

# REGIONAL SEMINAR ON UNIVERSITY COOPERATIVES IN ASIA

*Jointly organised by the ICA/NFUCA and  
Brawijaya University, Malang, Indonesia.  
28-30, January 1992*



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Regional Office for Asia & the Pacific



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## Acronyms

|           |  |
|-----------|--|
| DEKOPIN   | Cooperative Council of Indonesia                           |
| ICA       | International Cooperative Alliance                         |
| ICA ROAP  | ICA Regional Office for Asia and the Pacific               |
| IKIP      | Teachers Training College, Indonesia                       |
| KOPINDO   | Youth Cooperative of Indonesia                             |
| KOPMA     | Students Cooperative                                       |
| NFUCA     | National federation of University Cooperative Associations |
| NCC       | National Cooperative council of Sri Lanka                  |
| RAT       | Annual General Meeting                                     |
| SHU       | Net Profit   |
| UNIBRAW   | University of Brawijaya                                    |
| UKM       | Students' Activity Unit                                    |
| Uns       | Sebeles Haret University                                   |
| WARPOSTEL | Post & Telecommunication Shop                              |

## Foreword

I am happy to present herewith the report of the Regional Seminar on University Cooperatives, organised jointly by the ICA, the Indonesian Cooperatives and the National Federation of University Cooperatives Association of Japan. The contribution made by the NFUCA in the promotion of University Cooperatives in the Asia-Pacific region is acclaimed and is a positive contribution for the region. The seminar in Malang, Indonesia, Malaysia, Sri Lanka, Thailand and Japan. The seminar was hosted by Brawijaya University with the support of the DEKOPIN and the Ministry of Cooperatives of Indonesia. The technical input in the seminar made by NFUCA represented its own organisational structure, membership coverage and the variety of business activities undertaken. The NFUCA has a federal character with membership of 181 universities and other institutions covering over 1 million individual members consisting of students and teaching community. The management of the NFUCA with a great degree of diversification of its activities and the concept of joint buying in order to keep prices low and reasonable are of relevance and significance to the region.

We, at the ICA Regional Office, are indeed grateful to the NFUCA for setting aside considerable amount of funds and for making available its expertise to us. Our previous effort to organise such seminars on university cooperatives at national level now undergone a change with the holding of such activities on regional basis. The role played by the Japanese University Cooperatives in this venture is gratefully acknowledged.

The report in its present form, which has been compiled by my colleague Mr. Pradit Machima, ICA Consumer Advisor, contains information on the activities of the Japanese students cooperatives as well as on the work done in this sector in Indonesia and other countries. I hope, this information will be of use to our other friends in this part of the world.

**G.K. Sharma**  
Regional Director





**Opening Address by H.E. Bustanil 'Arifin SH,  
Minister of Cooperatives,  
Republic of Indonesia,  
Malang, 28 January 1992**

*Bismillahirromanirrohim.*

Bapak Rector of the Brawijaya University, and Officials of the East Java Province; Distinguished Representatives of ICA, NFUCA, Delegates, Organizers and Participants in the Seminar; Distinguished Guests.

*Assalamu alaikum Wr. Wb.*

**1. Introduction**

It is a real pleasure to me to be here once again at the campus of the University of Brawijaya, and able to meet and address such an important gathering of young cooperators at this 'Regional Seminar on University Cooperatives'. I would also like to express my appreciation at the initiative taken by the organizers and supporting agencies in convening this forum of consultation and dialogue among young academics, students, and cooperators from various countries of our region.

I highly value this seminar on cooperatives in the University campus, because generally speaking universities tend to be more occupied with questions of higher learning rather than to lend their attention to the more down-to-earth problems of cooperation and cooperatives. So this kind of a seminar, indeed, comes as a pleasant surprise.

**2. 'The Tail wagging the Dog'**

Students and university cooperatives, admittedly, belong to the late comers' in the Indonesian cooperative scene. While the history of the Indonesian cooperatives goes way back to the year 1896, the first student cooperative did not appear until the year 1978. I still remember when I took office as Junior Minister for Cooperative Affairs, in 1978, I noticed (I hope I was wrong) but I observed that at that time students cooperatives (simply) did not exist.

It seems that in those days our university students took parts in all kinds of activities except in activities of the cooperative movement. I still recall, for instance, that the students were very active in the sport of 'rock climbing' or in scaling mountains and drifting down dangerous streams in rubber boats or wooden rafts. If not, they were soaring high in the sky in tiny 'self made' gliders-planes. They were also active in the promotion of local culture and traditional arts. What I want to say is that the university student community was and is, no doubt, one of the most active and dynamic groups of the society but surprisingly enough they seemed to be quite ignorant about cooperatives.

But once the idea and lofty ideals of the cooperative was introduced to the students things changed and in a moment the cooperative 'fever' spread throughout all the universities and colleges of the country. It is interesting to note that the most active group in pioneering students cooperatives were the students. At the Bandung Institute of Technology, in West Java, the very same group of students who dared to challenge the danger of mountaineering, or sky diving and of all that sort of adventurous sports. I may also mention, in passing, that it was here, in Malang, that the National Federation of Youth Cooperatives, KOP-INDO, was formed in 1981.

From what is said, just now, no one would deny that, in Indonesia, the students cooperative is somewhat a late-comer, probably, the 'benjamin' in the cooperative family of ours. But with all the potentials it has, I certainly want to see our students cooperative, eventually, grow to become (as the saying put it) "the tail that is wagging the dog". The tail here is, of course, our relatively small students cooperative. So, what I want to see is that our small students cooperative will, eventually, grow to become the "motor", the driving force, of the whole cooperative movement.

It is my sincere hope that through this Seminar all the University Cooperatives in the region will play a bigger role in the respective cooperative movement as well as in the economy of the various countries of our region.

### **3. Globalization and Regional Groupings**

In this era of "globalization" and regional groupings of today, I think, meetings like this Regional Seminar on University Cooperatives are most important and very instrumental in enhancing cooperation among cooperatives in the region. Indonesia is in full support of the

development of inter-cooperative trade and inter-cooperative business among countries of our region. So, we encourage cooperation among cooperatives and closer ties between cooperatives of various countries.

Early this month, for instance, we had a meeting in Pontianak, West-Kalimantan among cooperatives from all the provinces of Kalimantan, together with cooperatives from Negara Brunei Darussalam, Sabah and Serawak. Now, we have this Regional Seminar University Cooperatives, here in Malang, East Java. And next month on the 18th to the 21st of February, Indonesia will host the Second Asia-Pacific Regional Conference of Cooperative Ministers 1992, in Jakarta. (The first Cooperative Ministers Conference for Asia-Pacific Region was held in Sydney, Australia, in 1990).

Lastly, I wish you all fruitful deliberations during the Seminar and I hope that your stay here will be an enjoyable one. I wish you all the very best of success, and stay a little longer in Indonesia.

Thank you.

*Wassalamu'alaikum Wr. Wb.*

**Address Delivered by Mr. Wilopo,  
Director of Organizing Committee of  
The Regional Seminar On University Co-operatives  
Held at Brawijaya University, Malang, Indonesia  
23 - 30, January 1992**

Your excellency, The Honourable Minister of Cooperatives, Mr. Bustanil Arifin; Mr. Masdoeki, Vice Governor of East Java, Prof. Z.A. Achmady, Rector of University of Brawijaya; Mr. Pradit Machima, ICA Consumer Advisor; Mr. Okayasu, Managing Director NFUCA; Mr. Osa, Executive Director NFUCA; distinguished delegates; cooperators, ladies and gentlemen!

In this delightful event allow us to extend our welcome to the Regional Seminar on University Cooperatives participants coming from the Asian region. Especially to Mr. Bustanil Arifin we would like to express high appreciation and gratitude for officially declaring open the first Regional Seminar on University Cooperatives.

In my capacity as the Chairman of Student Cooperative of Brawijaya University, I would like to stress that convening of this seminar comes to Brawijaya University because of the existence of a positive interaction and cooperation among the rector of Brawijaya University, ICA-ROAP, NFUCA and DEKOPIN. The seminar is attended by 48 Institutions coming from the Asian region.

Inspired by modesty, we hope the participants to the seminar conduct their deliberations with the spirit to develop good cooperation among participants.

And at this moment, on behalf of the Organizing Committee I would like to apologize for any shortcomings that might have caused some inconveniences to the distinguished delegates.

But one thing I could assure you that we, the hosts, sincerely would do our part to help you whole heartedly in the best possible way.

Finally I wish you all a great success with the grace of God.

We believe that this seminar has an important role in giving character to University Cooperatives in Asian region. The role of University Cooperatives is expected to be a power which could support the struggle and strategy of the nation and the members to raise their dignity and prestige.

**Address Delivered by Mr. Pradit Machima,  
ICA Consumer Advisor and  
Co-organizer of The Regional Seminar  
On University Co-operatives  
Held At Brawijaya University, Malang, Indonesia  
28-30, January 1992**

Your Excellency, the Honourable Minister of Co-operatives, Mr. Bustanil Arifin; Prof. Z.A. Achmady, Rector of University of Brawijaya; Mr. Okayasu Managing Director, NFUCA; Mr. Osa, Executive Director, NFUCA and the Japanese team; Drs. Wilopo; distinguished delegates; cooperators; ladies and gentlemen!

On behalf of the International Co-operative Alliance, Regional Office for Asia and the Pacific (ICA ROAP) and on behalf of the National Federation of Co-operatives Association of Japan (NFUCA), I would like to thank the University of Brawijaya, DEKOPIN and the Ministry of Co-operatives, and Republic of Indonesia, for providing the necessary support and assistance to the Students Co-operative, University of Brawijaya, ICA and NFUCA in organizing this very important seminar at Brawijaya University today. Without their cooperation and support, this seminar would not have materialized. I would also like to thank the Honourable Minister of Cooperatives, Mr. Bustanil Arifin for accepting our invitation to inaugurate this very important seminar today.

The objective of the seminar is to introduce the Japanese experience in organizing and managing University Cooperatives to ICA members in Asia and the Pacific region and to exchange the ideas, knowledge, and experience among the participants as well as to promote cooperative education, training and extension in the Asia and the Pacific region. In order to do so, the NFUCA has provided technical and financial support to ICA member-countries in organizing the orientation seminar on University Cooperatives in Asia and the Pacific region in the past few years. The first one was organized in Bangkok, Thailand in March 1989, the second in Manila in March 1990 and the last one in Pune, India in November 1990.

