadian Labour Congress in 1956, the Congress and the Co-operative Union of Canada together formed a National Labour Co-operative Committee with seven of the top leaders of each movement as members and a full time executive secretary. The objectives of the Committee are:-

(a) To encourage a better understanding between the trade unions and co-operatives to their mutual advantage.

(b) To encourage Co-ops for union members by urging patronage of cooperative services where they exist the formation of new cooperatives, and the active participation of workers in their cooperatives organisations.

Thus in a similar way the National Trade Union and Cooperative Centres in any country can bring about the closer collaboration and coordination between the two movements for the benefit of the workers.

(12) CONCLUSION

Cooperatives and labour cannot afford to be strangers to each other. This calls for a much closer relationship between the two movements, because of the similarity of origins and objectives. The cooperative movement needs and deserves the full support of union members. The labour movement needs and deserves the full support of cooperators. We need each other. We are natural allies - in fact blood brothers. Because our interests are so closely allied, it is of the utmost importance that cooperators and organised labour gain a better understanding of each other and work closely together.

The potential for cooperation between the Cooperative Movement and the Trade Union Movement is very promising. Cooperation between the two movements will promote individual development but, more important, enhance the welfare of the working class.

However, collaboration brings with it many problems of both a practical nature as well as an ideological character. A re-orientation in the thinking and attitudes of the leaders of the cooperative and trade union movements will go a long way to resolving these problems.

---------- WORKING PAPER

METHODS OF FINANCING COOPERATIVES

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NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT
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METHODS OF FINANCING COOPERATIVES

Capt. H.S. Lather

The cooperatives are primarily business organisations, owned and controlled by the members. Like any other undertaking, they must have financial resources at their command in order to carry on their work. The cooperative institution has distinct characteristics. In particular, it is an association of persons and greater stress is laid on the human element, capital plays a purely subordinate part. We may say that instead of capital employing labour, here labour employs capital. It is, therefore, evident that the resources and finance requirements must be provided for the cooperative by those who have need of it, since no one-else is likely to do it on their behalf and in their interest.

Meanwhile, important changes have taken place in technology and management administration. The world appears to stand on the thresh-hold of a new industrial revolution, even more comprehensive than the old. The functions of cooperative organisations, therefore, are more than the defence of group interests; they should be making a positive contribution to the welfare of their constituents in an expanding economic system and correcting imbalances in the society. The needs of cooperatives for large volume of capital and for trained manpower will therefore grow, though capital used by them will not dominate but only earn its fair interest.

The cooperative economic system has broken with the practice of ordinary profit seeking enterprise, not only through its rules of association and democratic administration, but also through the rules which determine the allocation and division of the savings and other financial benefits which successful cooperatives yield to their members.

While the immediate goal of cooperative effort among them might be to supply the necessaries of life for consumers at fair price or to provide a decent living for producers, the ultimate aim was to establish a new social order. The new industrial techniques, then as today, had an insatiable appetite for capital. People who possessed or commanded money for investment wielded a bargaining power which enabled them to obtain, at the expense of the other factors of production, high dividends and an accretion of capital values representing something much more than interest - the lion's share of the profits of industry as well. So the need of cooperative societies for capital is daily increasing to meet the new challenges.

The financial resources of the societies are raised through commitments of the members in the following three forms :

i. Subscribing and paying up shares;
ii. Liability to creditors;
iii. Constitution of reserves.

Shares

In private business, the capital is raised according to the estimated expenditure and size of the factory/concern to be set up. In the cooperative society, the problem is more complex and more delicate. It is more complex because not only must the total capital be calculated according to the foreseable requirements of the enterprise, but shares must be fixed having regard to individual means and probable number of members. The size of the cooperative undertaking is therefore initially limited. The members are called upon to contribute maximum to the share capital and the services rendered are also, sometimes, related to the shares purchased. In developing countries, where cooperative sector is used to help the weaker sections of the community, most of the people find it difficult to purchase minimum shares required. The governments, in certain South-East Asian countries, have evolved schemes to give loans to weaker people to enable them to join the cooperatives.

Liability

However, to raise financial resources from outside the cooperative may require for its business, every member has to accept financial liability to guarantee the outside debts. The effect of this liability is accordingly to place the societies' credit with its suppliers and other creditors on a firm foundation. The amount of this liability is determined by the bye-laws i.e. the body of agreements mutually binding on the members. The cooperatives can raise resources and get financial accommodation from institutions within the movement, commercial banks, private agencies, financing institutions or government departments within their borrowing limit. Some cooperatives, on account of their types of business require a large credit coverage, and therefore, liability is unlimited, in other words each member is liable for the debts of the society to an unlimited extent. Here, it is not necessary to enter into the controversy of limited verses unlimited liability societies. Again there are two practices followed in the limited liability societies, firstly liability of the members is limited to certain multiple of their share holding and secondly to the face value of the subscribed capital. In the latter case, it gives encouragement to the members to subscribe liberally towards share capital and thus the capital base is strengthened.

Reserves

The contribution to reserves is an important principle of the cooperative working. The surplus or profit which accrues is not immediately given back to the members in toto but a portion of it is carried to reserve fund to strengthen its owned capital base and to enlarge the business and services of the societies. We have some examples of urban credit cooperatives where reserve funds have accumulated to an extent that no outside borrowing is required by them and they are able to considerably lower their rates of interest. The real strength of the cooperatives lies in its own funds and members

Urban Area Cooperatives

So far we have talked about financing of general cooperatives, but they are mostly in the agriculture sector. In urban areas, the cooperatives are comparatively better placed and possess greater potentiality of becoming self-reliant. Besides housing, consumers cooperatives, transport etc. we have thrift and credit and small workers' industrial cooperatives. The middle and lower middle class people with almost fixed income, cannot anticipate unforseen or unavoidable expenditure and some contingency always arises when they are required to obtain credit to meet their needs. An ideal situation would be that the members of cooperatives are encouraged and educated to save in advance for future contingency. However, the thrift and loan societies of urban areas meet the requirements of their members. The finances are generally raised by share capital, compulsory, optional and other types of deposits, credit from the government, and other financing institutions. Methods of loaning money by urban banks are the same as adopted by commercial banks. Loans, cash credits and overdrafts are common. Especially in cooperatively developed areas, cash credits and overdrafts dominate the loaning pattern. The choice as to the type of accommodation would largely depend on the purpose for which money is borrowed. For example, for capital expenditure fixed loan may be preferred, while for meeting temporary gaps an overdraft or a cash credit may be found convenient for the borrowers. Fixed loans are advanced in lumpsum for specified period and for specific requirements. The rate of interest would vary slightly according to the type of accommodation as also type of security provided against borrowings. Central financing institutions never hesitate to finance urban societies but sometimes they are unable to meet their large demands especially for housing and big consumers loans. The urban cooperatives in their loaning policy should adopt sufficiently wide and diversified system suited to the need of times and different categories of persons. Advances should be production-oriented and not merely consumption-oriented.

It would perhaps be advisable to lay down a ceiling in respect of consumption credit granted against personal sureties.

The methods of financing industrial cooperatives are usually the following :

i. Cash Credit - Clean (Unsecured).

ii. Cash Credit against hypothecation of goods.

iii. Cash Credit against pledge of goods or mortgage of machinery, land, building etc.

iv. Term loans - both short-term and medium-term either clean or against pledge or tangible security of machinery, land, building etc.

The system of cash credit is more advantageous to such societies as it enables them to rotate the limit as many times as required by it. Another advantage is that the society has to pay interest on the daily outstanding balance. Further, in the cash credit system, the societies need not block its funds in raw material in lumpsum. Cash credits are usually sanctioned by the financing institutions depending upon the nature of production by the societies or the work undertaken by them and also by taking into consideration the requirements of working funds, namely, purchase of raw material, goods in process, finished goods and to meet with the wages and other establishment expenses.

Industrial societies also require medium-term loans usually from 2 to 5 years period to meet their block capital requirements such as purchase of machinery etc. Finance is usually available to them to the extent of 2/3 cost of the machinery, the remaining 1/3 has to be met by the industrial cooperatives themselves. The payments are made direct to the suppliers of the machinery and the machinery is hypothecated or mortgaged as security to the bank.

In most of the industrial societies, the block capital investments are higher than the long-term resources available with them, with the result that major part of the working capital funds in those societies is blocked in fixed assets. This affects adversely the working of the

industrial cooperatives. It is, therefore, necessary for these societies to strengthen their owned and share capital base.

Besides finances, the industrial cooperatives need technical know-how, marketing avenues and continuous training in management and production techniques. The government and/or financing cooperative institutions will have to make specific schemes for their development and for necessary financial accommodation.

Government Assistance

In developing countries, the governments are giving liberal financial accommodation to the cooperative movement in several ways, as part of their planned economic development. Besides giving loans and subsidies to the cooperatives at various levels, the governments in certain countries are becoming partners in the cooperative ventures by purchasing shares. The government, through various schemes, also provide accommodation to central cooperative credit institutions to finance cooperative societies. This, of course, has helped the immediate development of the cooperative projects and industries but it brings in its tail official interference and growth of vested interests. Some unhealthy elements, in order to take advantage of government help, creep into cooperatives and spoil democratic and self-management traditions of the movement. It is a matter, however, on which opinions may differ and this could be discussed separately as to what extent and under what conditions government help be accepted and welcomed. Recently the United Nations, the I.L.O. and other international agencies, have called upon the governments of developing countries to give liberal help to cooperative societies.

Conclusion

The purpose of the profit making concern is to produce the biggest dividends, that is to say, the biggest overall profit. The aim of the cooperative society is to provide the best service at the cheapest price and maintain democratic character of the institution. It is imperative

that any outside finances will hamper these objectives and the cooperatives should try to build their own finances. In the beginning, the government may give assistance but it should be without any strings. Sound business management supported by extensive education and training programme will succeed in strengthening the financial structure of the Cooperative Movement.

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The Singapore Co-operative Union Ltd.

National Seminar on "Co-operative Management"
13-18th April 1970

In conjunction with Education Centre
International Co-operative Alliance, New Delhi

NECESSITY AND FUNCTIONS OF A CO-OPERATIVE BANK IN CO-OPERATIVE DEVELOPMENT

by Andrew B. Pinto, M.B.E.

Mr Chairman, Fellow Co-operators, Ladies & Gentlemen:

I consider it a great privilege to have been invited to address this Seminar on the Necessity and Functions of Co-operative Bank in Co-operative Development.

The title of the paper is self-explanatory (to use an old jargon)

From observations made by previous speakers at this Seminar it is obvious that the time has come for the Co-operative Movement to re-assess its role in the economic upliftment of its members. They (the previous speakers) suggest a diversion from the credit movement. We have established a Movement, which our rivals very aptly describe as "moneylending."

We can only boast that our moneylending business was carried out within our own membership and with our own funds (some 40 million dollars was mentioned) and without financial aid from any other agencies. But have we, or our rivals, ever set out to find out how much our members saved by way of interest on their borrowings or what lessons our members have learned from handling human problems, administrative and financial problems. The experience gained is the reward for the work of the co-operatives.

I believe, it is agreed that a co-operative bank is a necessity for the Co-operative Movement in Singapore. Such a bank was formed and registered on 23rd October 1957, and the registration was cancelled on 9th May 1968, and a Liquidator was appointed on 30th September 1968.

I am always asking myself, "WHY DID THE CO-OP BANK FAIL?" and I am always coming up with several answers:

BECAUSE:

1. No feasability study was carried out before embarking on this venture. No one seems to have had a clear idea of what was expected of the bank. "Register the Bank, then we can formulate a policy."

2. Lack of prior co-operative education on the need for a Co-operative Bank. "Train your co-operators before you start a co-operative organisation" is very true in this instance.