In the past, the seminar was organized for the participants from one country only, such as in the case of Thailand, the Philippines and India. But this time, we have elevated it to a regional level by inviting many countries, such as Bangladesh, Sri Lanka, Malaysia, Singapore, Brunei

and Thailand to join the seminar. Of course, the main participants are from Indonesia. We have done this because we want to share knowledge and experiences at the same time with more participants from many countries. So, that is why this seminar is the first of its kind to be organized at the regional level in Asia and the Pacific region and Indonesia has been given this honour to organize it. This is because Indonesia is a suitable place, beautiful and resourceful.

We intend to organise a similar Seminar in Kuala Lumpur, Malaysia tentatively from 26 to 28 November during the ensuing year. We plan to invite more participants from many more countries including South and South East Asia and the Pacific.

I do hope that this seminar will prove to be very useful and successful one for all of us and will bring about a brighter future for cooperative movements in Asia and the Pacific region. I wish you every success and a very happy and prosperous New Year.

Thank you very much once again!

## **Briefing on the Seminar Programme** **- by Mr. Pradit Machima and Drs. Wilopo**

### **1. Objectives**

Main objectives of the seminar are:

- 1.1 To transfer technology, knowledge and experience of Japanese University Cooperatives to Asian countries;
- 1.2 To exchange knowledge and experience of running University/ Students Cooperatives among participants;
- 1.3 To encourage University or Coop. Colleges or Coop. Training Institutes to promote and play a bigger role in coop. education and training in their own countries; and
- 1.4 To improve performance of University or Students Cooperatives.

### **2. Organizers**

Organizers of this seminar are:

- 2.1 ICA ROAP
- 2.2 NFUCA
- 2.3 Brawijaya University
- 2.4 DEKOPIN
- 2.5 Ministry of Cooperatives, Indonesia.

### **3. Methodology/Seminar Programme**

The seminar is divided into 5 main parts:

- 3.1 Presentation of Japanese experience on University Coops by the Japanese team of experts.
- 3.2 Presentation of working papers by participants.
- 3.3 Study visit.
- 3.4 Group discussion.
- 3.5 Exercise on action plans.

#### **4. Group discussion**

There will be four groups. The topics will be as under:

- 4.1 Plans to make consumer coops in universities/colleges viable and effective.
- 4.2 Roles of University or College Cooperatives in providing welfare and better living to students and university/college staff and employees;
- 4.3 Roles of universities/colleges and cooperative institutions in coop. education, research, training and extension for the promotion and development of coop. movement.
- 4.4 How to develop exchange programme and cooperation among university/college and coop. Training Institutes in Asian countries?

#### **5. Action Plan**

After the group discussions, participants have to prepare their action plans for operation in their cooperatives respectively. The manner in which it is to be prepared, will be explained afterwards by Mr. Machima.

#### **6. Boarding and Lodging**

Boarding and lodging are provided free to all participants during the seminar. If anybody has any problem or difficulty in this regard, he should contact Drs. Wilopo.

#### **7. Steering Committee**

Participants have to select a "Steering Committee" comprising one member from each country - Indonesia, Malaysia, Sri Lanka, Thailand and Japan. This committee will look after the affairs of participants and the management of the seminar and coordinate main work of the seminar with the organizing committee.

#### **8. Organizing Committee**

The following are the members of the organizing committee:

1. Prof. Achmady



2. Mr. Machima

3. Drs. Wilopo

4. Mr. Kuriki

**9. The conduct of the seminar**

Daily activity.

Others.

## Theme and Group Discussion

### I. Plan to make consumer cooperations in Universities/Colleges viable and effective.

*Resource Person* : Mr. Kisaburo OSA

*Members* :

- |                      |                          |
|----------------------|--------------------------|
| 1. Apiwan Kamlang-EK | Kasetsart Univ. Thailand |
| 2. Duminda DE Silva  | Srilanka                 |
| 3. ADI Prasadha Y    | ITS Surabaya             |
| 4. Dadang Yudi       | Sudirman                 |
| 5. Abrao dos Santos  | East Timor Univ.         |
| 6. Ayat M Hidayat    | Winaya Mukti Univ. BDG.  |
| 7. I Wayan GD Rumige | Udayana Univ.            |
| 8. M. Aslam          | Trisakti Univ.           |
| 9. A. Muis           | Beta Course              |
| 10. D. Sodikin       | Kopindo                  |
| 11. Moh Abdul Rofiqi | Iain Kalijaga            |

### II. Rules of University/Colleges Cooperatives in providing welfare and better living to students and universities staff and employees.

*Resource Person* : Mr. Kuriki

*Members* :

- |                        |                           |
|------------------------|---------------------------|
| 1. Juthatip Patrawart  | Kasetsart Univ. Thailand  |
| 2. EDI Sudarto         | Ikip Ujung Pandang        |
| 3. I GD Dharmasetyawan | Udayana Univ. Padang      |
| 4. Heriyanto P.        | Sriwijaya Univ. Palembang |
| 5. S. Suharto          | UNS Surakarta             |
| 6. Bernadinus Adjo     | Widya Karya Univ. Malang  |
| 7. Gunawan A Gayo      | Gadjah Mada Univ.         |
| 8. Syarifuddin Aspa    | Ikip Ujung Pandang        |
| 9. Noerman Setiyadi    | ITS Surabaya              |
| 10. A. Pat Madyana     | East Timur Univ.          |
| 11. Yong Dirgiatmo     | UNS Surakarta             |

### **III. Role of Universities/Colleges and Cooperative Institution in Coops. Education, Research, Training and Extention for the Promotion and Development of Coops movement.**

*Resource Person* : Mr. M. Iqbal

*Members* :

- |                        |                              |
|------------------------|------------------------------|
| 1. Mokhtar Bidin       | Kebangsaan Univ. Malaysia    |
| 2. Yoga Guritno        | ITS Surabaya                 |
| 3. Nur Indah           | Scub Malang                  |
| 4. Akkaphan Leevutinun | Chulalongkorn Univ. Thailand |
| 5. Prasetidjo          | Padjajaran Univ. BDG         |
| 6. Rudi Rinaldi        | Bung Hatta Univ. Padang      |
| 7. Retno Wulandari     | Dr. Sutomo Univ. SBY         |
| 8. Salinda Da Silva    | Sri Lanka                    |
| 9. Ida Syuryanti       | Bung Hatta Univ. Padang      |
| 10. Edi Hardiyanto     | Ikip Bandung                 |
| 11. Raihan Anwar       | Merdeka Univ. Malang         |

### **IV. How to develop exchange programme on cooperation among Universities/Colleges and Coops. Training Institution in Asia Countries.**

*Resource Person* : Mr. Pradit Machima

*Members* :

- |                    |                            |
|--------------------|----------------------------|
| 1. Junizar         | Scub Malang                |
| 2. Sangadji Etta M | Ikip Malang                |
| 3. Moh. Arifin     | Inst. Tech Mara Malaysia   |
| 4. Napaphorn P     | Kasetsart Univ. Thailand   |
| 5. Moh. Sukri      | Kopindo                    |
| 6. Kusnedi         | Soedirman Univ. Purwokerto |
| 7. A.K. Taneja     | I C A                      |
| 8. Dharma Setiawan | Bengkulu Univ.             |
| 9. Wilopo          | Scub Univ.                 |
| 10. Syamsul Hadi   | Lambung Mangkurat Univ.    |
| 11. Iyan Kastiyon  | Kopindo                    |

## Report on Commission Discussion

30th January 1992

### *Group A*

#### **Plans to Make Consumer Coops in Universities/Colleges viable and Effective.**

1. Increase the number of members to serve more student needs.
2. Launch an effective publicity campaign to inform university students on essential coop concept, so that more people have desire to join a university coop.

#### *Examples :*

a. Student Magazine

If possible to be introduced free on charge, or at a very minimal price, so that the cooperative news and concepts published in the magazine reach the widest possible audience.

b. Information Counter

To be situated in the university coop for an easy and effective method to obtain information on the cooperative movement.

3. To organize programmes within university to increase student participation and interest.

#### *Examples :*

a. Musical concerts and shows

b. Cultural shows. etc

4. Opinion card scheme introduction: To find out student preferences and for the university coop to respond accordingly, and subsequently increase the amount of students necessary items.
5. To stock urgent/essential student needs.
6. University graduates who were coop members to become permanent coop employees upon graduation because of
  - a. Reliability
  - b. Experience
7. Introduce new courses to increase student interest
  - a. Computer courses
  - b. Language courses, etc.

8. To introduce a student dormitory to increase capital.
9. More voluntary students' participation among members.
10. Open management to all members.

*Group B*

**Role of University/Colleges Coops in providing welfare and better living to student and universities staff and employees**

1. Student Cooperative
  - a. Consumer cooperative
  - b. Stationery cooperative
2. Objective

To enhance welfare activities among the students and teachers and to cater to their needs at most reasonable prices and to encourage cooperative spirit among them.
3. Goals/Target

By the cooperative student, employee and lecturer has gone out to find something they need.
4. Project Activities
  - For consumer coops : rice, meat, snack, soft drink, etc.
  - For stationery : printing, newspaper, photocopy service etc.
5. Strategy
  - Make service as good as possible.
  - Keep prices low.
  - To meet members' needs.
6. Manpower Required
  - Cook
  - Manager
  - Cleaner
  - Man/woman service, etc.
7. Budget
  1. From the available cash.
  2. Bank loan.
  3. From consumers.
  4. Compulsory savings.
  5. Voluntary savings.

6. Monthly savings etc.
8. Implementing Agency
  1. Get potential market
  2. Easy to take control
  3. Agency which has some experience
9. Time
  - 08.00 - 14.00
  - Monday - Saturday
  - Sunday free
10. Strategy in Implementing the Project
  1. Get enough information
  2. Get lower price resources
  3. Get a person with good performance and experience
  4. To know closely the consumer/supplier
11. Project Evaluation
 

Getting things operate well and with some profits.

### *Group C*

### **Findings and Recommendations**

The members of the group agreed that the roles of university/colleges and cooperative institutions vary from country to country in Asia.

1. On Coop Education :
  - a. Universities/Colleges and Cooperative Institutions establish courses on cooperative education at the university diploma level.
  - b. To give the opportunity to cooperative employees who have a good experience in running the cooperative successfully and who are pursuing degree or diploma in cooperative education.
2. On Research :
  - a. Universities/colleges should carry out theoretical and practical research in the cooperative movements.
  - b. The university lecturers are expected to carry out their practical research at the cooperatives premises.
  - c. The results of any research should be compiled and published and sent to all cooperatives for their future references.