3. The Co-op Bank came into existence 30 years too late. The thrift and loan societies had entrenched themselves and found it difficult to participate in the Bank.

4. The share-holding societies lost sight of co-operative principle in providing for their members lending facilities at the lowest possible rate - instead they expected (or demanded) interest rates and facilities on par with existing commercial practice.

5. Interest waned when the co-operative bank could not comply with the previous demand.

6. An all too hasty decision by the powers that be to liquidate the society without due regard to repercussions on the psyscholgical effect on the Movement. "A bank we trusted failed or closed down." How do we get over that?

These are my personal observations, you may not agree with them, but at least you can ponder over them, especially on items Nos: 1, 2 and 4 above.

The need for a co-operative bank is very obvious if the Co-operative Movement is to move into other fields of commerce or even industry. There must be an organisation, a central organisation where the funds of the Movement can be pooled, managed and supervised in the best interests of the Movement.

There should be no hit and miss arrangement in such an organisation - there must be no competition between such an organisation and the individual co-operative societies. THERE MUST BE COMPLETE CO-OPERATION between the central organisation and its share-holding members. In short there must be complete loyalty to the central finance organisation that is being contemplated. It should be made obligatory for all co-operative societies in Singapore to subscribe to the capital of the suggested co-operative Bank, as it should be obligatory for all Singapore co-operative societies to affiliate with the Singapore Co-operative Union.

No individual co-operative society should be allowed, not only now but in the future too, to venture their money into industrialenterprises. Such investments should only be through the Co-operative Bank.

It is observed that recently many organisations are interesting themselves in the Co-operative Movement. Be it kindred associations commercial houses, the urban or rural people in the agricultural or non-agricultural fields - BE IT WHO THEY BE - they should be encouraged to open up the fields of co-operation, but they must be told too that there is a National Co-operative Union to which they must affiliate, or that they must be prepared to participate in any central co-operative finance organisation that may be

established in the future. Thus only can the Singapore Co-operativ Movement be strengthened and be of real assistance to the people of Singapore. "UNITED WE STAND - DIVIDED WE FALL".

I would like to put forward some views for consideration in forming a co-operative bank for Singapore. I would classify them under:

1. Introduction - Feasibility study.
2. Objects
3. Membership
4. Management/Administration
5. Working funds
6. Personnel
7. Profits

These may be considered:

1. Feasibility study: Do we need a co-operative bank - do the societies fall in with our idea of financing co-operative ventures through a central pool - if they join in they may be called upon to make sacrifices. Educate the members (or the intending members) inculcate in them that a central co-operative bank can only be built and run on their undivided loyalty.

2. Objects: To channel the funds of co-operative societies into a central organisation, such as a co-operative bank, for the use of such funds for the entire co-operative movement; to provide credit for co-operative ventures and provide fluid resources to the co-operative movement in Singapore.

3. Membership: It will be desirable in the initial stages that members shall be share-holding co-operative societies. All borrowing members should become members. In order to increase stake and association of co-operative societies with the Bank it should be obligatory for all co-operative societies to subscribe to the shares of the Co-operative Bank.

   With experience in the conduct of business, individual members of share-holding societies may join as members, with no right to vote or participate in the management of the co-operative Bank, or in the distribution of profits or its liabilities in the event of liquidation.

4. Management/Administration:

   (a) The general meeting - the highest organ of the Co-operative Bank - their powers and duties being clearly defined in the bye-laws

   (b) The Board of Directors - Limited to a maximum of 15 - including the manag ing director, elected from among share-holding societies, each holding at least 20 shares of the Bank, at an annual general meeting.

Nominations to the Board of other interested parties, such as government or public authority, may be included in the Board. The Board to meet at least once a quarter.

(c) Executive Committee: Not less than 9 nor more than 12 to be appointed by the Board each year, and the Executive Committee may exercise the powers of the Board which are delegated to it by the Board. The Executive Committee must include the Managing Director, Chairman and where applicable, one of the nominated representatives. The Executive to meet as often as may be necessary but at least once a month.

(d) Sub-Committee: The Executive Committee is authorised to appoint a sub-committee, consisting of chairman, managing director and not more than 3 other directors and may delegate to it some of its own powers of which, power to grant loans and advances to members and to take steps for their recovery, are the most important.

(e) Other Sub-Committees: Sub-committees of at least three directors may be appointed by the Executive Committee to consider and dispose of any specific problem or subjects.

5. Working Funds:

(a) Shares of $200.- each fully paid up. Initial issue of shares to be one million dollars which could be increased to $5 million with the approval of the general meeting.

(b) Restriction on borrowings: Provisions to be made for the Bank to incur liabilities not exceeding 10 times the total amount of its paid up share capital and all reserves including the reserve fund, building fund, sinking fund for debentures, dividend equalisation reserve, reserve for bad debts etc.

Deposits in excess of this limit may be received provided such deposits are not used for bank's business, but are invested in government securities, or advances against government securities or short term deposits with banks approved by the Registrar.

(c) Debentures: The Bank to seek approval to write into their bye-laws powers to issue debentures of the value not exceeding three times the amount of the paid up share capital of the Bank, subject to a maximum approved by the general meeting.

(d) Deposits may be accepted by the Bank, viz., fixed deposits for sums of $500 upwards, repayable at call or at fixed periods with interest. Current accounts for co-operative societies (and later other parties) operated upon by cheques. Savings bank deposits for co-operative societies (and later for other parties).

6. Personnel:

Chairman - At the first meeting of the Board after the annual general meeting the directors elect their own chairman. He will act as Chairman of the Bank and preside at all general meetings, if present.

Managing Director - Will be appointed by the Board for a period of (say) 5 years. He will be the chief executive officer of the Bank and will be responsible for the general management. Next to him will come the General Manager and Manager of the Bank. All these officers (or those acting) will exercise powers delegated to them by the Board or vested in them by the Bank's bye-laws.

7. Profits: After setting aside the statutory reserve, the Bank may pay a dividend, grant rebates on borrowing interest paid to the Bank, create reserves for investments, building fund, dividend equalisation fund, staff benefit fund and co-operative development fund.

The above suggestions are submitted for consideration.

WORKING PAPER

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PROBLEMS AND PROSPECTS OF URBAN CREDIT COOPERATIVES IN SINGAPORE

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NATIONAL SEMINAR ON "COOPERATIVE MOVEMENT"
Singapore - April 13-18, 1970

jointly organised by

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
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43 FRIENDS' COLONY, NEW DELHI.14

16th April, 1970

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PROBLEMS AND PROSPECTS OF URBAN CREDIT COOPERATIVES IN SINGAPORE

A. K. Isaac

In order that we may discuss this subject frankly and in the spirit of cooperation, it is necessary that we remind ourselves as often as we can, of the main objectives of cooperative Societies, without which we may not be able to get a clean picture of the Problems and Prospects of the Urban Cooperative movement in Singapore today.

At the outset it is necessary to explain that Urban Credit Cooperatives, in our case, refers to Urban Cooperative Thrift and Loan Societies, as represented by you at this Seminar.

In all the By-laws of Urban Cooperative Thrift and Loan Societies, there are 4 main objectives without which you cannot obtain registration under the Cooperative Societies Ordnance. These are: To promote Cooperation and self-help; To encourage Thrift , to prevent permanent indebtedness of its members by obtaining loans on reasonable terms and finally to assist members to reduce the cost of living.

Fortunately, I belong to the generation which witnessed the birth of Cooperation in the Federation of Malaya and Singapore, under that great and dedicated Civil Servant Alexander Cavandish. In those early days, it was thought that Urban Consumers Cooperation and Cooperative Thrift and

and Loan Societies were the twin cures to the Economic ailment of the salary earners, but in this discourse I shall confine myself, as the subject requires, to the Thrift and Loan Societies.

The salary earner was so steeped in debt in those days, that he could neither disclose his indebtedness for fear of being penalised, nor could he believe in the lectures given by Government officers that cooperative Societies could provide the relief to their indebtedness. In fact, it seemed odd that without outside financial aid, a group of debtors could get together, and with their own resources, get themselves freed from debt. It took some time for the Asian mind to realise that this was the only Government approved solution which was capable of helping them to be free from indebtedness.

Long before the introduction of the Cooperative Ordinance in 1925, there was practically no action taken by the Government on the commercial sector to remedy, improve or bring tangible relief to the middle and lower income group of wage earners, who were mostly steeped in debt to money-lenders. This canker of indebtedness, which is not new to Asia, Europe or America, was rapidly draining away earnings of our middle and lower income group. We were then under Colonial rule. There were no institutions or private finance

Companies or Bank facilities for the wage earner. But there were many registered and unregistered money lenders, most of whom charged exhorbitant rates of interest. The wage-earner who got into the clutches of the unscrupulous type of money lender was seldom able to free himself except on the order of the Official Assignee. At the same time, the wage structure of the Colonial past provided the every minimum in living wage, and nothing to spare, to help the salary earner to plan for childrens' higher education, marriage and funeral expenses, to own a house, or to save for old age. It was the period when family obligations, customs and traditions also demanded obedience without counting the expenses. Family planning was then unknown and what we did know best was to assimilate the expensive ways of our European masters. The Colonial Government soon realised that the growing indebtedness of the salary earner was a real menace to the employer, a ruination to the borrower and his family and a blessing especially to the unscrupulous type of money lender. This contagious disease had to be checked and every effort made to reduce its danger to the minimum. Thus came into existence the first Co-operative Societies Ordinance in 1925 which was repealed, and the present 1953 Ordinance came into place.

Cooperative Societies in Singapore have to their credit some 50,000 members, 108 Societies or so, $40/-million as

subscribed Capital, over $1/-million as paid up premia in the Cooperative Insurance Society in Kuala Lumpur, a few million as paid up instalments to Cooperative Housing Societies and above all, they have helped members with some $100/-million approximately to get out of the clutches of money lenders. This may appear to be impressive figures, especially to the layman, but it is not so to any member who understands the principles and practice of Cooperation, and knows the priveleges which cooperative Societies enjoy under the Ordinance. Credit must be given to those who control management in the Societies. They are Honorary workers, who must do a full days work to earn their living, before they begin Cooperative work in the evenings and sometimes on Sundays and Holidays. These Honorary workers, in the large majority of the cases have got into the spirit of Cooperative service for which we should be grateful and therefore we can say with confidence that the present rate of progress will always continue.

What are the Problems facing Urban Thrift and Loan Societies? In his lecture on Tuesday, the Chairman of the Cooperative Union, Mr. Raju had dealt with this subject. He had listed 4 items as the main problems facing the Cooperative movement. He placed the responsibility for the existing situation in Cooperative Societies, to lack of leadership and suggested that a search be made for such leadership. I think the Chairman has made an honest statement of fact on this point, on which

those in the Union and outside the membership of the Union, should be informed together with a copy of the valuable and instructive paper on "Development of Cooperative Leadership" which was so ably presented by Dr. Dharm Vir. This should be followed up with a meeting of all Societies and a decision taken to tackle this problem on a planned basis.

The first problem as I see is an urgent one. It relates to the future of the Urban Societies which will be affected as a result of the British Military withdrawal. Our Cooperative Leaders and the Union, must get together with the affected Societies and plan out carefully what can be done with the savings they hold. This also can be a challenge to cooperative Societies. Is it a Housing project that can give them the maximum benefit? Or is the time opportune for the affected members to think of the worthwhile industrial project in which, with some training they can employ themselves. Or they may want to utilise a portion of their savings in a Joint Cooperation Venture with other Cooperative Societies subject to the Registrar's approval. The Economic Development Board will be prepared to give the advice and assistance, professional experts can be asked to prepare a Blue Print, and these can be studied carefully before a decision is taken.