3. On Training Extension :
  - a. The universities/colleges' coop institutes and other agencies should extend their training and extension courses to members of cooperatives.
  - b. There should be a joint program between universities/colleges and cooperative institutions of Asian countries in training.

#### *Group D*

#### **How to develop exchange programme on cooperation among universities/colleges and coops training institutions in Asian countries.**

##### 1. Introduction :

It should be realised that fundamentally cooperative principles are contradictory to the principles of private enterprise. The major concern of University Coop. should therefore not to focus only on the profit to its members and its community, but should extend their hands to help other less fortunate cooperatives through education and training services.

##### 2. Training Strategies :

###### 2.1 Funding

The university cooperatives should allocate some funds for education and training programme for advancement of knowledge of the cooperatives' personnel and the board members. The recommended amount is 10% of net profit.

###### 2.2 Practical attachment

The employees of cooperatives should be encouraged to undergo inter university practical attachment to more successful cooperatives.

###### 2.3 ICA Contribution

ICA should continue to organize similar seminars as this one (held in Malang, Indonesia) for the benefit of the cooperative members in the Asian Region to share experiences, knowledge and to promote inter cooperative cooperation.

###### 2.4 Information Exchange

There should be a steady flow of informations among cooperatives with regard to findings and success stories. This would enhance cooperation and sharing of experiences among Asian cooperatives.

**Conclusions :**

A Cooperative, by its nature is an entity which helps to improve the social welfare of a community in a more dynamic concept of borderless community and the citizens of the world. Effective cooperation among cooperatives may help to improve the social well being of the world community.



# University Consumer Cooperative Movement in Japan

## *SESSION 1*

### Outlines and Brief History of the University Consumers Co-operative Movements in Japan

#### **[I]. Outlines of the NFUCA**

(the National Federation of University Co-operative Associations)

1. The number of the memberships to NFUCA  
181 entities (173 Univ. co-ops and 8 business associations)  
Ratio: 30% of total number of Japan's Universities  
70% of National Universities
2. Total membership  
Enrollment Ratio:  
1,080,000 persons as of 30 September 1991  
40% of membership against the number of student, faculty members, and administrative staff of the universities in Japan.  
85% of constitutors in each university where a co-op located.
3. Sum of the sales of member co-ops  
168,530,000,000 yen in the fiscal year 1990  
Average consuming/utilizing figure: 173,800 Yen/year

#### **[II]. History of University Co-operatives in Japan**

The first students' co-operative in Japan was established in 1898 at Doshisha University, in Kyoto. In May, 1926, the Tokyo Students' Consumer Co-operative was established, influenced by Citizen's Consumer Co-operatives. With the progress of the militarization of Japan, the control of education was tightened, until in 1939 the Consumer Co-operatives were liquidated by the Government.

1. After the World War II, at hundreds of universities or old-style high schools, University or School Co-ops were established. The first University Co-op was established in 1946 at the University of Tokyo.

Most of these co-ops were established by all members of the universities including students, teachers, university or school administrations, and staff.

The slogan of those days was "*To be a student, you first have to get foods*". The first business of Univ. co-op was building cooking furnaces and providing meals.

The following business was supplying notebooks.

In 1948, the federal organization of these co-ops was established, so called "National Federation of School Co-operatives". It had 256 members.

In 1949, all but twenty university co-operatives stopped functioning or collapsed. During the Korean War, Japan's economy was disrupted and was re-organized. There was reform in the Education System. Univ. co-ops, in their formative years, could not cope with these situations either in terms of organization or management. The function of the National Federation was reduced to liaison between the remaining co-ops.

2. The remaining co-ops analyzed the subjective factors which had plunged the university co-ops into crisis and set about rebuilding these co-ops. After unreserved explaining, to the members, the reasons for the collapse and the status of the crisis, they endeavoured to promote movements among all members of their universities to safeguard their university co-operatives. Some investigations were made to see if the university co-ops were meeting to the needs of their members in their daily lives. Some improvements were made in the university co-op business.

In 1953, the National Federation was re-established. In the same year, 5,000 students, from 77 universities, rallied and set up a committee for discussing about rehabilitation of their campus and improvement of their lives.

In 1955, nearly all university co-ops overcame their deficits. The re-establishment of the Federation strengthened the support for the establishing of univ. co-ops, and the number of univ. co-ops reached total 40. The slogan of those days was "*For Peace and Better Life*".

In 1957, at the General Meeting of the Federation, the three aims of univ. co-ops were formulated, based on experiences from respective univ. co-ops. these aims were:

- 1) To improve academic conditions,
- 2) Consumer movements, and

3) Movements to defend peace and democracy.

In 1958, the National Federation, which had been still private association, was made institution incorporated under the Consumers' Livelihood Co-operative Society Law. And it renamed "National Federation of University Co-operative Associations (NFUCA)".

3. During the period between 1961 to 1965, 35 univ. co-ops were established. The Students' halls were begun to build in many universities, mainly through Co-ops' efforts.

In Tokyo and Kyoto, business associations (regional federal organizations) were set up in accordance with NFUCA programs to develop liaison and joint work efforts among the university co-ops.

The later half of 1960s' corresponded with the period of rapid economic growth in Japan. A number of private universities were founded. Also in national universities, faculties and departments were enlarged, and more students were admitted.

In 1970, NFUCA had 129 member co-ops with 470,000 persons.

4. The first "Oil Crisis" hit Japan in 1973 and wrecked havoc on its economy, which had been enjoying rapid growth. People were plunged into serious financial situations which included higher commodity prices and shortage of other goods. University co-ops came to play larger roles in its situation.

Under these economical conditions, residents in cities became aware of remarkable activities in which univ. co-ops had been engaged. They too wanted to establish their own citizen co-ops. Univ. co-ops, in their own endeavours, begun to assist them by setting up citizen co-ops in 68 areas throughout the country.

In 1975, the National Diet passed unanimously the bill "On Fostering University co-operatives". In 1977, at the 20th General Meeting, the slogan, "To take wide and deep roots on the campus", was adopted.

5. At the 24th General Meeting in 1980, the program entitled the "Role of University Co-operatives and Tasks for Current Period". At the 26th General Meeting, it was agreed that the "living", "demands", and "participation" of the members should form the central core of the Univ. co-op activities. This program was born through the practical activities of members and their personal opinions, which were collected by "Opinion Card".

The university co-operative started the student mutual insurance

program in 1981 with approval of Ministry of Health and Welfare, as a national project based on the solidarity of univ. co-ops throughout the country. This program started out with 30,000 members but has grown to have a student membership of 398,000 as of 1989.

Service and welfare programs at university must help to improve the livelihood of all student, faculty and staff members who comprise the university community. So these programs must also contribute to meet the purpose of the university.

Then each univ. co-op seeks to build a consensus with the university administration on what it can play within that context, and to build a constructive relationship with the university so that these roles and functions can be fulfilled.

## ***SESSION 2***

### **Business Activities**

#### **[I]. Business activities of University Co-operatives**

##### **1. Business concept for University co-operatives**

###### **i) Main Theme:**

The activities of univ. co-ops, based on the understanding that the university community is a place for living seeking to defend and enrich the campus life, are promoted by students, faculties and university staffs who comprise the membership of the university community.

###### **ii) Five Business Divisions (Outline)**

- 1) Book Stores
- 2) General Stores
- 3) Food Service
- 4) Student's Mutual Insurance
- 5) Services and Travel

#### **[II]. Joint Business Activities**

##### **1. Joint Business among cooperatives**

###### **1) Necessities for joint business**

- Univ. co-ops are on a small scale compared with city stores.
- 2) Purpose of joint business
    - It is to pursue each member's economic benefits of business activities and to improve quality.
  - 3) Form of joint business
    - \* Regional (Business Association)
      - Each business trust contract among co-ops concerned.
    - \* Nationwide (Enrollment to NFUCA)
  - 4) Fields of Joint business are:
    - Joint buying,
    - Selling goods,
    - Advertising,
    - Training and Education,
    - Research, and so on
2. Merits of Joint Business are:
    - 1) to gain advantages of cost performance by cooperation of many co-ops.,
    - 2) to improve (favourable) terms and conditions of purchasing product,
    - 3) to perform sales promotion at a low rate,
    - 4) to set-up and hold a seminar for each field, and
    - 5) to advice and instruct reforms and renewals of stores and facilities.
  3. Research on all aspects of members' lives and demands
    - These improve various kinds of activities for co-ops.-
    - 1) Research on students' economic lives
      - this has conducted systematically for 24 years
    - 2) Research on faculty members and administrative staff.
    - 3) Research on each field
      - (1) Reading habits
      - (2) Eating life and diet
      - (3) Leisure

**[III]. “Co-op products” as a result of joint buying power”**

1. They are special goods born by joint buying (power) of members and CO-OPs.
2. They are guaranteed higher quality, lower price and better function, comparing other similar types, through specifications by student demands from each class and seminar. And they are still improved by student opinions.
3. Three types of “Joint-buying” Goods
  - 1) Original brand goods, specified by co-op and sold only in co-op stores. (“CO-OP GOODS”)
  - 2) National brand goods, partly specified by members’ opinions and sold in co-op stores and town-shops
  - 3) National brand goods, buying under gross condition.

**SESSION 3**

**Store operation and management**

**[I]. Principles of Store Management**

| Objective                                     | Direction        | Method               |
|---|------------------|----------------------|
| Principal policy                              | Secondary policy | Procedure and Manual |
| Management cycle; “Plan - Do - See”           |                  |                      |
| Whole, Store, Section.                        |                  |                      |
| Daily, Weekly, Monthly, Quarterly, Yearly,... |                  |                      |

**[II]. Today’s Concept of Univ. Co-op Stores**

- There are four areas in the stores in the univ. co-op movement. (26th General Meeting of NFUCA) -
  - 1) The area where the members’ demands are actualized.
  - 2) The area where the policy is put into practice.
  - 3) The area which looks after the operating cost of co-op.
  - 4) The area in which co-op employee is assured to grow.

Store manager is a very important person and plays role of executing the “Concept of Store”.