I believe the Urban Renewal Scheme will also affect several of the Rural Societies and the Thrift and Investment Societies. The Union must get close to these Societies and find out what help and advice can be given to them which is within their ability. These members have had very little training in Cooperation, but they are part and parcel of our Cooperative family. There was a time when we were close to them. We organised the First Rural Cooperative Conference for them, which included 90 Chinese and 90 Malay Cooperators with discussions conducted in both languages. On another ocassion the Agricultural Department and the Singapore Cooperative Union helped our rural Cooperators to participate in Singapore's First Agricultural show. We won a challenge cup, 16 first prizes, and 7 second prizes. We have to renew and restore this Cooperative friendship.

The second problem which once again for the third time in Cooperative History, is increasing, in indebtedness amongst members and non members. At the same time we have Government clear cut warning on which quite a few salary earners had already been dismissed for borrowing outside the Society. The Government had also amended the Money Lenders Ordinance in October last year to give protection to the lender and the borrower in equal measure. The Societies and the Union could have made some contribution out of their experience, before the amendments were passed.

I do not know what statistics the Societies or Union have on those who have been dismissed, why such salary earners or members took the risk, and why they did not come to the Society for help, and how many appear in the Civil Courts each month. In 1956 the Union made a research and found that over 70% of the Government servants and 80% of the Mercantile employees were in debt to outside moneylenders. A memorandum was immediately presented to Government, which received wide support in the newspapers including Editorials. The Union suggested that all loans should go through a Control Centre, proper registration, and steps taken to curb the rate of interest; Today, on hearsay enquiries, we are told that some 60% Government servants and 70% Mercantile employees , especially those in the lower income group with 10 years service and under, are the largest number, in the clutches of moneylenders. Recently we read with disappointment and sadness, that some1282 Government Officers in Malaya had contracted debts to outside Moneylenders to the amount of $4/-million and they had been penalised. I submit that by improving on our past experience, we can remedy this evil to a greater extent than before, amongst our members. Indebtedness cannot be eradicated permanently, but it can be reduced to the minimum and brought under control. Similarly, we cannot put the Money lenders out of business. They have

their usefulness to Society. But we can certainly study the Money Lenders' Ordinance to plug the gaps which may unwittingly be in favour of the unscrupulous type of Money lender.

Along with this second problem is the indebtedness of the middle and high income group of members, who resort to loans through Finance Companies for purchase of Motor Vehicles and domestic electrical appliances and T.V.'s on the instalment plan. Employers are aware that such Buyers in many cases, fall a prey to the help and squeeze tactics of the mushroom Finance Companies who obtain commission, concealed higher interest, and a football pool money. These Companies are earning in Millions, while you will be surprised to know that at the end of last year the well established Finance Companies held assets of over $442/-million, which is an increase of over $24/-million from the past year. What can Urban Societies do to assist members in this purpose. Why are not such members coming to Cooperative Societies for such help?

The Government some time last year passed the Hire Purchase Act and the Hire Purchase Terms charges regulations. I submit that Cooperative Societies and the Union, could also have made their own investigation and submitted their comments on the Bill. This is also one of the ways for the Cooperative movement to be in touch with all problems affecting the economic and social welfare of the people.

I have one other problems for consideration. We have about 50,000 members enrolled in Societies within a period of 44 years of working. I am deliberately calling this membership campaign, a Problem, because in the face of the spectacular developments and technical advance taking place all over Singapore, we too must have Cooperative Societies, or members spread out in various Industries and organisations. The movement must expand. The workers, especially the lower income group of Division 3 and 4, theskilled and unskilled, the bus and taxi drivers, the peons, and servers in Hotels require help in solving their economic problems. We cannot be waiting for, forward looking Companies, such as Texas Instruments to come to us in the interest of their workers. We have to realise that sooner or later independent Singapore will ask the Leaders of the Cooperative movement to account for the increasing indebtedness problem amongst the lower income group, and what steps they have taken to curb it. We cannot say at that time that most of the borrowers are not our members. In the present situation existing in Singapore, we cannot remain indifferent.

It is necessary that the Cooperative movement makes a tangible effort in every centre in the town and in the Industries, to help workers to join, or to assist them, to establish their own Cooperative Societies. Look at the

Singapore National Trade Union Congress. They had a serious set-back in membership from 189,000 to 121000 but under new dedicated leadership they have taken definite steps to restore and increase the membership, and also to build an economic future for their members, to which I shall refer again before closing this discourse.

I now come to the final question: "What are the prospects in Cooperative Credit Societies? The existing By-law have proved satisfactory to meet the limited activities in respect of Thrift, savings, loans and in establishing the Cooperative Housing Societies which are operating very satisfactorily. But we are now an independent people. The Nation is fully dedicated in making the City a great Industrial and Commercial centre. New business and Industries are springing up to meet the challenge of the British Military Pullout and the consequent setback to national economy and employment. We as a Cooperative Movement cannot stand idly by and keep on operating the Society within certain limited objects for its members while foreign and local Investors with men, money and confidence are actively participating in the Nations' commercial and Industrial build up.

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The Government was the first in the field to deposit from established practice and to invest in Commerce and Industry, side by side with the private sector. This has in fact given considerable confidence to all those who are planning to invest in our State. Singapore National Trade Union Congress has decided on a bold plan to set up a string of Multi-million dollar enterprises on a Cooperative basis. They fell quite rightly that it will result in creating a powerful labour movement which can withstand and overcome the consequences of the British Military withdrawal.

Two of their outstanding leaders were in Europe recently to study some of the types of Cooperative Societies best suited to their economic welfare. They are also amending their constitution to meet the growing responsibilities of the Trade Union Movement.

During the last eight years, our friends and neighbours Malaya has introduced for the benefit of her people and Country, several new types of Cooperative enterprise with assets exceeding $400/-million with a membership of over 600,000 which continues to increase at the rate of 10% per year. But the significant point is that it was the surplus funds of Urban credit Societies amounting to $150/-million which helped them immensely to serve the members and the Nation through a Cooperative Central Bank. Last Friday, we

read in the papers that the Minister for Commerce and Industry had promised special incentives to the Cooperative Movement to set up a series of super markets in the major towns of Malaya.

What are the prospects for Cooperatives in Singapore? There are two matters which strike my mind but they will also depend on how soon most of our Cooperative literature can be translated in the Chinese Language and we are able to get Cooperators, fluent in the Chinese language, to take an active part in our cooperative work.

The prospects for Cooperatives to branch out into various activities is now more alive than ever. In support of it there are several Cooperatives who have surplus funds deposited in the various Commercial Banks which can be made to work for the member and the Nation. I would rather not say anything more on this proposal till discussion time, except to say that we must face the realities of the situation prevailing in Singapore today. It is also our duty to widen and expand the Movement with the utmost care, caution and safeguards in the service of the members. The Union's By-laws have provision to meet such proposals to organise and develop diverse types of Cooperatives, to provide training in business methods, and Cooperative administration.

My second and final point relates to the prospects for Cooperative Education which has been referred to, during the Seminar and which I suggest is a matter of urgency and importance. I recall the time when the father of our Cooperative Housing and respected leader of the Movement in Malaysia and Singapore, Mr. N. A. Kularajah first planned to establish a Cooperative College in Singapore and he reserved two Cooperative flats for this purpose. But political consideration stood in the way and we had to abandon it. Is it possible that we are ready now after a decade when it was first mooted, to give serious thought to it. I shall not comment further on this project till you proceed with the discussions. Thank you for your patient hearing to a lengthy discourse.

WORKING PAPER

PROBLEMS AND PROSPECTS OF THE COOPERATIVE THRIFT AND LOAN SOCIETIES IN SINGAPORE

(A Case Study)

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NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"
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PROBLEMS AND PROSPECTS OF THE COOPERATIVE THRIFT AND LOAN SOCIETIES IN SINGAPORE
(A Case Study)

Lionel Gunawardana

Introduction

The Republic of Singapore has a total area of 224.5 square metres and its population is about 2 million.

According to the statistics published by the Government of Singapore at the end of 1967, there were 104 cooperative societies in the Republic. "Majority of the societies were of the thrift and loan category which form the backbone of the Movement. These continued to achieve steady progress on account of proper organisation and management, sound finances and capable workers".

The following table shows the number of societies as at 31st December, 1967:-

Type of Societies	No. of registered societies
1. Thrift and loan	44
2. Employees credit	8
3. Thrift and investment	20
4. Consumers	11
5. Marketing	4
6. Rural Credit	4
7. Housing	3
8. Cooperative Bank	2
9. Cooperative Union	1
10. Miscellaneous	7
Total	104

The total general membership of all societies at the end of 1967 was little over 55,000 and the working capital was over 30 million.

The total general membership of thrift and loan societies at the end of 1967 was over 37,000 and these societies together had a working capital of over 26 million dollars and loans granted by them in the year 1967 amounted to 33 million dollars out of which 32 million dollars was repaid.

The eight Employees' Credit Societies which caters mainly to the daily rated workers had a membership of over 2,000 and a working capital of 999,000 dollars. The loans granted by these societies in 1967 amounted to over 400,000 dollars, of which over 355,000 dollars was repaid.

The Cooperative Movement in the Republic of Singapore have now functioned for more than 45 years. However, cooperative activities in other spheres such as, consumers and marketing is very limited in Singapore and have not made any appreciable impact. Cooperative activity in the sphere of industry is totally absent.

The Cooperative Movement do not now publish any cooperative journals or papers.

<u>The working of three cooperative loan and thrift societies were studied for the preparation of this case</u>.

(For convenience of identification, the three societies studied will be referred to as "Society A", "Society B" and "Society C").

Objects of the societies

The objects of three societies (which are common to almost all cooperative thrift and loan societies) were: (i) to promote cooperation and self-help; (ii) to encourage thrift; (iii) to prevent permanent indebtedness of members by enabling them to obtain loans on reasonable terms; (iv) to receive deposits from members; and (v) to assist members to reduce the cost of living and to improve their economic position.

Membership and general meetings

The Society "A" which had been registered in 1925 had a membership of over 2,000 and the membership was limited tothe employees of a particular institution of the government. The attendance at the most recent annual general meeting was 207.

The Society "B" had been registered in 1932 and now has a membership of over 3,000 and the membership is confined to a certain profession. The attendance at the last annual general meeting was 105.

The Society "C" which had been registered in 1952 has a membership of 210. The membership is confined to a particular department of the Defence Ministry. 210 members attended the last annual general meeting. At the time of the general meeting, there had been 321 members in the society. The membership has been more in the previous years and have been gradually declining as the members are

losing their employment due to the British military withdrawal. For instance, at the beginning of 1968 there were 459 members. This society may have to wind up when the British military withdrawal is completed if alternative arrangements are not made for the society to branch out to other business.

Committees of management

The committees of management of Society "A" comprises of 15 persons, Society "B" 13 persons and the Society "C" 12 persons. The committees are elected at the annual general meeting and the committee elects the office-bearers.

Four of the committee members of the Society "A", four in the Society "B" have attended either an international cooperative seminar or a training course in Malaya Cooperative College. None of the committee members in Society "C" has undergone any cooperative training.

The members of committees are employees of the government or in other organisations as is the case with other members of the societies. They are honorary workers who devote their after work hours for society work. If they are to attend cooperative training courses they have to take their own leave and no special leave is being granted.

Employees

Society "A" has two employees, Society "B" 5 employees. All of them were clerks. None of them had undergone any cooperative training. The Society"C" has no employees.

Subscription & Deposits

	Subscription	Deposits
Society "A"	2.3 million	67,000
Society "B"	1.4 million	597,000
Society "C"	311,000	20,000

The subscription of members cannot normally be withdrawn till the resignation of the member. The Society "A" allows withdrawal for the purpose of purchasing of land and/or house.

Reserves & Provisions

The Society "A", Society "B" and Society "C" had reserves and provisions amounting to 120,000; 130,000 and 29,000 respectively.

Loans

The societies grant loans for purposes such as, settlement of prior debts, redemption of jewelleries (these are given only once), purchase of motor cycles and cars, sewing machines, furniture, land, house etc. and for marriage expenses, medical expenses etc.

There had been no delays in disbursement of loans. Urgent loans which are given to meet the expenses of illness and funerals are approved by a sub-committee, and other loans by the management committee at their monthly or bi-weekly meetings.

During the year 1969, the Society "A" has granted loans amounting to over 4 million dollars and the amount of loans repaid during the year by direct payment and by transfer from new loans repaid during the year by direct payment and by transfer from new loans from subscription accounts and from deposit accounts was over 3 million dollars. The loans outstanding at the end of the year was 900,000. Society "B" has granted loans in the year 1969 amounting to 1.5 million dollars and loans repaid amounted to over 1.3 million dollars. Loans outstanding amounted to 1.2 million dollars.

The following table shows particulars of loans granted during the year by the Society "B" :-

Purpose	No. of loans	Amount
Holiday and travel	50	72,000
Medical	29	36,000
Purchase, repairing property	358	625,000
Furniture and household effects.	212	260,000
Buying/repairing vehicles	237	359,000
Education	29	33,000
Marriage and setting up home	61	90,000
Funeral	3	2,000
Income-tax and insurance	41	46,000
Others	17	21,000

The Society "C" had granted loans amounting to 419,000 in the year 1968 and the loans repaid during the year was 451,000. Loans outstanding at the end of the year amounted to 130,000.

Investment

The societies have invested their surplus funds in government securities, stocks and in banks.

The following table shows the amount invested by them:

Society "A"	1.7 million
Society "B"	775,000
Society "C"	10,000

Disposal of profits

At the end of each year, the working expenses are deducted from the income and after payment of audit and supervision fee as fixed by the Registrar, a sum not less than 25 per cent of the sum then remaining is carried to the reserve fund.

The remainder is distributed in one or more such ways, as given below, at the discretion of the general meeting:

i) by a contribution not exceeding 10 per cent of the remaining balance to a common good fund.

ii) by payment of dividend not exceeding 6 per cent pro-rata on subscriptions.

iii) by way of rebate on interest on loans.

iv) by contribution to a building fund for the erection of a building to house the society

WORKING PAPER

ADVANTAGES AND DISADVANTAGES OF MULTIPURPOSE COOPERATIVE SOCIETIES

Capt. H.S. Lather
Delhi State Cooperative Bank Limited
31, Netaji Subhash Marg
Delhi-6 (India)

NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT
Singapore - April 13-18, 1970

jointly organised by

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia
43, Friends' Colony, New Delhi-14.

SINGAPORE COOPERATIVE UNION
Post Box 366
Singapore-1.

position in the village in providing loans and in marketing farmers' crop. The moneylender did perform an important function in rural society but he charged exhorbitant price for his services. The strength of the moneylender lay, primarily, in the fact that his decision-making was quick and elastic, his knowledge of local conditions intimate and detailed and, above all, by virtue of being a member of the village community himself, he inspired confidence which was not easily evoked by the cooperatives. They appeared to be more of an outside agency, sponsored by the governments, rather than a growth from within.

Over the course of years, and keeping in mind the vicissitudes through which agriculture has passed in countries of South-East Asia, cooperatives have time and again considered and sought to refashion their approach to problems of cooperative credit. It is now being generally recognised that an effective system of credit must not end with credit alone; it must increasingly take cognizance of the vital continuum of credit, marketing and supply.

"Bettering the conditions of rural population", has been a challenge even for the most progressive governments of the newly developing countries where most of the population is rural. The problem of the small farmer is a very complex one to which a great variety of factors contribute; for example :

1) Inadequate systems of land tenure, land use and land occupancy, uneconomic farming units, fragmentation of holdings etc.

2) Chronically low output, the result of traditional, often primitive and inefficient methods of farming.

3) Lack of incentive to farm above subsistance level because markets for produce are unreliable and unhelpful.

4) Little knowledge of or contact with modern business methods.

Where these conditions prevail, credit cannot of itself be a remedy, either for cooperative development or for the improvement of farmers lot. It may not even be the most important requirement for

economic and social improvement, but it is one important element in an integrated approach, which also covers other aspects such as advisory sources for improving production, nutrition, health, home environment, marketing, transport and supplies etc.

Under the situation, in attempting to choose the most suitable type of cooperative, five points deserve special attention. First is the need, in the agriculturally less advanced countries, to change the character of credit from static to dynamic by combining it with advice on improvement of farming techniques and by arranging for the supply of needed agricultural requisites, such as improved seeds, chemical fertilizers, insecticides and pesticides. Second is the need to assist the farmer to receive a better price for his produce by improving his bargaining position. Thirdly, arrangements have to be made to assist the farmer in obtaining supplies of essential goods at reasonable prices. Fourthly, repayment of loans must be ensured preferably through sale proceeds of the crops, which constitute the main means of repayment available to the farmer. Finally, the volume of business handled by a cooperative has to be adequate enough to ensure its viability. And in view of these and other considerations, the present thinking in the developing countries of the Region seems to favour the multipurpose society as against the single purpose society.

In India, the multipurpose idea has been in the field in some form or other ever since the publication of the first bulletin by the Agricultural Credit Department of the Reserve Bank of India in 1937. Since then many committees and commissions which considered the development of cooperatives in the States also supported the idea. The Cooperative Planning Committee 1945, also recommended that the primary credit societies should be organised on multipurpose lines. They suggested that the multipurpose society should assume the following functions : funance the crop production; act as an agent for the sale of crops to the nearest cooperative marketing organisation; supply farmers' simple needs for crop production like seeds, cattle feeds,

fertilizers and agricultural implements, and also consumer goods like cloth, kerosene, salt and other articles of daily requirements on indent basis or on the basis of established needs, serve as milk collecting station for the nearest dairy and as a centre for animal first aid and maintenance of studbulls; serve as a centre for maintaining agricultural machinery for the joint use of members and encourage subsidiary occupations for its members.

Today, the cooperatives are coming of age and will face severe competition from the private and governmental agencies. Even in the countries, having controlled democracy or totalitarion regime, cooperatives will have to show business efficiency and promptness in meeting the requirements of the farmers. In India, the agricultural credit cooperative societies failed to achieve desired results and the government has to introduce other institutional agencies like the Agricultural Credit Corporations and commercial banks to provide credit to smaller farmers. The government will not wait indefinitely and resort to other measures if cooperatives fail to become effective instruments in helping the developing economies.

The recent experience of certain developing countries in South-East Asia and specially the remarkable achievements of the Japanese multipurpose cooperatives leave us in no doubt that the multipurpose cooperative societies are best suited for the development of rural areas in the shortest time. Their functions would include not only the supply of agricultural resources, but also the mobilising of the entire local manpower and financial resources. The new concept includes even unrelated functions. The multipurpose cooperatives are expected to undertake various measures, such as the full use of irrigation facilities available, application of improved agricultural techniques, promotion of animal husbandry, undertaking of such activities as dry farming, contour bunding, soil conservation etc. and the promotion of village industries.

Cooperatives will have to look after every aspect of the farmers life or there would be erosion through which unhealthy elements may again creep in to destroy the very edifice which cooperatives propose to build.

It will, however, be a serious mistake to conclude that there are no differences of opinion about the single purpose or multipurpose societies to be developed in the rural areas. It is, therefore, necessary to mention the advantages and disadvantages of a multipurpose society. A multipurpose society is expected to embrace the whole economic and business life of the village community. However, the success of the multipurpose society is hindered by the following problems :

1. A multipurpose society with its combination of a variety of activities has to emphasize the aspect of economic viability. This necessitates consolidation and amalgamation of different societies which is somewhat difficult due to conflicting interests.

2. It appears that small and uneconomical multipurpose cooperatives were formed by organisers who were carried away by their enthusiasm. This resulted in failures and consequent discouragement.

3. The multipurpose society is burdened with the task of an agency nature, thus denying the cooperatives an independent existence. In this connection, one may also mention increased supervision by the State, e.g. purchase of rice under the guaranteed price scheme, which, in order to maintain a high level of efficiency, involved increased government control and interference.

4. There is difficulty in raising enough capital for different tasks.

5. Finally, multipurpose business and objectives require managerial talent of a high calibre for carrying out efficiently and successfully diverse functions. The activities which these societies are expected to handle or likely to be beyond the intellectual and administrative resources available in villages.

Advantages of multipurpose cooperatives :

a) Multipurpose societies induce a greater volume of business and therefore the trade margin permits the employment of a qualified and competent manager as well as staff. In addition, activities of the cooperative is spread over the whole year and this maintains and keeps up the interest of members.

b) Capital can be used economically, physical facilities can be utilized more fully, and the management staff are kept busy throughout the year.

c) It is a psychological fact that most members would like to do all their business in one place as much as possible.

d) In a large society it is not as difficult to get leaders as in a small one. A larger area of operation and more objectives would naturally embrace more members of the community from which capable leaders can be chosen.

Disadvantages of multipurpose cooperatives :

a) In developing countries, especially in rural areas it is not always possible to secure efficient managerial personnel. Competent managers and qualified staff usually prefer to work in urban areas rather than in rural areas as they hope to obtain better salaries and prospects for advancement and promotion.

b) The inclusion of different sections engaged in different callings might not provide enough affinity of interest to sustain the sense of mutual obligation which is so necessary for successful cooperative activity.

c) There is danger in combining credit with trading. In a multipurpose society one aspect of business might make a substantial surplus whereas another might be losing. (In general, the producer would not like to see the profits made on his produce be absorbed in the losses in the consumers store). There is also the risk that failure in one business may spell failure of the whole organisation.

d) The multipurpose cooperative can become a confusion if the books of the cooperative are not maintained properly. Separate accounts have to be kept for the different departments.

The success of multipurpose cooperatives will naturally depend on many factors such as geographical factors, nature of crops, social traditions and habits, and educational standards to mention a few.

Recent economic trends indicate that the large cooperatives are becoming larger and small cooperatives are becoming more dependent on the larger ones or they cease to operate. Even in urban areas, there is a tendency of big cooperatives coming up. There is vertical and horizontal development of the movement. The technological revolution, management and administrative standards, large requirement of capital and specialisation in various fields, and keen competition with profit motive agencies will require a big corporation to face the challenge of time. This is going to perculate to the rural areas also. However, in the rural areas, circumstances themselves, and not any preconceived notions must be the deciding factor. While it may be preferable not to set up any unnecessary chain of local organisations, it is more important not to venture into transactions of a complicity that is beyond the capacity of the Committee of Management and which would ultimately make supervision by the members impossible. In any environment where there is insufficient knowledge of cooperative methods and little managerial experience, the prudent course suggested by the majority of examples handed down from the past is to set up a single purpose cooperative society in the first place and then develop it into a multipurpose cooperative society. The process of transition has to be gradual. It would be a big step taken if the societies in the first instance succeed in linking up credit with production on the one hand and credit with marketing in a really effective manner on the other. Additional functions may be undertaken keeping in view the financial, administrative and technical capacity of the present membership. It is better to take up few activities and perform them efficiently than to take up many activities and create confusion. The administrative assistance offered by the governments in developing countries will help us in advancing towards this goal and the cooperatives will take care of farmers' multiple requirements and become real instruments of their propriety by intensifying agricultural production and rebuilding the rural economy.