### **[III]. Present Management Themes of Store Manager**

- “Textbook of Univ. Co-op Store Manager” (NFUCA)

1. Organizing Activity
  - 1) Strengthen the exchange activity with seminars, circles and clubs in the campus
  - 2) Strengthen the store activity of the member participation
  - 3) Strengthen the public propaganda and giving information
  - 4) The program of staff development
2. Merchandising Activity
  - 5) Strengthen and perceive activity for the life and demands of members
  - 6) Collecting goods and proposal activity meeting to members' behavior and interest
  - 7) Planned buying based on scientific method
  - 8) Improve the store layout
3. Store Operation
  - 9) Establish the store operation cycle, daily, monthly, yearly
  - 10) To be the point of the store operations
  - 11) Adjustment the store regulations
  - 12) Make the working environment and condition
4. Store Management
  - 13) Manager should display the leadership and make the confidential plan and budget
  - 14) Strengthen the controls
  - 15) Exclude lost merchandise, over stock, trite goods
  - 16) To keep suitable general profit rate is the fundamental responsibility of manager

## **SESSION 4**

### **Members activities**

#### **[I]. Participation to CO-OP.**

##### **1. How to be membership**

###### **Qualification:**

- \* Any constitutional members of students, graduate students, faculty and administrative staff.
- \* Generally, co-operative members should be legally over 20 years old, however, in Univ. Co-op it's allowed over 18 years old.

Promotion of enrollment - PR at the time of enrollment to the univ., orientation of univ. co-op.

##### **2. Withdrawal from co-op membership**

Disqualification at the time of graduation, retirement, etc.  
(Membership is admitted while one is a constitutor.)

#### **[II]. Members' merits and activities**

##### **1. Merits**

Utilization stores and services with lower prices/Mutual aid

- \* Co-op original goods
- \* Goods with lower prices
- \* Meals and drinks
- \* Co-op mutual insurance

##### **2. Participation with their demands - They feel "the own shop".**

- \* Opinion card so called "Just one word"
- \* Making a good friends and a circle
- \* Producing goods with own needs
- \* Purchasing and arranging store articles

##### **3. Improvement of life and culture**

- \* Student members themselves participate in the activities to improve life and culture.
- \* Promotion of reading books/improvement of eating life/Sport



and recreational activities/peace movement/environment protection.

### **[III]. Organizational Structure of Japan's Univ. Co-ops**

#### **1. Representative System**

The co-op is for its members and operated by them. In General, according to the decision at the general meeting of the representatives;

- 1) The directors and auditors are elected at this meeting, and they compose "Board of Directors" and "Board of Auditors".
- 2) The president, the general director, and standing directors are elected within the board of directors. The general director and the standing directors compose "Board of standing directors".
- 3) The board of directors meet once a month usually, and make an operation. The board of standing directors meet once a week usually, and make a daily operation according to the decision of the board of directors.
- 4) The general meeting is the highest decision-making body of the co-op and held once or twice a year.
- 5) It is the organizing committee that contacts directly with members, hears their voice, and acts near the members.

#### **2. Organizing Committee: as a sub-committee of Board of Directors**

Organizing committee functions as follows;

- 1) Organize people in the university into the co-op for the mutual benefit of students.
- 2) Improvement in life and peace movement.
- 3) Reflection of the members' voice to the board and apprise shops and co-op activity.
- 4) Planning of recreational or cultural events, and so on.

## **SESSION 5**

### **Future plans and social roles of University Co-operatives**

#### **[I]. University Co-operatives in the Times of Change**

Toward the 21st century, various environmental factors are likely to change.

The Japanese society will increasingly become aging society.

The population of 18 year old people will change dramatically in the next 15 years.

Various efforts are being made to “build a university with a distinctive character” in many universities or colleges.

Under the very high value of the yen, Japanese economy is changing.

What is the key in the times of change is to make horizontal ties of people base on the people’s living as priority.

#### **[II]. Basic Roles of Today’s Univ. Co-ops in Japan**

“Toward a New Co-operation. -The roles of University Co-operatives in the times of change - “(30th AGM of NFUCA)”

- 1) To Support Study, Education, and Research Activities at a University and Contribute to the Overall Improvement of the University Community
- 2) To nurture the spirit of co-operation, and improve the life and culture through the Co-operative Power
- 3) To be social-minded, and expand the circle of Co-operation

#### **[III]. To contribute to the co-op activities into Japanese society**

1. To support the enlargement and development of regional citizen co-ops.
  - To send a personnel to organize and build a coop.
2. Members who participate in coop activities will broaden a social understanding toward the existence and role of coop in a future.
  - \* Will become a leader in every field in Japan.

- \* Will become indispensable/important person in university college communities such as a faculty member or an administrative staff member.
3. Social opinions proposals and actions
- \* Related proposals to society such as economic life, eating life and reading habits for students
  - \* Behaviors and actions toward the problems such as peace, pollution and environment.

# ABOUT UNIVERSITY CO-OPERATIVE MANAGEMENT

## The Management of University CO-OP.

What should the co-operatives do? What are its goals? Confronting these questions is the foundation of our top management's responsibilities. Without firm goals nothing can be started; nothing can be accomplished.

How can we fully take advantage of the resources at our disposal? This has become one of the more important challenges the management faces today. Among our resources our people are the most important and are in a category separate in kind from our financial assets and information system. It is only natural that an organization built by people and composed of people should have its future determined by people. Accumulating know-how essential for successful business, passing this information on to other, and developing it-all of this can only be found in one's rich human resources.

### Resources

1. People
2. Things
3. Finance
4. Information

As business gets bigger it becomes increasingly important to carefully consider the organization's "SYSTEM." In every business one can recognize a distinctive "SYSTEM". We believe that in addition to being managed by a "SYSTEM" it is necessary to allow for management and control of a "SYSTEM". If the "SYSTEM" is not followed it will not be able to fulfill its function of supporting the workers.

### System's Four Conditions

1. It is developed from at least two elements.
2. Each element has its own function.
3. Objectives are firmly set.
4. Constant move towards those objectives

Good management has no manual. Principles and Creativity-management does have these and must rely on them.

## **University Co-operative's General Director**

Each University Co-operative neither has a full time non-student nor teacher in managing position. It consists of following:

- a) General Secretary responsibilities
- b) Chief Executive responsibilities

If students or teachers were to take on the responsibilities of managing the co-operative, their job would consist of only the General Secretary responsibilities. A separate "Operations Manager" position would have to be carried out by someone outside the university. Although in the rest of the world the breakdown of co-operative management into two positions is the norm, in Japan the two positions are found only among the small scale co-operatives. In co-operatives abroad the person in the top managing position is usually given the title "General Manager". This General Manager is often chosen by a Board of Directors (BOD) and is responsible for budget matters. In this way responsibilities for developing policies and the budget on one hand and management on the other are separated. In some Co-operatives the General Manager is allowed to become a member of BOD as a representative of the "Management Employees". In Japan, although there have been many changes through the years, at present, the General Manager of a co-operative does not belong to its BOD.

In Japan a clear demarcation of responsibilities, like one would find written in a contract, is not common. It is this very lack of a clear demarcation, this pervasive feeling that the success of the co-operative is everyone's responsibility, that is at the foundation of all our activities.

## **Board of Directors**

Each member of the Board of Directors has a contract with its co-operative. Each director is charged to work towards meeting the objectives of the co-operative through diligence and faithful service. Since, members of the co-operatives contribute money to their organizations, one of the more important responsibilities of a director is to run the co-operatives efficiently. Laws regulating co-operatives in Japan are closely observed to make sure a small group within the organization or the directors do not decide on important issues to their benefit only.

As the co-operatives are business organizations, financial assets are held by them. Staff of the co-operatives, and especially the director, are charged with the responsibility to protect these financial assets. The responsibility is an important one for if these assets are lost the co-

operatives as independent organizations with cease to exit.

The Board of Directors' function is to improve the quality our organization by exercising their responsibility and authority to represent the thinking of all our members. This requires continuous hard work.

The General Director also acts a general secretary. In this capacity he/she takes into consideration members' request and then suggests possible topics for debate at the Board of Directors Meetings.

### **Top Management's Responsibilities**

- To support university education and research.
- To contribute to the various universities' surrounding communities.
- To foster co-operation and through that power of co-operation help to build a better culture and lifestyle.
- To boldly confront the organization's problems.
- To develop and bring about necessary changes in the organization's role in contributing to society. This responsibility is difficult given the "closed" nature of Japanese universities to life outside the campus and the numerous and varying definitions of what a "socially responsible", "society-oriented" organization means.

### **The General Director is the Captain of a Ship**

|                   |                               |  |
|-------------------|-------------------------------|--|
| decides the goals | : decides destination         | : If not . . . the ship is not launched              |
| decides policy    | : navigates                   | : If not . . . accidents occur                       |
| action now        | : moves from the present spot | : If not . . . there is no propelling Power          |
| few staff         | : few crew member             | : a lot has to be taken care of by yourself          |
| period of change  | : turbulent waters            | : he has to lead strongly and build a reliable staff |

### **Responsibilities for doing the everyday, routine business**

In the past the General Director thought nothing of taking on

everyday, routine responsibilities. The full burden of whether the co-operatives would be viable in the future fell on his shoulders. Today, however, your average co-operative members see the General Director as a more distant official, responsible for only heavier, leadership tasks. In contract, the members see those everyday jobs now being delegating to store managers and staff.

Unfortunately the average member thinks that their demands are not often heard at the highest levels and their view of the co-operatives' staff and General Director's heaviest responsibilities is to measure exactly to what extent the members are thinking "Well of cause its all bad" or, alternatively, "Well the co-operatives are pretty good". The General Director must figure out how best to move the co-operatives in the direction of the latter.

The General Director must make sure that instead of changing the character of the co-operatives to match with that of his/her own personality he/she makes every effort honestly to reflect the character of the co-operatives as a representative at the highest level should.

### **Responsibilities of the Chairman (or President) and General Director Compared**

In contract to the General Director, the Chairman's (or the President's) responsibilities only involve the relation of the co-operatives with other businesses and the outside community. The chairman has only a few responsibilities concerning the internal running of the co-operatives. In any organization a position like this is necessary. Our co-operatives appreciate the importance such a position is to improving awareness of our social responsibilities.

As a professor, and therefore deeply involved in the academic community, the chairman is well equipped to position his co-operative in its relationship with the university community so as to best complement it. Indeed, this is where most of his responsibility lies. The General Director, as a regular staff member of his co-operative, concerns himself more with the relationship with co-operative members and with the question of how to best manage the organization.