WORKING PAPER

TASKS OF THE MANAGEMENT COMMITTEE IN A THRIFT AND LOAN SOCIETY AND THE MANAGER'S FUNCTIONS

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NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"
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18th April, 1970 100

TASKS OF THE MANAGEMENT COMMITTEE IN A THRIFT AND LOAN SOCIETY AND THE MANAGER'S FUNCTIONS

Koh Watt Seng

THE THEME OF "COOPERATIVE MANAGEMENT"

To the uninitiated the title "cooperative Management" may appear to imply that there is a peculiar form of management expertise to be applied to the operations of cooperative societies. Is this really so? Let us examine briefly this institution known as a cooperative society.

It may be described as an organisation through which men of goodwill come together in a joint cooperative venture to solve problems of mutual interest through mutual effort. Basically it is another form of business organisation, harnessing capital and using it for the production of consumer goods or services required by its members. It can raise its capital in a variety of ways which have already been discussed by a previous speaker on "Methods of financing cooperatives". It must use the capital available to it in the most efficient ways possible to maximise the benefit obtainable from its enterprises. Efficiency implies maximum output at minimum cost. This calls for good management. To this extent the cooperative society is very similar to other forms of business organisations.

However, while corporations have their Boards of Directors, cooperatives have their Management Committees. Election to the Committee is through a democratic process and usually does not depend on the wealth or amount of share or subscription holding of the member. Even the lowliest of its members can win election to the Management Committee if he can win the confidence of the members present at the General Meeting. The member who can contribute effectively to the success of the objectives of the Society can win election even though he may hold only one share. This is not usually possible in the case of other forms of business organisations. It is this feature which distinguishes a cooperative from other business firms.

The managerial functions, however, are essentially the same regardless of the type of organisation or the status level of the individual exercising these functions in the organisations. Presidents, department heads, foremen, supervisors, heads of government agencies all do the same thing though the non-managerial skills required for the various managerial posts may vary from job to job. The functions of management may be considered to be universal.

OBJECTIVES AND GOOD MANAGEMENT

Good management is necessary if organisations are to succeed in their objectives. Let us begin by examining the rational for organisations. Organisations exist because persons need them - to do things that they need to do or want to do, and that they either could not do as well or could not do at all without organisations. The things that people need

or want - their objectives - thus are actually responsible for the existence of organisations. The effectiveness of any organisation, that is, how well it meets its own objectives as an organisation, must ultimately be measured in terms of the degree to which it helps its members to achieve their individual objectives. Unless persons responsible for managing an organisation understand this role of the individual objectives of its members, the organisation cannot be accurately understood nor operated at its full potential.

The first task of Management must therefore be to identify the individual objectives of its members and to develop from these organisational objectives which will help to satisfy most if not all of the individual objectives.

IMPORTANCE OF ORGANISATIONAL OBJECTIVES

The importance of clearly defined objectives is generally recognised. Management training stress the following:

Objectives serve as reference points for the efforts of organisations;

Objectives are necessary for co-ordinated effort;

For proper co-ordination the first step is to state the objectives the organisation desires to achieve;

The organisation that wishes to compete effectively and grow must continually renew its objectives;

Organisational objectives are the ends towards which all organisational action is directed;

Objectives are prerequisite to determining effective policies, procedures, methods, strategies and rules;

Organisational objectives define the destination of the organisation; they move forward as rapidly as they are approached or attained;

Clearly defined organisational objectives are analogous to a star which can be used for navigation by ships and airplanes.

All these statements stress the importance of providing stated objectives so that co-ordinated action can be planned to enable the organisational objectives to be achieve.

OTHER TASKS OF MANAGEMENT IN GENERAL

The first task of Management has been stated as development of organisation objectives which the Society must attempt to achieve.

The other tasks may be summarised as:

Planning;
Organising;
Controlling.

Planning coordinates the activities of the organisation toward the defined objectives. Although it may arise by chance that activity can be co-ordinated without planning, the probability is that unplanned activity will be random, dysfunctional and not directed toward organisational objectives. Planning brings a higher degree of rationality and order into the organisation than would be present without planning. Without planning one has to wait for situations or problems to arise and then react to them. Planning permits one to act

with initiative and to exploit the situations to the organisation's advantage. Poorly managed organisations usually find themselves almost totally occupied with a vicious circle of immediate crises, leaving them that much less opportunity to shape the future of the organisation. Planning thus allows organisations time to shape the future. It is true that even with planning the future remains unknown and one always takes a risk in predicting or creating it. However, planning to deal with the future is an importnat task of management.

After planning, organising is the next important function. Organising is concerned with:

(1) Determining the specific activities that are necessary to accomplish the planned goals;

(2) Grouping the activities into a logical pattern, framework or structure;

(3) Assigning the activities to specific positions and people.

Organising defines the part which each member of an enterprise is expected to perform and the relations between such members such that their concerted endeavour shall be most effective. Organising determines the way by which the goals conceived in planning can be accomplished. Organising can be viewed as a bridge connecting the conceptual ideas developed in creating and planning to the specific means for accomplishing these ideas.

The management process is completed when controlling the final task has been accomplished. Controlling is concerned with:

(i) Comparing events with plans; and
(ii) Making necessary corrections where events have deviated from plans.

Controlling is the process by which management sees if what did happen was what was supposed to happen. If not, necessary adjustments are made. Controlling is the checking up part of the management function.

It will thus become clearly apparent that planning is a prerequisite for effective controlling. Controlling cannot be accomplished without planning because without planning there is no predetermined understanding of desired performance.

MANAGEMENT TASKS SPECIFIC TO COOPERATIVE SOCIETIES

I have been talking about tasks for Management is general. These tasks apply equally well to all forms of organisations whether cooperative, corporation, government, etc. Let us now examine some additional tasks of Management which are relevant only to cooperative societies by virtue of their special form and objectives. These tasks may be summarised as:

Fulfilling legal obligations;

Providing special services to members;

Education of members in cooperative philosophy;

Leadership Development to ensue continuity.

As for most forms of business organisations, cooperative societies are governed by legislation in most countries. Such laws, though sometimes irksome and considered restrictive, are necessary to protect the immediate members and the general public ar large from what may be disastrous effects of imcompetent or dishonest management. Cooperatives

in most countries have a glamour of their own because of their avowed objectives usually related to ends dear to the human heart. An objective like "Promotion of the economic welfare of its members" can have real emotive appeal. Cooperative societies, given adequate publicity and good public relations, can usually harness financial support even from poor people. It has been adequately proved that the cooperative movement has the capacity to do good without dependence upon huge and powerful business combines and tycoons. So much so that most governments have though fit to promote cooperative activities. It is therefore in the interest of the general public at large and the concept of cooperation itself that the movement should not be given a bad name because of failure resulting from poor management. Cooperative laws have been promulgamated to prevent rash speculative acts on the part of Management Committees. These may cover rights and liabilities of members, control of society funds, audit and publication of accounts, basis of profit distribution, etc. Since cooperative societies are reputed to comprise men of goodwill it must therefore be expected that leaders entrusted with the affairs of the Society should conduct them above board and within the limits of law. Legal obligations must be fulfilled.

Another special characteristic of the cooperative movement is the fact that the profit motive is secondary to the welfare motive. If a profit can be achieved and dividends or rebates provided well and good. However, it is most important that a cooperative society must be able to

and loan function, it must also undertake certain additional management tasks. These may be summarised as:

Ensure the security of the funds of the society;

Promote the growth of the society's capital;

Promote the virtue of thrift;

Develop other forms of cooperative activities.

A Thrift and Loan Society provides services related to money. It has a special responsibility to see that the money entrusted to it by members for conduct of its business is properly handled and not dissipated through negligence. This is not to suggest that other types of cooperatives have no responsibility with regard to management of funds. Thrift and Loan Societies have this added responsibility because money is its main business.

Because of this, we have also the second additional specific management task for this type of society, namely, promotion of the growth of the society's capital. Such a society, must necessarily hold more money than would be required by its members at any time. While it must have adequate liquid cash, held in its current accounts, to meet sudden increases in loans requested; it must take regular check of the amounts of liquid cash it holds. Any surplus must be diverted to investment purposes which will yield a return. Such a society must have a sound investment policy which will provide the maximum return possible on the reserves of money it holds.

The promotion of thrift is a function which can be easily forgotten by Thrift and Loan Societies in their desires to be able to declare higher dividends and provide service to members. The borrowing member pays interest on his loan and contributes to the surplus which the society can accumulate while the saving member who practises thrift has to be paid interest on his deposits which has to be paid out of the earnings of the society. It is easily understood how the cause of thrift can be easily overlooked in such a situation. Members should be educated on the virtues of thrift; they should be shown the advantages, especially the lower cost, of postponing a consumption expenditure by saving first and earning interest on the savings before committing to expenditure than then repaying the loan with interest. A chart or set of figures showing the comparative cost of such expenditures can be most enlightening. Emphasis should be placed on budget planning by members as this would contribute to their economic welfare in their private lives. Thrift on the part of members may mean lower dividends being declared but them, is profit in the form of dividends the major objective of membership in such societies? Certainly not.

Finally let us consider the future of Thrift and Loan Societies. It is true that most cooperatives are formed for specific mono-objective purposes. A thrift and loan society will be for thrift and loan. However, especially with reference to the Singapore situation, where the greater majority of societies are indeed thrift and loan societies, should these societies remain purely thrift and loan in approach? This question is particularly relevant now where there is call for investment of capital

required from managers. I appreciate the advantage of developing a class of managers on whom societies, whether thrift and loan or otherwise can depend for the daily conduct of their affairs. I hope that this situation will be possible in the very near future. Perhaps we can take this topic of the Manager's functions up at a follow-up seminar when we discuss in greater details ideas which are being thrown up as a result of this seminar.

18th April, 1970.

GROUP REPORT

GROUP I

Chairman : Paat bin Kamsi

Secretary: Miss S.A. Rani

Members : A. Rahim bin Gimin, Ghazali Kadir, V. Devi, K.K. Nair, M. Shariff B. Hassan, Lee Lian Seng, Mohd. Ali Ismail.

1. Please discuss the possibilities of and avenues for investment of surplus funds of urban, thrift and loan societies.

The group discussed the following quest and came to the following conclusion.

(1) The thrfift and loan societies be turned into multipurpose societies.

(2) A cooperative bank should be formed and through the bank the money cab be deposited into agency management.

(3) Channel the surplus funds into the N.T.U.C. new ventures on insurance.

(4) Investment in government owned industries.

(5) A multi-storey building as a headquarters for investment and business such as

(i) supermarket (underground)

(ii) and consurmer stores - hire purchase (furniture)

18th April, 1970.

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The group alos considered the following ventures that surplus funds could be invested.

(1) Printing Press.

(2) Petrol Station.

(3) Motor Workshop.

(4) Travel Agency

(5) Ladies and Gentlemen Beauty Saloon.

(6) Fisheries, Marketing and Processing industries.

(7) Tailoring, Embriodery and other Handicrafts(Tourist)

(8) Rubber and Timber Markering and Processing industries.

(9) Aerated Water.

DISCUSSION REPORT

GROUP II

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Chairman: Mr. Lim Keng Hor

Secretary: Mr. John Wong Chee Gay

Members: Messrs Banzamin Masillamoney, Abbas A. Falli, Mohd. Yuni Bin Awi, S.P. Samy, A.Paramanathan, K. Visvanathan.

As directed, the Group's discussion was centred on the subject of:

"To what extent thrift and loan cooperatives can branch out into other activities and with what safeguards with a view to:

i. expansion of their business
ii. extension of services to their members and others.
iii. increase and absorb new membership".

The Group discussion concluded with the following proposals.

1. Setting up of a multipurpose society. As the scope of this society is very wide a few recommendations for the initial undertakings are:

   a) petrol kiosk
   b) restaurant, and
   c) transportation - in terms of buses for members/members' children with possible tour trips for members and others during the vacation periods.