It goes without saying that barring any extraordinarily circumstances beyond his control, the General Director is responsible for making sure the co-operative does not go into debt. When such extraordinary circumstances do confront the co-operative, such as a client company suddenly bankruptcy, responsibility cleanly lies outside the General

Director's power and the problem is cleanly recognized as such. Often it is difficult to pinpoint exactly where responsibility lies and the question of blame comes down to whether to assign more weight to the "accident or to bad management and lack of thoroughness and circumspection in carrying-out policies. Of course the General Director must not try to hide behind the excuses of "accidents beyond our control" or attempt to cutdown the reach of his responsibility.



## Towards New Co-operation

### The Role of University Co-operatives in the Times of change

In the middle of the 19th century, the co-operative association movement arose with the aim of achieving economic and social improvements for its members through activities based on their independent and selfinitiated mutual aid. Later this movement spread to all parts of the world, so that today, there are 700,000 co-operative associations with 370 million members in 71 countries, affiliated with the International Co-operative Alliance. Of this total, 70,000 are consumers' co-operatives with a total membership of 100.3 million members.

In Japan, consumers' co-operative associations based in communities began to spread throughout the country in 1970's, so that by 1980, there were 6.4 million co-operative members with a total sales of Y1,108.1 billion. Five years later in 1985, the total membership reached 10.3 million and the total business volume grew dramatically to Y1,883.6 billion. They are now an important force in the local communities. The desire of co-operative members for a sense of security as well as safety has led to the development of many CO-OP products, which have, in turn, strengthened drawing of people toward co-op goods. At the same time, interaction among members themselves in "HAN" groups and activities of co-operatives are creating new ties among the people in the community.

University co-operatives were born out of universities in the wartorn campuses when students, faculty, and other university staff united their efforts in making food purchases, building cooking furnaces, and providing meals. In the ensuing years, the university co-operatives were confronted with a number of business crises as well as difficulties within the movement. But through the dedicated efforts of members, officers and staff, as well as through the mutual aid and solidarity among university co-operatives themselves, we have been able to overcome these difficulties, and have achieved the progress which we see today.

Today, university co-operatives overall have 870,000 members, with a total sales per year of Y125.6 billion (the 1985 total for co-operatives affiliated with the NFUCA), which comes to an average of each member utilizing Y150,000 worth of goods and services per year (with the figure of Y400,000 per year per member for the co-operative with the highest level of use). Now, this average amount is equivalent of 22% of the average expenditure of university students (exclusive of housing and

transportation expenses), which shows that university co-operatives are involved with a considerable portion of the economic life of university students. Through the strength achieved by exchanges and unity among university co-operatives, Co-op goods and other products that are helpful for study, research and student life on the campuses have been developed. And regardless of size, university co-operatives can make purchase goods on the same conditions through the system of joint purchase. Thus, as an enterprise on campus, university co-operatives have been achieving results and service levels in many areas which cannot be accomplished by entities under the direct university management, or by private businesses. Also, the university co-operatives have started "student comprehensive co-op insurance" in 1981 which only a group such as this could have developed and created "Co-op in Shibuya," in 1982, a pleasant and comfortable lodging facility for members. Thus, university co-operatives have achieved great many things through the power of co-operation and unity. Today, it is no exaggeration to say that the presence of a university co-operative on campus has a great bearing on the living conditions of university students, graduate students, faculty and university staff.

After the passage of forty one years since the end of the Second World War, the situation in relation to members' livelihood and co-operatives are changing. One of these changes is a recent move to control and restrict consumers' co-operatives under the guise of "revision" of the Consumers' Livelihood Co-operative Society Law. The present government and the Liberal Democratic Party are taking a number of related measures under the slogan of "overall settlement of accounts with Japan's postwar politics". For instance they are preparing to establish a "Anti-Espionage act," which would regulate and restrict people's right to know and the freedom of speech and freedom of press; and they are also attempting to institutionalize sharp increases in the military budget, while sacrificing funds for education, medical care and similar programs. Then, too, there have been moves to revise social studies textbooks to gloss over Japan's responsibility for the Second World War, and to institutionalize Prime Ministers official visits to Yasukuni Shrine for the war dead these are moves that go counter to the Japanese people's desire for world peace, and go counter to our desire for unity with people of Southeast Asia. Then, too, the government's Ad Hoc Education council on the reform of educational system has pushed out a plan for reorganizing the education system based on "a greater emphasis on individuality." This, too, is intensifying discussions as to the proper role of education.

More than 50,000 nuclear weapons are present today, although there were only three at the end of the Second World War. We are facing a crisis for the entire humankind where if we had a nuclear war, the entire globe would be destroyed. In addition, the huge military spending exceeding \$1 trillion each year on a worldwide basis is creating a tremendous waste of both human and physical resources. Also, when we look at the whole world, we find that while there are surplus agricultural product on an unprecedented scale, serious problems of hunger, poverty, disease, and unemployment are concentrated in Asia, Africa and Latin America. In response to this kind of contradictions and crises, a movement has risen in various parts of the world to defend human dignity and to oppose to those who threaten it.

In the international economy, the value of the yen has skyrocketed sharply, and is giving a grave impact on the Japanese economy. Under the very high value of the yen, medium and small export businesses and industries have been undergoing serious business crisis. In the meantime, major corporations are promoting wage restraints and reductions in work force under the name of strengthening their competitive power, thereby exerting further pressures on the livelihood of the workers. Furthermore, those industries and importers who import raw materials and energy resources are neglecting to plow back the huge windfall profits that they have been accumulating because of the strong yen to consumers, and are merely grabbing onto the occasion as a chance to make extra profits. The strong yen and the deflationary economic situation caused by it are expected to continue, and the effects of these developments on the livelihood of our people and on the work of consumers' co-operatives are immeasurable.

In the 1980's, information processing and communication technology which integrates computers and communications network have been making a rapid progress. In what is called the advent of the advanced information society, information and microelectronics (ME) technologies have been widely used not only in the spheres of production and distribution, but also in all aspects of our life. Certainly, the information is indispensable for the progress of human society. However, control of information by a few in a concentrated fashion for profit making will obstruct that progress. What is really needed is a social arrangement under which people will be able to independently use information co-operatively, with their own initiative.

In the 21st century, the Japanese society will increasingly become an aging society. According to the "New Projections on the Future Population of Japan" released in 1986 by the Institute of Population

Problems of the Ministry of Health and Welfare, the strata of the people over 65 years of age who constituted 9.1% of the total population in 1980 will grow to 16.2% or one out of every 6.2 persons. The actual productive age population (those between 20 and 64 years of age) will increase until 1994, and then will decline until 2017. (The percentage of productive age population will change from 60.4% in 1980 to 61.7% in 1994, then to 53.2% in 2017). Referring to the cases in Europe, the government and the Liberal Democratic Party try to use the problem of aging society as an excuse to cut away welfare and social service programs as we move toward the 21st century, without a national consensus. Long life represents a precious progress for humankind, so we should ensure not allow it to become a misfortune, by building new modes of co-operation and mutual aid among the people that are worthy of the highaged society.

The population of 18 year old people will change dramatically in the next 15 years. In other words it will continue increasing sharply until the peak year of 1992 when there will be 2.05 million, and then will decrease after that to 1.51 million in the year 2000. In response to this, the question of how to survive are being discussed seriously among staff and other related people at national, public and private universities and colleges. The question of what kind of universities to be built, has become a matter of deep concern among those are related to university.

Although in a considerable number of universities and colleges, various efforts are being made to “build a university with a distinctive character”. These efforts include the establishment of new departments such as information processing science and biotechnology, improvement of research facilities, “UI” (university’s version of corporate identity or CI) activity to raise the university’s public image, and so on. In another area, the Ministry of Education is concretizing the plan to accept a large number of foreign students (with the target figure of 100,000) into Japanese universities and colleges as an integral part of the internationalization of the Japanese society as it moves closer to the 21st century. And each university and college has begun to examine the role that it should assume as a significant member of the local community. In their discussion such issues are included: the Technopolis project, to open up the university library for public use, to offer extension lectures, to accept working adults as student, and so on.

Toward the 21st century, various environmental factors are starting to change, and especially in the next several years, fairly drastic changes can be expected in the both society at large and universities and colleges. The more socially significant co-operatives become, the more we are required to become aware of the changes, and of our own role and

position. What we have to do at this juncture, then, is to overcome our weaknesses and problems one by one by making use of the advantage and achievements the co-operatives have made and based on the members' life, needs and participation. As we face the 1990's and the 21st century, we must have definite objectives and plans, play a socially meaningful role, and accumulate strength for further development.

## **CHAPTER 1**

### **The Development of University Co-operatives in the First Half of the 1980's**

University co-operatives have been supported by the dedicated efforts of a large number of our predecessors since their foundation in the postwar period, and have been able to develop to where we are at today through the steady activity that is rooted in the livelihood and demands of a wide range of our members. Through the power of solidarity, university co-operatives have been able to overcome some limitations that are specific to university co-operatives, have fulfilled their role in accordance with the requirement of the times in different periods, and have made good progress.

At the 24th Annual General Meeting of the National Federation of University Co-operative Associations on December 20, 1980, we adopted the document entitled "The Role of University Co-operatives and Tasks for the Current Period" (hereafter referred to as "The Role and Tasks"). This document clarified the positive achievements of the 35 year postwar history of university co-operatives which were by no means all plain sailing, and clarified the role and tasks of the university co-operatives to people both within and outside the NFUCA, so that we can delineate a path for further advances in the 1980's.

The kernel of the direction that was set out can be summarized in the following three points:

1. We will build university co-operatives that can support the foundation of study, education, and research of students, faculty, and staff, and that can make the campus life more fruitful and enriched.
2. We will build university co-operatives which will defend people's livelihood through co-operation, and which will strive to improve the life and culture.

3. We will build university co-operatives that, will help nurture autonomy and human solidarity.

In addition, we confirmed that we will aim to build and sustain a constructive relationship with university authorities and to strengthen the university community as a place for living. These points were clarified and affirmed as our basic direction.

The activities of university co-operatives, based on the understanding that the university community is a place for living seeking to defend and enrich the campus life, are promoted by students, faculty and university staff who comprise the membership of the university community. And through these activities, a definite consensus is being formed that the university co-operative is the appropriate body to operate welfare and service programs suitable to the university community.

And the progress achieved in the co-operative activity in recent years indicates a possibility for developing the role of university co-operatives still further in the future. Thus, it is vital for us to improve and consolidate our operations and activities within the context of maintaining a constructive relationship with the university, to care for every member and to build the consumers' co-operative moment through the participation and co-operation of members at large. Equally important, we must carry forward the perspective with which we have been able to strengthen our own constitution in the course of building the movement, and to put that perspective on our activity at the center of the university co-operative movement.

### **1. Development of Business Activities of University Co-operatives**

By caring for the members' life, the business activities suitable for university co-operatives have been developed which include making which products are really useful daily life in, and making suggestions for daily living. As these business activities developed, the feeling that the university co-operative is of help for study, education and research within the university community has grown and been more rooted among the membership. This feeling, has led to a greater trust in the university co-operative, and has increased the members' participation in the co-operative activities.

The university co-operative started a student co-op insurance program in 1981 with the approval of the Ministry of Health and Welfare, as a national project based on the solidarity of university co-operatives throughout the country. This insurance program started out with 30,000 members but has grown to have a student membership of 240,000 as of

1986. The premium paid by each co-operative insurer helps other members reduce the economic burden when they become afflicted with an accident or illness; thus, as a fund to facilitate mutual support, this is developing a most suitable program for a co-operative association which is an union of people for mutual help. Through the activity of paying out the insurance benefits, it has become possible for us to get a more realistic picture of accidents and illnesses that our members encounter. What has become clear out of this picture is that there are a large number of accidents involving motorcycles, sports accidents, and acute alcohol poisoning. From this, efforts were begun to tackle with health and safety more effectively by coming u with some preventive measures visavis motorcycle and sports accidents, and giving advise on “a proper way to drink,” and so on. This process has also encouraged activities that nurture members’ spirit of helping one another. And, through this co-operative insurance program, new ties are being created between students’ parents and the co-operative, and these ties are spreading.

In our dining hall program, there is more of a stance for viewing the university as a place for living, and of protecting the eating life of co-operative members. Our co-operatives have placed importance on providing a food service which stands on the side of the users, so that each one of the students, graduate students, faculty, and university staff can have a healthy and enjoyable diet. That is to say, under the normal circumstances, we have sought to improve and renew the management of dining halls at the time of new construction or renovation, on the basis of the following five fundamental rules of food service: (1) menus that meet the needs of consumers; (2) prices, quality, and quantity that correspond with the purpose of our cafeteria; (3) to make everything sanitary and safe, (4) to provide the food under the optimum conditions including appropriate temperature, and (5) a pleasant environment for having meals., In addition we have encouraged members to make proposals about our eating habits, organized cooking classes, and contributed to make people’s eating life more autonomous. These efforts have been recognized positively by various groups, and their expectations on the co-operatives’ role in the dining hall program have been rising.

In the books department, we have been striving to improve the work so as to make it even more filling to the university community. Books are an indispensable resource for students, graduate students, faculty and university staff in their learning and research activities, and as such, ever since the start, university co-operatives have placed emphasis on book sales activities as a large pillar in the overall operation. In recent years, there has been a movement to develop the co-operative’s book stores

taking advantage of the universities' unique conditions that authors, readers, and the university co-operative that serves as the distributor are all present. By making use of these conditions, we can make a book store to suit the particular school. Through various movements such as "From Senior to Junior Members" and "The Books That Teachers Recommend," as well as through the publication of a book commentary magazine "Dokusho no izumi" (The Spring of Reading), activities to exchange and share the joy and fun of reading have been becoming more widespread. The project of republishing technical books has been launched at the request of young researchers. This project aims to have to some important scientific and technical books which are out of print reissued. Similarly, there have been efforts to purchase books that are not generally circulated nor available, make bibliographical data about them, and to have them circulated. These activities are possible precisely because of the specific nature of the university co-operative, and they have been appreciated very highly by people in and outside of our movement.

In the purchasing department, we provide goods which are necessary in various spheres of university life in accordance with the requirements and requests of our member ship. In the area of goods for study and research and daily and goods for student's developed in accordance with the university co-op's own specifications. Similarly, we have ample supply of goods which were produced by makers specifically reflecting the views of our members. Suggestions for better living are given and advice pamphlets are also offered to the members. At the same time, in response to the broadening of the scope of university life, we have worked to expand and improve various types of activities such as: domestic and overseas travel services including issuance of air tickets needed for academic meetings, ticket services for movies, theater, concerts, and providing support to various cultural and recreational activities carried out by co-op members. In addition, the co-operatives have provided necessary products and services for meetings of various academic societies, campus festivals, sports events, etc., in co-operation with the university administration and students' circles, and has made a great deal of contributions for the smooth implementation of these events and activities.

In order to consolidate and expand our work and have it take deep roots in the campus community, facilities have been expanded and improved. Not only improving the goods and facilities, co-operatives have been striving to make it easier for our members to utilize the services by arranging the operating hours to correspond to the time schedules and



life patterns of co-operative members on the campus and to the actual extent of utilization.

## **2. Further Progress in Building Constructive Relationship with the University Administration**

Service and welfare programs at the university must help to improve the livelihood of all students, faculty and staff members who comprise the university community. They must also contribute to meet the purpose of the university. The university co-operative, given its nature and position, is carrying out a wide variety of activities in order to improve welfare and well being of students, graduate students, faculty and staff. The university co-operative, has some restrictions and limitations such as that since its membership is basically limited to the people who comprise the university community, the co-operative cannot expand its organization and activities to other sectors of the people; that its operational days are greatly limited due to long vacations at the university; and that often, certain necessary welfare services must be provided even if the number of users is small. Because of these limitations, the university co-operative must ask for various kinds of assistance and support from the university administration.

It becomes possible to improve the university community as place for living both by strengthening the capabilities of the university co-operative, as well as by linking the co-operative with the welfare programs of the university itself. From this kind of standpoint, the university co-operative make proposals from an overall view point of what are needed in the university community in terms of co-operative means for facilitating a better livelihood. Then, the co-operative seeks to build a consensus with the university administration on what role it can play within that context, and to build a constructive relationship with the university so that these roles and functions can be fulfilled.

When various welfare facilities and equipment are to be constructed or renewed such as a dining hall, which are essential for co-op activities, the co-operative discusses fully with the university administration, and lay down each other's positions and conditions concerning how to share the expenses for appliances and equipment. Through this kind of process, a co-operative relationship is being built based on the agreement to jointly build a better facility. Also, by co-operating mutually for the success of various events related to the university such as academic meetings, and by periodically providing reports on the activities of the co-operative and on the health and safety of students, our co-operative relationship with the

university has been improved, and the universities have better understanding on the co-operatives.

Through these efforts to build a constructive and co-operative relationship with the university administration, mistrust of the university co-operative in some members of the university administration is being gradually removed, and the confidence of the universities in the co-operative has been steadily rising. This increased confidence, at the same time, demonstrates the fact that the co-operative is an indispensable part of the university community, for it shares many of the welfare services of the university and plays a role to united the members of the university community who live there.

### **3. Factors Which Have Sustained the Co-op Activities during This Period**

- Building everyone's co-operative through the united efforts of members-

Since adopting "The Role and Task" at the 24th Annual General Meeting of the National Federation, we have been taking the following distinctive approaches to support and develop co-op activities.

First: Development of activities based on the livelihood and demands of individual members

To promote activities which are based on the livelihood and demands of individual members is the starting point of the co-operative movement.

The opinion card campaign called "Just One Word," has been carried out by most of the university co-ops. Any member can write his or her views and requests to the co-operative. Well more than 100,000 "Just One Word Cards" are exchanged Annually throughout the country. This activity encouraging individual members to share his or her views and responding to their views spread nationwide because this activity attaches great importance to the views and demands of each member. Frank wishes and expectations that flow out of members' daily life are reflected in the co-op stores and goods, and exchanges among members are also more spreading. The efforts to examine goods from the perspective of daily life helps us to understand the relationship between members' daily life and goods in a more concrete way, and the exchange and co-operation among members are leading to further activities to develop new products and to make specific proposals.

Various surveys have been conducted including those on the actual

living condition of university students (which have been carried out for 24 years), on the actual living conditions of faculty, staff and graduate students, on reading habits, on diet and leisure and so on. Through these research activities we have been able to get deeper and extensive understanding of the life of our members. They have been very helpful for us to create our activities, programs and movement on the basis of the life of our members. Similarly, from the data on benefits paid out by the co-op insurance program, we can learn about the actual situation related to accidents and illnesses of our members, and concretely see and understand the life of members.

Our movement against nuclear weapons and for peace has been developed step by step out of a variety of activities over the years, for instance, through listening to the accounts of hibakusha (Abomb victims) and others who suffered in the war, field work activities in Hiroshima, Nagasaki, and Okinawa, and other efforts for the younger generation to learn from the experiences of those who lived through the wartime and postwar periods. The campaigns to care for peace, to be concerned about the hunger in the world, and to protect human life, are developing, for they are originated from the concern about the people's life. To care much for one's life is the basis of all positive human activities, and is the foundation of human dignity as well.

With the daily activities based on the life of our members, the university co-operative has made its activities more fruitful and enriched.

Second: Broader members' participation making the co-op activities wider and deeper

The co-op activities have been promoted to strengthen members' participation by caring for members' life and matching with their interest.

The "Just One Word Card" campaign mentioned earlier, aims at caring for members' life resulting in strengthening participation of members. In this campaign any member can take part readily at any time. Members can take a really good look at the way their views and requests are treated, and the process which they are implemented. Thus, they can really feel the meaning of participation. In the case of other activities, for instance, of the shop committee, members can actually see the realization of their demands by involving themselves in the process of improving the store and its goods. These activities have served to deepen members' interest in and feeling of closeness to the co-operative, and helped to broaden the scope of member participation.

The campaign "to learn and let others know; and think and discuss"

has been promoted. This is an activity through which members learn some facts and let others know about them; they respect changes and growth of themselves and their fellow members; and they can take initiative. This activity has helped to increase the chances of members' participation.

The efforts to improve the shops and its products through soliciting members' voices and participating in the shop committee and so on, have gone one step further to create other activities such as the one called "From senior to junior members," or the one called Learning together and making good use of each other." In these activities members can share each other the wisdom for living so that they can build better life.

The accumulation of efforts to strengthen members' participation and care for members has enhanced the democratic co-op management, and has served to strengthen its organization.

A university is composed of undergraduate and graduate students, faculty and staff, with each group having its distinctive role. As far as the area of livelihood is concerned, they all come together to co-operate on an equal footing, and form and sustain the university co-operative to improve their livelihood. By having these people of different strata speak out their own views at the same table, it is possible to make the co-op activity based on the member participation more fruitful. In this sense, the fact that university faculty and staff members have begun to take active part in various activities of the university co-operative, has created a source of tremendous strength for the overall development of the university co-operative.