2. Extend the loan activity to include mortgage loans to members.

3. Scholarships to members/members' families.

4. Benevolent funds for deaths, hospitalization for members/members' families.

5. Publicity in the forms of:

   a) literature in four language streams
   b) personal contact with members/non-members.
   c) social functions - to be extended to non-members as well.

In discussing the activities as proposed, the Group also realised the importance of safeguards in cooperative activities and recommends (where applicable)that:

1. a thorough study/survey of the feasibility of the recommended project is a must.
2. training of personnel in the specialised fields of the business anticipated.
3. employment of permanent qualified employees to manage the business.
4. to encourage employees to be members of the society so that they have a stake at it.
5. only officials conversant with the movement of the cooperative society can canvass (and explained) to non-members to encourage more membership.
6. and, lastly but not least, the activities such as scholarships, benevolent funds and such like activities are subjected to the availability of the surplus funds.

GROUP REPORT

GROUP III

CHAIRMAN : Victor Chandra

SECRETARY : George C. G. Tan

MEMBERS : Anthony Kolandasamy, Chua Cher Chay, K.P.K. Krishnan, Abd. Rahim bin A. Rahman, Ram Kawal Rai, Chia Siew Lian,

TOPIC : Suggestions for diversifying the activities of the Defence Services Societies which are facing a crisis due to closure of British Military Base.

There are 8 army societies and also some in the R.A.F. and the naval force. They have to decide either to liquidate or convert into multi-purpose societies before December, 1971.

For discussion, the group has selected the British Army Society which is considering conversion to multi-purpose co-op.

Liquidation of the said will mean that the reserve funds may have to be transferred to a charitable institution or as directed by the Coop Societies Registrar. The group, therefore, recommends that the army society concerned be formed into one body so as to pull together their reserve funds for a multi-purpose coop venture.

Areas of Diversifying the Activities of the British Army Society.

(1) Transport Service

The British Army is noted to have a fleet of buses. The employees therein who are also cooperators are strongly urged by this group to purchase these buses from the employers at a special concession - special

concession in view of the amount of years of service put in and that they are soon going to be redundant workers. These buses would then be reconditioned and air-conditioned for commercial use like conveying tourists who come to our Republic. This would also greatly assist to provide more air-conditioned buses for tourism and other purposes.

(2) Workshop Services

The group felt the need to have workshop services to undertake repairs wanted by these buses and other vehicles belonging to the general public. It is also suggested that to meet the great demands, the workshop services should be available round-the-clock.

(3) Petrol Kiosk

In conjunction with (1) and (2) the group proposed that a petrol kiosk or more should be started by the coop society concerned.

(4) Cafeteria/Curio Shops

Members recommended the setting up of a cafeteria and a curio shop to cater for the tourists who visit the Republic.

(5) Laundary Service

As more hotels go up, members present felt that the coop society concerned should look into the prospects of providing a laundary service for these boarding houses as well as the individuals in the public.

(6) Supermarket

Pocket supermarkets can also be established in various housing estates. This would serve the residents there as there is potential business prospect for the cooperators. The service can be extended even

to include house-delivery.

This group felt that there may be other avenues to diversify the coop activities. However, an expert should be sought to give advice on diversification of activities.

(7) Employment

Group III unanimously agreed that the recommended measures/activities mentioned above would undoubtedly help to offset any unemployment problem that would arise as a result of these employees being made redundant by 1971. It should be emphasised that preference must be given to employ these redundant workers when the above-mentioned measures are implemented.

(8) Finance

Every encouragement should be made by the Society concerned to get members to buy as many shares as possible to enable the coop movement to venture into these business enterprises. Other coop societies should be approached to invest their surplus funds to make this sister organisation realise their new and necessary objectives of setting up a multi-purpose coop venture.

(9) Technical Assistance

All means of obtaining assistance and advice should be made by this society to branch off into this new set up. Suggested agencies that are likely to give such greatly needed technical know-how are the (i) Economic Development Board; (ii) Development Bank of Singapore (iii) International Cooperative Alliance through the Singapore Cooperative Union, or any other organisations that have the trained personnel.

(10) Conclusion

As this British Military pull-out will take place by the end of 1971 (a space of 18months or so from today, 18.4.70) and will constitute a very grave and crucial situation facing these workers, the coop movement as a whole should immediately meet to mobilise their resources to overcome this impending "unemployment" problem and give every cooperation required by these fellow cooperators.

17th April, 1970.

GROUP REPORT

GROUP I

Chairman : Mrs. T. Retnam

Secretary : Mr. Lee Lian Seng

Members : Shariff B.H. Hassan, Paat Bin Kamsi, Chang Chee Kung, Mohd. Ghazali b. A. Kadir, Abd. Rahim bin Gimin, K.A. Nair and Miss S.A. Rani.

1. Steps to be taken to strengthen the owned capital base of of cooperatives.

Members felt that Cooperatives are business organisations and like all business organisations steps must be taken to strengthen the owned capital and recommends the following methods:-

(a) By launching a wide membership campaign explaining the benefits they get by becoming members. This will increase a certain percentage in the capital.

(b) Existing members who could afford be persuaded to increase their monthly contributions towards subscription and other deposits.

(c) By encouraging members to contribute to several types of deposits depending on the needs of members.

(d) By making a compulsory contribution of a small percentage of their regular income to create habit of thrift and saving on the part of the member. This will again help to increase the capital.

(e) By creating optional depostits for certain specific purposes e.g. Income Tax, Property Tax, Insurance Premium etc.

(f) By levying members for certain specific purposes- to create a death Benefit Fund.

(g) By maning the Cooperative efficiently and create confidence among the general public to encourage non members to deposit their savings in the societies.

(h) By creation of an Insurance Scheme for members.

2. What concrete suggestions would you make for providing/ increasing training facilities for office bearers including committee members and employees of societies.

Members recognise the need for training office bearers, committee members and employees of societies, for efficiency, progress and productivity. They strongly felt that the Singapore Cooperative Union should initiate measures to organise , conduct and train personnel.

Members felt that to embark on such educational and training schemes the Cooperative Union need to have not only the moral support of all affiliates but also their generous contribution of funds and that too a substantial amount.

Realizing the urgency for such courses and considering the Union's financial position from the lecture Paper.

(a) To set up a sub-committee to review and modify the unions By-laws to give wider participation and representation and to carry out all activities effectively and to encourage other societies to become affiliates of the Union.

(b) Each present affiliate of the Union should contribute generously say 3% to 5% of its annual profits to the Union funds immediately and thence annually.

(c) Each affiliate to set aside a certain amount from the profits to build a Common Building called a "Cooperative House" similar to that of the Trade Union House.

(d) To persuade all other Cooperative Societies in the Republic to become affiliates of the Union.

The members felt that once the union has sufficient funds at its disposal then it could go ahead implementing the following:-

(a) To sit up an Educational Committee comprising of Union officials and Veteran Cooperators to plan and conduct various activities connected with member Education and employee Training.

(b) To organise courses/classes/lectures in liason with Adult Education Board for office bearers and Committee mebers to train them in the aims and objectives, basic principles and working of the the Cooperative Movement to achieve afficiency and progress.

(c) To organise advance courses leading to certificate/ diploma in liason with the Extra Mural Studies Department of the University of Singapore and Polytechnic to further their knowledge and to do research in various Cooperative Ventures.

GROUP REPORT

GROUP II

Chairman: S.P. Samy

Secretary: Mohd. Yuni bin Awi

Members: Benjamin Masillamoney, Abbas A. Falli, C.D. Jansen, S. Nadeson, V. Devi, K. Visvanathan, Panadan P.K., Wallace Muthu, Lim Keng Hor, Wong Chee Gay.

Absentees: Koh Soo Chuan, A. Paramanathan, Choy Leong Ming.

Question 1: Measures to be adopted for mobilisation of deposits.

The Group felt that the following measures can be adopted for mobilisation of deposits:-

1. By publicity in the form of literature informing members of the advantages of having a deposit account.
2. By providing services covering deduction facilities such as:-
   a) deduction of monthly housing share capital;
   b) deduction of monthly insurance premium.
3. By increasing the rate of interest on deposit accounts as can be provided rather than the present fixed rate of interest.
4. By introducing compulsory deposit from members' regular income.

Question 2: Steps to be taken to increase membership in societies and to organise new ones so that a larger coverage of population may be possible.

A. The Group felt that the following steps be taken to increase membership:

1. Personal contact and communication between committee members and non-members is of vital importance.

2. Publication and distribution of literature informing members in details the advantages of co-operative, such publication preferably be in the form of four language streams.

3. Enhancing loan facilities and lengthening the existing period of repayment.

B. With reference to organisation of new ones to cover a large coverage of population, the Group felt that the movement can branch out into the following aspects:-

1. Provide text-books for school children.
2. Provide cooperative canteens for all schools
3. Provide transport facilities for school children and tourists.
4. Provide cooperative motor workshops.

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GROUP REPORT

GROUP III

Chairman : Ngui Kiat Chuan

Secretary: K.K. Nair

Members : Lim Keng Hor, Mohd. Ghazali b. A. Kadir, Ab. Rahim b. Gimin, Ram Kawal Rai, Chang Chee Kung, Tan Kim Cheng, Allen C. Poi, Victor Chandra.

1. Please discuss the qualities of leadership that should be possessed by a cooperative leader.

Apart from the lecture papers submitted by Dr. Dharm Vir and Mr. N.G. Raju, the Group also held the view that the qualities essentially required of a cooperative leader are as submitted below:-

a) He should be a good planner, able to foresee and promote definite plans to lead the society to venture into other fields of business activities within the movement such as multipurpose society, super market etc. The Group felt that this should be one of the main and foremost qualities of leadership that should be possessed by a cooperative leader.

b) Influential - in the sense that he can influence the top echelons like the politicians, permanent secretaries etc., so that they will be influenced by him to subscribe to his motivations and ideals of a cooperative movement.

c) Sincere and impartial at all times.

d) Responsible, dedicated and enthusiastic.

e) Helpful and approachable at all times.

f) Progressive, unselfish and honest.

g) Hardworking and exemplary in conduct.

h) Incoruptible and modest at all times.

2. Do you consider it desirable to separate the functions of the Registrar - i.e. statutory and development.

The Group considered this as a vital topic for discussion especially in the wake of the favourable socio-econo climate prevailing in the Republic, thereby giving rise to several openings for the cooperative societies to expand their present scope of credit transactions and venture into other fields of business activities. Arising from the rapid changing situation, it becomes quite expedient that the functions of the Registrar should be divided into two separate entities, viz:- (i) statutory function and (ii) development function.

The Group therefore felt that as for (i) the duties and responsibilities of the Registrar should strictly be confined to provide supervision, inspection, audit, assistance, counsel and control in accordance with the Cooperative Law. The Group also observed that the long string of duties and responsibilities of the Registrar coupled with the by-laws of the respective societies and policy decisions governing the day-to-day administration of the societies are indeed too burdensome for the Registrar to provide advice, be it oral or in writing, and in the main - supervision etc. This alone is considered a full-time job for the Registrar to administer

the 104 odd societies in the Republic. This explains the need to have the statutory functions of the Registrar to be operative in its entity.

Thus for (ii) the Group felt that as the Registrar is being inundated with his duties and responsibilities as elucidated in (i) he would not have the time to perform dual functions simultaneously. The Group considered "Development" here as diversification of the present trend of cooperative credit transactions into other areas of cooperative ventures by becoming a multipurpose society or by organising a super market cooperative printing etc. All these aspirations therefore require an engagement of an expert from the ICA or even from the United Nations, or alternatively to collaborate with the Economic and Development Board of Singapore to seek their expert advice so that the societies would be in the position to embark on definite plans to expand their business ventures. In view of the enormous responsibility with which the Registrar would have to shoulder, it was though desirable by the Group that the Registrar who is not an expert on business management should therefore have this type of function separated from his administration.

NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT

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GROUP REPORT

GROUP I

Chairman : Benjamin Masillamoney

Secretary: K. A. Nair

Members: Mohd. Ali Bin Ismail, Chua Cher Chay, George Tan Jagjit Singh Sandhu, Anthony Kolandasamy, Abbas A. Falli, Paat bin Kamsi, Shariff b. H. Hassan Lee Lian Seng,

1. DISCUSS THE IMPORTANCE OFMEMBER EDUCATION AND EMPLOYEE TRAINING IN LEADERSHIP DEVELOPMENT

The members of the Group discussed the above under the following headings:-

a) Member Education:

After careful deliberations the members strongly felt that the Singapore Cooperative Union should initiate measures whereby non-members will be acquainted with the aims and objectives of the Cooperative Movement and the role of our societies so as to attract them into the fold and to give them an idea of the role they are expected to play when they join the society, through posters, booklets, pamphlets, bulletins and brochures.

On admission members should be introduced to the working of the respective societies, the goals ahead and the Cooperative Movement itself through talks, discussions, film shows, get togethers and socials organised by the Cooperative Union and such activities should be supplemented by the various societies themselves in their own way.

b) Employee Training:

The members recognise the need for training employees as well as the members of the Management Committee for efficiency, progress and productivity. They expressed the grave need of the much overdue Cooperative College and hence recommends immediate setting up of it for the following reasons:

i. to provide leadership training

ii. to equip them with knowledge and know-how on various fields - e.g. consumer goods, discount service, benevolent fund.

iii. to improve and expand administrative set up - modernise

iv. to do research on various cooperative ventures.

Realising the urgency for such courses the members were of the opinion that part-time classes be held in the various cooperative subjects during evenings or week-ends to promote efficiency and progress in the administration of our societies. These classes should be organised by the Union in liaison with other educational bodies like the Adult Education Board.

2. DISCUSS THE PROVISIONS OF THE COOPERATIVE SOCIETIES' LAWS RELATING TO THE INVESTMENT OF FUNDS OF COOPERATIVES. ARE THEY ADEQUATE AND SATISFACTORY?

The members strongly felt that the present provisions relating to the investment of funds are inadequate for the following reasons:

a. The terms offered by the Post Office Savings Banks, and Government securities are not attractive enough.

b. Limitations for investments.

The members of the Group made the following recommendations:

The Cooperative Union to approach the Registrar of Cooperative Societies to get the list of all possible ventures and all approved banks for investment of cooperative funds and to help ammend Bye-laws so that affiliates could venture into more diversified activities within the Cooperative Societies, e.g. Cooperative Stores, Cooperative Bookshop, Cooperative Printing Press.

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GROUP REPORT

GROUP II

Chairman : A. Paramanathan

Secretary: Wallace Muthu

Members: Mohd Yuni, C.D. Jansen, J. Nadeson, V. Devi
Wong Chee Gay, S.A. Rani, S.P. Samy,
K. Visvanathan, Panadam P.K., Nagadas Pillai.

Question 1 : Please discuss the role of cooperative union in leadership development.

Members of the Group expressed that:-

1. The present constitutional structure of the cooperative union here needs to be reviewed and modified to give wider participation and representation, e.g. (a) delegate representation at the general assembly should be in proportion to the membership of the individual affiliated societies, (b) the executive council should be elected at the general assembly in sufficient numbers to carry out the work effectively (particularly the work in sub-committees).

2. The short-comings of the present system of selection for attendance at seminars and courses should be rectified so as to enable a bigger number of young and promising members to benefit from such opportunities.

3. Steps should be taken to set up a cooperative training institution here oriented to meet local needs.

4. Each affiliate should contribute 2 per cent of its annual profits to carry out educational programmes organised and run by the cooperative union.

Question 2 : In certain countries the Registrar, after an inspection or enquiry, is empowered, if he considers necessary:-

i) to dissolve all or any of the activities of a society.

ii) suspend or dissolve the committee of management.

iii) to remove any particular member of the committee or employee of a society.

Discuss the merits and demerits of these powers.

The Group felt that the aim and intent of the law were to safeguard the interests of members and hence appreciated the need to give wide powers to the Registrar. If these powers were wisely exercised it would work to the good of the cooperative movement but if abused there would be unwelcome and undue interference.

The Group took cognizance of the fact that under certain circumstances an appeal could be made to the Minister to reconsider the decision of the Registrar. Notwithstanding this provision, the Group expressed that the Registrar should

disclose the relevant facts and the grounds upon which his decision was based in a full report and in cases of dissolution, the matter should be brought before a 'board' composed of the Registrar or his representatives and where the cooperative union has also a representative to examine the case.

POINTS FOR GROUP DISCUSSION

GROUP I

1. Steps to be taken to strengthen the owned capital base of cooperatives.

2. What concrete suggestions would you make for providing/increasing training facilities for office-bearers including committee members and employees of societies.

GROUP II

1. Measures to be adopted for mobilisation of deposits.

2. Steps to be taken to increase membership in societies and to organise new ones so that a larger coverage of population may be possible.

GROUP III

1. Necessity of a cooperative bank.

2. Safeguards to be suggested to avoid failure in running a bank in the light of past experience.

NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"
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QUESTIONS FOR GROUP DISCUSSION

GROUP I

1. Please discuss the importance of member education and employee training in leadership development.

2. Discuss the provisions of the Cooperative Societies Laws relating to the investment of funds of cooperatives? Are they adequate and satisfactory?

GROUP II

1. Please discuss the role of cooperative union in leadership development.

2. In certain countries the Registrar, after an inspection or enquiry, is empowered, if he considers necessary:-

   (a) dissolve all or any of the activities of a society.

   (b) suspend or dissolve the committee of management.

   (c) to remove any particular member of the committee or employee of a society.

   Discuss the merits and demerits of these powers.

GROUP III

1. Please discuss the qualities of leadership that should be possessed by a cooperative leader.

2. Do you consider it desirable to separate the functions of the Registrar - i.e. statutory and development.

NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"

SINGAPORE - APRIL 13- 1970

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13. Mead, Charles S., Jr., Miami
Paper corporation (1971)
Issue

14. Jackson, Max, Jacksonville
Corporation loans to foreign
banks

15. Cooper, C.W. Jr.
Singapore Dollar is Pacific's money base.
Singapore

16. G. Kenny
Japan, Singapore Corp. Pacific's loan Against Yen.
Singapore

17. Fischel, Ken
Singapore Polycommodity Pacific's loan Against Yen.
Singapore

18. Cook Van Eman
Singapore Polycommodity Pacific's loan Against Yen.
Singapore

19. F. Lewis
Singapore Corp. Pacific's loan Against Yen.
Singapore

20. Lee Poolim Ken Van Eman
Japan Banks Corp. Pacific's loan Against Yen.
Singapore

21. Jones Richard
Taiwan Industrial Singapore Loan Yen.
Taiwan

22. Wong Chee Jim
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Singapore

23. Chen Leong Hung
Singapore Pacific Universal Corp. Pacific's loan Against Yen.
Singapore

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Singapore Pacific Trade Corp. Pacific's loan Against Yen.
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25. Lee Jim
Hong Kong Pacific Trade Corp. Pacific's loan Against Yen.
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Vice-Chairman

3. Mr. Koh Watt Seng
Vice-Chairman

4. Mr. T.T. Thomas
Hon. General Secretary

5. Mr. P.J. Alfred
Hon. Assistant General Secretary

6. Mr. K. Veluppilai
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NATIONAL SEMINAR ON "COOPERATIVE MANAGEMENT"

Singapore - April 13-18, 1970

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52. Mr. N.G. Raju, B.B.M.,
Chairman

53. Mr. Mak Kam Heng
Vice-Chairman

54. Mr. Koh Watt Seng
Vice Chairman

55. Mr. T.T. Thomas
Hon. General Secretary

56. Mr. P.J. Alfred
Hon. Assistant General Secretary

57. Mr. K. Veluppilai
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New Delhi

2. Miss Allice Wong
Singapore Cooperative Union Limited
Singapore

3. Miss Lim Geok Lan
Teachers' Cooperative Thrift & Loan Society
Singapore.

NATIONAL SEMINAR ON COOPERATIVE MANAGEMENT
SINGAPORE - APRIL 13-18, 1970

REGISTRATION FORM

1. Name of the participant _____

2. Age _____

3. Office Address _____

   Telephone No. _____

4. Home Address _____

   Telephone No. _____

5. Name and address of the Society represented. _____

6. Position held in the Society. _____

7. Previous Seminars attended. _____

REGISTRY OF CO-OPERATIVE SOCIETIES

List of Co-operative Societies

Serial No.	Thrift & Loan
1.	Singapore Government Servants' Co-operative Thrift and Loan Society, Ltd. P.O. Box 1144, Singapore, 1.
2.	Singapore City Council Employees' Co-operative Thrift and Loan Society, Ltd. 171-A Joo Chiat Road, Singapore, 15.
3.	Port of Singapore Authority Employees' Co-operative thrift and Loan Society Ltd. The Port of Singapore Authority Tanjong Pagar Singapore, 2. (P.O.Box 300)
4.	Singapore Police Cooperative Thrift and Loan Society Limited. Tanjong Pagar Police Post, Singapore, 2.
5.	Singapore Mercantile Cooperative Thrift and Loan Society, Ltd., Room 303, No. 6 Cecil Street, Singapore, 1.
6.	Singapore Postal & Telecommunications, Cooperative Thrift and Loan Society Ltd, AUPE House, 921, Serangoon Road, Singapore, 12.
7.	Singapore Telephone Board Cooperative Thrift and Loan Society Limited., TELEPHONE HOUSE, Hill Street, Singapore, 6.
8.	Singapore Malay Gurus' Cooperative Thrift and Loan Society Limited. 5A Paya Lebar Road, Singapore, 14.
9.	Customs and Excise Cooperative Thrift and Loan Society (Singapore) Ltd., CUSTOMS HOUSE, Maxwell Road, P. O. Box 750 Singapore, 2.
10.	Singapore Traction Company Employees' Cooperative Thrift and Loan Society Ltd., Mackenzie Road, Singapore, 9.
11.	Singapore English School Teachers' Cooperative Thrift and Loan Society Limited., 38 Kerbau Road, Singapore, 8.
12.	Singapore Government Printing Office Cooperative Thrift and Loan Society Limited., Government Printing Office, Upper Serangoon Road, Singapore 13. (P.O.Box 485)
13.	Singapore Naval Base Employees' Cooperative Thrift and Loan Society Ltd., Blk. 54, H.M. Naval Base, Singapore, 22.
14.	Singapore Government Public Works Cooperative Thrift and Loan Society, Ltd., P.W.D. Office, High Street, Singapore, 1.

15. Junior Singapore Mercantile Employees' Cooperative Thrift and Loan Society, Ltd.,
P. O. Box 1385, Singapore, 1.

16. Singapore United Engineers' Cooperative Thrift and Loan Society Limited.,
Uniteers' Building,
River Valley Road, Singapore, 9.

17. Straits Times Press Cooperative Thrift and Loan Society, Ltd.
TIMES HOUSE, River Valley Road,

18. Singapore City Council Water Department Artisans' Cooperative Thrift and Loan Society, Ltd.,
City Engineers' Department,
City Hall, Singapore, 6.

19. Singapore State Abattoirs Employees' Cooperative Thrift and Loan Society Ltd.,
c/o Pigs Abattoir,
French Road, Singapore, 8.