Third: Co-operation and unity among members, and university co-operatives becoming wider

Ever since its founding, the university co-operative has been regarding the unity of purpose as one of the most important activities. This activity originally began in the form of exchange among managing directors and co-op staff, but has broadened to involve student, faculty and staff members. In recent years, many exchange meetings have been held among co-operative presidents, both nationally and regionally. Thus, it has developed to a point where members go beyond the framework of individual co-operative to "learn together" and "to make good use of ideas and of each other". This clearly manifests that a circle of co-operation which is the essence of the consumers' co-operative, has been extended beyond the boundary of one university co-operative to involve many co-operatives. Through exchanges of knowledges and experiences which cannot be obtained by one's own university co-operative alone, and

through examination of the validity of policy and measures, the importance of co-operation and unity of purpose among co-operatives has become clear. Indeed, in recent years, the exchange has been started between Japanese university co-operatives and consumers' co-operatives in other countries including those in Southeast Asia.

University co-operatives nationwide have been carrying out a number of joint projects in co-operation and unity. Every project including the republishing of technical books, the handling of books which are not generally circulated, the lodging facility operation and co-op insurance program, could not have been realized without the unity among undergraduate and graduate students, faculty and staff of all over Japan. These activities which could never have been realized by a single co-operative, were materialized through unity among nationwide university co-operatives, which has served to broaden the range of activities for unity of purpose still further.

Forth: Consciously looking for activities which would strengthen the structure of the university co-operative with a clear sense of purpose

The university co-operative, which exists within the university community and whose role is to support study, and research at the university, has autonomously decided and implemented the direction of its projects and campaigns based on the general consensus of its membership, and from the perspective of improving the livelihood of its members.

Its democratic management centering around the board of directors, listens carefully the voices of its members and takes up any demands or criticisms. This attitude has strengthened the unity of the members, and has made it closer to the membership. And this fact, in turn, has worked to strengthen the structure of the university co-operative itself.

The university co-operative has been always trying to make the content of the management of their work and policies open to its members. It also tries to make public what kind of views and requests members have visavis university co-operative, and how they are trying to respond to members. By doing so, there will be a greater sense of oneness between the members and co-operative, and there will be more trust in the co-op from those outside of the co-operative. This will lead the university co-operative to develop as a social entity.

Even if the programs and or the management of one's own co-operative have weaknesses at present, it is important for us to share these problems with the membership to overcome these weaknesses together

with the members. As a democratic movement, and as a co-operative movement, it is crucial for us to try to overcome our own weaknesses by carefully listening any view or request from members and responding to any criticisms.

Our recent efforts to “create everyone’s co-operative by everyone’s hands” shows that it is possible to seek for both individual and group interests together by co-operation in care for individual persons. This awareness is shared more widely among members.

## CHAPTER 2

### **The Role of University Co-operatives in the Times of Change**

For 41 years after the end of the Second World War, the university co-operative has carried out various activities basing itself on the effort to realize the demands of students, faculty and staff, and defining its role in respective period. The role has been expressed in the following slogans for each period: “To be a student, you first had to eat,” “For peace and a better life,” “Development of educational environment on the campus,” or “To take wide and deep roots on the campus.”

Today, facing the 1990s and in prospect for the 21st century, we will succeed the role that we have taken, fix our eyes to see the change of times, and reexamine our role so as to further develop our role.

What is the key in the times of change is to make horizontal ties of people based on the people’s living as the priority. The university co-operative movement will nurture the spirit in the members to care for himself or herself as well as fellow members, which is beginning to grow in the daily life of our members. It will further continue to create “everyone’s co-operative by everyone’s hands,” where people can feel the joy of human encounter and actually experience the co-operative power. And by uniting in solidarity with various organizations and movements that also seek co-operation, we will broaden the scope of co-operation and unity. And with this power of co-operation, we will strive to fulfill the following three roles.

First: We will contribute to really realize the purpose of the university which is “to impart knowledges of broad scope as a center of learning, to instruct and study specialized areas of arts and sciences, and to unfold intellectual, moral and applicability.” (The School Education Act)

Second: We will endeavor to improve the life and culture through the co-operative power.

Third: We will expand the circle of co-operation, and move hand in hand with an even greater number of people, so that we can make solid efforts to build a peaceful society.

By fulfilling these roles, we aim to build the times of “new co-operation,” through which each individual can develop, based on independence.

#### **1. Support Study, Education, and Research Activities at a University and Contribute to the Overall Improvement of the University Community**

The university is a place for study, education and research, but at the same time, it is a place for living. The university co-operative serves to improve the university as a place for living through its activities, and at the same time, it cares for various demands and feelings concerning livelihood, of different members of the university community, and through activities to facilitate communication among them, we contribute to improve the quality of life of the university community.

Ever since its founding, the university co-operative has carried out a variety of projects so as to help stabilize the livelihood of undergraduate and graduate students, and faculty and staff, and to improve the life and culture. These programs include general stores, book stores, dining halls, co-operative insurance. The distinctive characteristics of these programs are that they handle the goods and services needed for campus life in an overall way.

The programs of the university co-operative support university life in the area related to study, education and research through supplying stationery, equipment for study and research, books, athletic goods, and copying service. Also, through the operation of dining halls and coffee shops on the campus, it provides meals and service, and places for realization and communication. It is of help to the daily life of the university members by providing various goods needed in their daily life at boarding houses as well as articles, clothing and sundry goods. Through offering over seas and domestic travel services, audio equipment, sports goods, and fashionable goods, we attempt to meet the highly individualized life style of each member in response to the broadened life of the students, faculty and staff. Co-operative insurance program started to prepare for hazards in members' daily life, and it is expanding as a

program which raises the level of people's concern in health and safety and fosters the spirit of mutual help among members.

There are some university where private businesses run dining halls and coffee shops or sell stationery goods, but none of them handles everything, either basic goods or services, needed for campus life. It is because the private businesses regard consumers' demands only as something for profit making, whereas the university co-operative is operated by the university members including students and faculty, and it is an organization whose programs are carried out by its members to improve their living. Due to long vacations and students' stay on the campus being limited and also a campus population being generally small (with a few exceptions), it is often quite difficult for a co-operative to run the projects on the campus as a business. Despite such a difficulty, the university co-operative has made this work possible with their persistent and devoted efforts for effective management and through the unity among nationwide co-operatives.

Through the management and various activities of the university co-operative and through its public information newsletter "Co-op News", the information on the everyday life and associations of the members is given. This means that the university co-operative plays a vital role in facilitating smooth communication among various groups of people within the university community. Under graduate and graduate students, faculty and staff have their respective and distinctive role in terms of the function of the university. However, in the place created by the university co-operative, they co-operate each other as follow co-op members on an equal footing, and engage themselves in activities to upgrade their livelihood. In the present society where the opportunities for human encounters have declined, these activities generate vitality in the place of living of each member and group, and help to make university life more meaningful and fulfilling. The university co-operative must turn its attention to this kind of role, and encourage co-operative activity among members in various units of campus life such as classes, seminars, circles, work places. It will then enhance its contribution to the improvement of the university community.

Today, through the ongoing co-op projects, much wisdom and experience related to daily life has been shared by members on campus, and a significant volume of important information on health, safety, and living of its members has been collected. Such information is used as precious data for the university in its effort to improve welfare programs for students, faculty and staff. By sharing this kind of wisdom and information with the departments concerned of the university, the



university co-operative will try to contribute to improve the campus life of its members.

The university co-operative, which has thus been supporting the basis for study, education and research of the university members, is now becoming not only useful for its members but reliable and familiar for the university itself. By supplying books and other goods necessary for study, and by actively co-operating with the university administration for various university related events such as academic meetings, it is indirectly co-operating to improve university's functions. When we try to materialize the demands of students, faculty and staff, we naturally get involved in the tasks of preparing optimum conditions for study, education and research, which are originally the functions of the university itself. Thus, the university co-operative will co-operate with the university administration in an effort to enable its members who are at the same time the constituents of the university to lead a fruitful campus life. In this way, we believe that the university co-operative can make a significant contribution to further improve the university community by making a full use of its strengths and distinctive characteristics.

## **2. Nurture the Spirit of Co-operation, and Strive to Improve the Life and Culture through the Co-operative Power**

The object of the consumers' co-operative is that every member aims to attain profound and humane life starting with care for human life and dignity and through close relationship and co-operation with each other. Therefore, the betterment of the life and culture is an important goal of the co-operative, along with stabilization and improvement of economic life.

What is the activity for the betterment of life and culture? It is to seek to build a better life through co-operation and people's unity, while constantly looking at one's way of life. Life is nothing but a human being's total living process, but today, various elements and means of human living are commercialized and fragmented by businesses. Now, sales campaigns for goods and services are intense under the name of "suggestions for better living". The development of an information oriented society is convenient for consumers so that no co-operation appears to be necessary. However, it is only through co-operation that an allround development of human beings is guaranteed; therefore, people are now reviewing the significance of learning to care for individual life, the importance of striving to improve the life and culture with the co-operative power through the campus life and co-op activities. Improve-

ment of life and culture cannot be achieved as a result of winning a competition and selection, but can be realized through co-operation among people. The university co-operative can foster and grow young people's wish to care for their lives and to make the best of their own unique qualities, by nurturing the spirit of co-operation and mutual aid.

Many students, today, enter a university without having experienced an independent life. The co-op counseling service and "the life suggestion activity" help those students start a new campus life, for in these activities various wisdom of life of fellow or senior students and faculty and staff of the university is gathered and "the skills of living" are shared with them. To give suggestions based on the wisdom of senior members on daily goods necessary for living in a boarding house and how to use them, and about the eating habits including how to cook, and so on, is an indispensable help for new students to start their life on the campus, and at the same time, it can be an important chance for the students to start designing of their own lives.

In response to the wishes of the members who want to live a healthy, safe and humane life, the university co-operative work against food additives, and take measures to prevent various types of accidents, to avoid damages inflicted through consumption, by gathering suggestions from members, and through the co-operative power.

To love fellow human beings, to value peace and to reflect upon the hunger in the world, are fundamental activities of the consumers' co-operative. The university co-operative attaches a great deal of importance on the activity among members "to learn and let others know, and to think and discuss" with one another about the damages inflicted by the war, hunger or poverty, so that all the members can grow as a whole person who will take initiative to create a peaceful and affluent society. For instance, it is important how they spend their time not only in the classrooms but also in all spheres of their lives. Young people have their own way to seek after pleasures such as reading, sports, music and traveling, co-operatively by making use of experiences of fellow students and seniors. Appreciating this fact, the university co-operative treats the demands of individual co-op members with care, who want to enjoy life, and tries to foster life and culture of its membership.