20. Civilian Employees' (R.E. Works) Cooperative Thrift and Loan Society Limited.,
H.Q. Engineer Base Installation,
Ayer Rajah Road, Singapore, 5.
(or G.P.O. SINGAPORE)

21. Kadayanallur Muslim Cooperative Thrift and Loan Society Limited.,
58 Tanjong Pagar Road, Singapore,2

22. Base Ordnance Depot Civilian Employees' Cooperative Thrift and Loan Society Limited.
H.Q. , 3 B.O.D. c/o G.P.O., SINGAPORE.

23. Royal Army Ordnance Corps Civilian Employees' Cooperative Thrift and Loan Society Limited.,
H.Q., 4 S.P.R.D. RAOC,
c/o G.P.O., SINGAPORE.

24. Ministry of Defence (Army Department) Civilian Employees' Cooperative Thrift and Loan Society Limited.,
Command Secretariat, Section, 2.
H.Q. FARELF, SINGAPORE.

25. Army Depot Police FARELF Employees' Cooperative Thrift and Loan Society Limited.,
Army Depot Police Headquarters,
c/o G.P.O., SINGAPORE.

26. Singapore Shell Staff Cooperative Thrift and Loan Society Limited.,
c/o Shell House, Collyer Quay,
Singapore, 1.

27. Pulau Bukom Cooperative Thrift & Loan Society Limited,
Pulau Bukom, Singapore

28. Singapore Prison Service Cooperative
Thrift and Loan Society, Ltd.,
c/o Changi Prison, Singapore, 17.

29. Civilian Staff 40 Base Workshop R.E.M.E.
Cooperative Thrift and Loan Society Ltd.,
40 Base Workshop R.E.M.E.
C/O G.P.O. SINGAPORE.

30. Serangoon District Cooperative Thrift
and Loan Society, Ltd.,
21 Sirat Road, Singapore, 19.

31. F.N.C.B. Singapore Brance Employees'
Cooperative Thrift and Loan Society Ltd.,
DENMARK HOUSE, COLLYER QUAY, Singapore, 1.

32. Singapore Bank Employees' Cooperative
Thrift and Loan Society Ltd.,
545 Guillemard Road, Singapore, 15.

33. City Council Transport Centre Employees'
Cooperative Thrift and Loan Society Ltd.,
76 Race Course Road, Singapore, 8.

34. Esso Employees' Cooperative Thrift
and Loan Society, Ltd.,
Esso Standard (S) Ltd.,
SHAW HOUSE, Orchard Road, Singapore, 9.

35. Singapore Ceylon Tamils' Cooperative
Thrift and Loan Society Limited.,
c/o 7C Namly Place, Singapore, 10.

36. Singapore Polytechnic Staff Cooperative
Thrift and Loan Society Limited.,
Singapore Polytechnic,
Prince Edward Road, Singapore, 2.

37. Air Ministry Local Civilian Employees'
Cooperative Thrift and Loan Society Limited.,
6A Lorong 101 Changi Road, Singapore, 15.

38. Mansfield/Straits Steamship Employees'
Cooperative Thrift and Loan Society Ltd.,
OCEAN BUILDING, Collyer Quay, Singapore, 1.

39. Pan-Electric Group Employees' Cooperative
Thrift and Loan Society Limited.,
255-A Alexandra Road, Singapore, 3.

40. A.U.P.E.Cooperative Thrift and Loan Society Ltd.
AUPE HOUSE, 921 Serangoon Road,
Singapore, 12.

41. Far Eastern Publishers Ltd. Employees'
Cooperative Thrift and Loan Society Limited.,
76/77 Bras Basah Road, Singapore, 7.

THRIFT AND INVESTMENT

42. Singapore Malay Settlement Cooperative Thrift and Investment Society, Ltd., 15 Jalan Abdul Manan, Malay Settlement, Singapore, 14.

43. Tanglin Cooperative Thrift and Investment Society Limited., 43 Ellis Road, Singapore 10.

44. Kampong Siglap Cooperative Thrift and Investment Society, Ltd., 30 Woo Mun Chew Road, Singapore, 16.

45. Kampong Pachitan Cooperative Thrift and Investment Society, Ltd., 440 Changi Road, Singapore, 15.

46. Pulau Tekong Malay Kampongs' Thrift and Investment Cooperative Society Ltd., Kg. Padang , Pulau Tekong Besar, Singapore.

47. Kampong Bedok Thrift and Investment Cooperative Society Ltd., 15 Jalan Kathi, off Bedok Road, Singapore, 16.

48. Geylang Thrift and Investment Cooperative Society Ltd., 6 Lorong 24A Geylang Singapore, 14.

49. Kampong Ayer Gemuroh Thrfit and Investment Cooperative Society Ltd., 234J Wing Loong Road, Singapore, 27.

50. Anal Serkam & Pulau Cooperative Thrift and Investment Society Ltd., 19 Jalan Halia Singapore, 14.

51. Kampong Pasiran Thrift and Investment Cooperative Society Ltd., 19 Gentle Road, Singapore, 11.

52. Ponggol Area Thrift and Investment Cooperative Society Ltd., 14A Track 24 Ponggol Point, Singapore, 19.

53. Tamj ong Irau Area Cooperative Thrift and Investment Society Limited., 23 Jalan Solaming Sembawang, Singapore, 27.

54. Kampong Ambar Cooperative Thrift and Investment Society Ltd., c/o Che Buang Jafar, 86 Kampong Ambar, Singapore, 15.

55 Kebum Ubi Cooperative Thrift and Investment Society Limited., 14 Jalan Tebu, Singapore, 14.

56. Kampong Sime Road Cooperative Thrift and Investment Society Limited., c/o S.T.B. Kampong Ampat, off Macpherson Road, Singapore, 13.

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Consumers

57. Malay Settlement Cooperative Shop Society, Ltd.,
341, Jalan Eunos, Singapore, 14.

58. Singapore Taxi Owners Cooperative Motor Garage & Stores Society Ltd.,
25, Beach Road, Singapore, 7.

59. Pulau Brani Popular Cooperative Shop Society, Ltd.,
167, Selat Sengkeh, Pulau Brani,
Singapore.

60. Changi Malay Cooperative Shop Society Ltd.,
159F, Kampong Changi, Singapore, 17.

61. Singapore Malay Drivers Cooperative Stores Society, Ltd.,
15, Jalan Nanas, Singapore, 14.

62. Singapore Public Services Cooperative Stores Society, Ltd.,
115-A, Owen Road, Singapore, 8.

63. "PASTI" Bukit Panjang Cooperative Shop Society, Ltd.,
53-A, Woodlands Road, Singapore 23.

64. Kampong Pandan Cooperative Shop Society, Ltd.,
217, West Coast Road, 8¼ m.s.,
Singapore, 5.

65. Kampong Quarry Bukit Timah Cooperative Shop Society, Ltd.,
69-36, Kampong Quarry,
Bukit Timah Road, 8 m.s., Singapore, 10.

66. 14 m.s. Sembawang Area Cooperative Shop Society Ltd.,
29, Andrew Avenue, 15 m.s. Sembawang,
Singapore, 22.

67. Woodlands Division Cooperative Shop Society (Singapore) Ltd.,
104-A, Lorong Fatimah,
Woodlands Road, 15½ m.s., Singapore, 25.

68. Jurong Shipyard Cooperative Stores Society Ltd.,
c/o Jurong Shipyard Ltd.,
Pulau Samulun, Singapore, 22.

Urban Credit

69. Bukit Senbawang Estate Labourers' Cooperative Credit Society, Ltd.,
9.m.s. Yio Chu Kang Road, Singapore, 19.

70. Government Public Health Division Labourers' Cooperative Credit Society Ltd.,
Ministry of Health,
Palmer Road, Singapore, 2.

71. Shell Company Malay Employees' Cooperative Credit Society Ltd., SHELL HOUSE, Collyer Quay, Singapore, 1.

72. Singapore Railway Employees' Cooperative Credit Society, Ltd., Loco Office, Malayan Railways, Tanjong Pagar, Singapore, 2.

73. Industrial Gases (Malaya) Employees' Cooperative Credit Society, Ltd., 7 m.s. Bukit Timah Road, Singapore, 10. (or P.O. Box 40011, Singapore.)

74. Esso Employees' Cooperative Credit Society, Ltd., Esso Standard (S) Ltd., SHAW HOUSE, Orchard Road, Singapore, 9.

75. B.O.D. Employees' Cooperative Credit Society, Ltd., H.Q 3 B.O.D., c/o G.P.O., Singapore.

76. Port of Singapore Authority Employees' Cooperative Credit Society, Ltd., The Port of Singapore Authority, Tanjong Pagar, Singapore, 2.

77. Air Ministry Employees' Cooperative Credit Society, Ltd., 196, Yio Chu Kang Road, Singapore, 19.

Marketing

78. Pulau Sudong Cooperative Credit & Fish Marketing Society, Ltd., Pulau Semakau Post Office , Singapore.

79. Singapore East Coast Cooperative Credit & Fish Marketing Society, Ltd., 191, Jalan Hajijah, Singapore, 16.

80. Potong Pasir Agricultural Production & Marketing Cooperative Society, Ltd., c/o 1300-1, Jalan Potong Pasir, Singapore, 13.

81. Hup Ho Agricultural Production & Marketing Cooperative Society, Unlimited, 239, Woodlands Road, 11½ m.s. Singapore, 23.

Rural Credit

82. Ama Keng Agricultural Cooperative Credit Society, Ltd., c/o 26, Ama Keng Road, Singapore 24.

83. Gulega Road Rural Cooperative Credit Society, Unlimited, 8, Block C, Gulega Road, Singapore, 16.

84. Jurong Road, 14 m.s. Rural Cooperative Credit Society, Unlimited, c/o Mr. Chua Mong Keng, 102, Gek Poh Road, off Upper Jurong Road, 13½m.s. Singapore, 22.

Housing

85. Singapore Government Officers' Cooperative Housing Society, Ltd., 12, De Souza Street, Singapore, 1.

86. Singapore Cooperative Housing Society, Ltd., P.O. Box 2840, Singapore.

87. Sharikat Bekerjasama2 Perumahan Kebangsaan Singapre Dengan Tanggongan Berhad, 218-C, Changi Road, Singapore, 14.

Banking

88. Singapore Malays Cooperative Banking Union Ltd., 15, Jalan Abdul Manan, Off Jalan Eunos, Singapore, 14.

Union

89. Singapore Cooperative Union, Ltd., P.O. Box 366, Singapore, 1.

Miscellaneous

90. Padang Terbakar Fishermen General Purposes Cooperative Society, Ltd., 722-F, Kampong Padang Terbakar, Singapore.

91. Singapore Cooperative Agencies & Conveyance Society, Ltd., c/o The Port of Singapore Authority Employees' Cooperative Thrift & Loan Society, Ltd., Tanjong Pagar, Singapore, 2.

92. Bukit Panjang Cooperative Land Purchase Society, Ltd., 738, Upper Bukit Rimah Road, Singapore, 23.

93. Bukit Panjang (Cheng Hwa Village) Cooperative Land Purchase Society, Ltd., 72-S, Jalan Kong Kuan, Singapore, 23.

94. Sharikat Bekerjasama2 Kenderaan dan Pengangkutan Singapura Dengan Tanggongan Berhad, 51, Jalan Sayor, off Jalan Eunos, Singapore, 14.

95. Sharikat Jalan Greja Bedok Bekerjasama2 Bagi Membeli Tanah Dengan Tanggongan 23, Lorong Pelasari, off Bedok Road, Singapore, 16.

96. Shoemakers' Cooperative Industrial Society(Singapore) Limited, 130-A, Caornhill Road, Singapore, 9.

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The present total number of societies is 94.