Through various co-op activities, students can think about their own lives with the help of co-operative power throughout their university life from enrollment to graduation, and grow as an independent person. They can go out into the world with firm ideas and skills on life. They can also build up their selfhood as a whole person. Faculty and staff members can

work for the betterment of their life at the university which is also a part of their life, through co-operative power.

### **3. Link the Life with Society, and Expand the Circle of Co-operation**

The consumers' co-operative is an organization of a union of people, established with an aim "to develop autonomous co-operative organizations among the people so as to stabilize people's livelihood and improve their life and culture" (Article 1 of the Consumers' Livelihood Co-operative Society Law). Therefore, it is a co-operative which "seeks to improve the life of its members culturally and economically." Its activities can contribute to the interest of the society at large through pursuing the benefits of its members. In short, the co-operative is an organization open to both the society and the future.

The university co-operative plays its social role by constantly presenting its activities to the society at large, in an effort to realize the wishes of its members who want to improve their life and build a peaceful society.

Because of the nature of its activities, the university co-operative is deeply involved in the processes of production and distribution of goods; and it is highly significant that its members, becoming familiar with these goods in their daily living, come to turn their eyes to their production and distribution processes. The Co-op goods have been developed through the co-operative efforts of its members starting from their daily lives. Co-op goods which have been developed by the citizen co-operative are mainly those related to the diet, detergents and so on, while those developed by the university co-operative are mostly school supplies. These goods were created out of the efforts of the members of seek for commercial viability through study meetings, trial uses and taking interest in their production processes. Because of these efforts and process, the Co-op goods not only serve the needs of its members but also they have social significance.

Other activities or campaigns undertaken by the university co-operative include the ones to prevent bike accidents, to handle books which are not generally circulated, to republish technical books, to develop stationery, equipment for studying and daily goods for a singleperson household. These activities have universal significance and value because they are based on the members' life. Therefore, they have been well accepted by people at large, and have been spreading widely. Through the programs and campaigns of the university co-operative, its members come to know more about the mechanisms of production and

distribution of these products, and to become deeply interested in learning the ideal way of production, distribution, and life and culture. In addition to these activities which suggest people to change the way of life, the university co-operative will get involved in the movement against those which threaten our lives, living, and peace, in co-operation with other groups including citizen co-operative.

Every year, a large number of youth who have fostered in their mind a spirit of autonomy and human unity through their activities as members of the university co-operative, and with people and peace-oriented mind, leave school and go out to the world. Through various activities they have got involved in as members of the university co-operative, the students grow to be independent persons. Needless to say, the students are important beings who are the supporter and driving force of future world. Whether or not they can be strong enough to speak out for the need to place priority on people's life and practice it is crucial for the future Japanese society, particularly when the peace is threatened and in the company first and profit oriented society.

The university is one of the key motive forces for the cultural development in the community where it is located, and is an important constituent part of the local community. A university co-operative member is not only a member of the university but also one of the local community. Therefore, the university co-operative can assist the activity of its members in the community and can contribute to the political, economic and cultural development of the community. When co-operating and uniting to various other co-operatives including citizen ones to jointly work for the betterment of life and culture and jointly develop products and get involved in various consumer movements, the university co-operative can also contribute to the development of the local community. The communities where our members were born, and those where we are living now, have their distinctive history and culture, and form a part of the Japanese society. The members of the university co-operative are required to take another look at the local community in the light of the standpoint of improving the life and culture, which is being nurtured at the university, and to make contribution to the cultural formation of the local community.

In this era of internationalization, the university co-operative will contribute to the international community in a way suitable for a co-operative, through campaigns for peace and cherishing people's lives. Playing a role to assist and support foreign students for their life in Japan, as a part of the international solidarity activities and exchanges suitable

for a co-operative, the university co-operative will contribute to the world peace.

Appreciating the life and demand of individual persons, the university co-operative will try to foster the spirit of co-operation and the mind to feel a joy of human encounters. It will try to improve the life and culture with a co-operative effort, and to realize a better society where co-operative spirit prevails. These efforts are the tasks of the university co-operative.

Toward a New Co-operation was adopted at the 30th Annual General Meeting of the National Federation of University Co-operative Associations, on December 20, 1986.

# KOPERASI MAHASISWA UNIVERSITAS BRAWIJAYA

(Students Cooperative of Brawijaya University)

by Mr. Wilopo

## AN OVERVIEW

### The History

The history of Students Cooperative of Brawijaya University, (Koperasi Mahasiswa Universitas Brawijaya or Kopma Unibraw) was begun with an idea suggesting that students welfare should be satisfied. The idea was then realized after the establishment and the operation of Exchange and Souvenir Shop as one of the Students Council (DEMA) activities in 1976/1977. By the time DEMA was abolished by the government, Student Exchange, which had not reached the students' need extensively, was also frozen.

This vacuum led to an idea to establish a Students Cooperative as the continuation of Student Exchange. Through several meetings between Exchange Board and the President of the University and the Chief of Student Institute (Students Senate and Students Representatives of the Faculty), it was agreed that KOPMA was established using the previous Cooperative Basic Rule or AD/ART on 28th October 1978 at a memorial service of the half century of the Youth Pludge or Sumpah Pemuda, KOPMA UNIBRAW was legally established, confirmed by Working Licence Rektor No. 062/SKEP/1978. The confirmation was read on the ceremonial event attended by campus activists.

Drs. Suharyono, who was elected to be the Executive Director, was assigned to set up the Board Executive (6 persons) for 1978/1981 period. And, 3 persons were elected to be the Board of Auditor by members, as cooperative organization supplement.

Organizational/work mechanism was made with little knowledge about cooperative system. Student Exchange, which became KOPMA enterprise unit, was gradually possessed by KOPMA. It was completed by returning individual investment involved. Besides, the former organizers were given a chance to join in the cooperative enterprises. The shifting process was completely done at the end of 1979.

## **Legalization**

The confirmation of KOPMA position as a general cooperative organization was started with an effort to obtain. But, the effort was not easy as it had been through, considering that student cooperative was not well-known at that period. What had been organized was student cooperative which did not require any legalization.

However, the hard effort resulted in an agreement of legalization issued by Cooperative Department Regent Office of East Java (KAKANWILKOP JATIM) with the Government Licence numbering 4684/BH/II/1980. Followed by Letter of Cooperative General Directorate (DIRJENKOP) number 1001/DK/A/IV.1981 dated 12th April 1981 which acknowledged the legalization. The issue was then withdrawn and completed by the next issue number 2255/KOP/XI/1981 dated 2nd November 1981. Since then, it was easier for KOPMA to develop its enterprises and organizational activities.

## **Management**

A professional management has been established by KOPMA since the beginning of its stage, especially in managing the enterprise. The step to professionalism was started by employing Full-time workers, from the managerial personnel until the lowest staff level (clerks).

The first enterprise unit was Student Exchange which was followed by Credit Union or Simpan Pinjam Unit (November 1978) and Public Service Unit, in which the sub unit was only Photo Copy unit in 1980 followed by a sub unit of a Parking lot.

As the activities of KOPMA enterprises were developed, financial administration management needed capable workers. Therefore, KOPMA appointed a chairman of Book Keeping Unit in 1980. The previous financial system, decentralisation, was changed into centralized system. The book-keeping using cooperative financial administration system was made since 1983.

1983 was an important milestone for KOPMA UNIBRAW. During the year, an office building and a private enterprise place as well as book and stationery shop were built by Indonesia People Bank (BRI) credit facility. The opening was announced officially by Minister of Cooperatives of Indonesian Republic, Mr. Bustanil Arifin, SH. on 11th December 1983.

## Investment

As a social economic organization, investment is an important matter in developing the cooperative enterprise. During the first year, it was difficult to obtain investment internally (members) or externally (Banks). The only investment was the exchange of DEMA inheritance which was donated to KOPMA, and a small additional amount of members' savings.

During the following years, the investments were obtained by opening deposit saving of members and non members (customers). This effort gave a good result. Increasingly, there were many members or non-members making use of deposit savings. Another effort proposing the use of credit to BRI Bank and BTN Bank by the security of Perum PKK. The realization of the credit was used to build an office and an enterprise building as an additional working capital. And it was used to built a dormitory.

Table 1  
Development of Members Savings of Students Cooperative  
of Brawijaya University 1980-1990  
(R.P.)

| Year | Main Savings | Compulsory Savings | Voluntary Savings |
|------|--------------|--------------------|-------------------|
| 1980 | 123,000      | 756,000            | 100,000           |
| 1981 | 182,000      | 1,087,300          | 1,613,213         |
| 1982 | 313,000      | 1,384,600          | 3,199,626         |
| 1983 | 407,800      | 2,178,600          | 3,698,477         |
| 1984 | 664,500      | 6,319,925          | 3,351,825         |
| 1985 | 1,384,802    | 7,934,825          | 4,386,370         |
| 1986 | 1,904,500    | 4,050,000          | 10,677,078        |
| 1987 | 4,142,000    | 4,496,450          | 19,331,640        |
| 1988 | 6,701,400    | 6,829,050          | 21,984,763        |
| 1989 | 7,208,900    | 5,884,232          | 22,436,624        |
| 1990 | 8,242,900    | 7,059,600          | 31,509,729        |

Source: Student Cooperative of Brawijaya University

US\$1 = 2000 Rupiah



## The Organizing Development

### *Membership*

KOPMA UNIBRAW is different from usual cooperatives which members are relatively constant. KOPMA UNIBRAW membership always fluctuated; the reason was that the educational system of S.1. is limited in 4 to 7 years. This limitation has an effect on the students' duration of being members of KOPMA. Although there is always a member-turn-over, but the data show a considerable increase.

The voluntary membership system is intended to develop a strong feeling of loyalty among the members. A member who has been a graduate but still has an intention to continue his membership period, is allowed to register him self to be one of the special members. By the end of September 1989 the development of member and alumni number was:

Table 2  
Development of the Number of the Members and Alumni  
of the Student Cooperative of Brawijaya University

| Year | Members | Alumni | Real Members |
|------|---------|--------|--------------|
| 1979 | 895     |        | 895          |
| 1980 | 1,234   | 87     | 1,147        |
| 1981 | 1,664   | 153    | 1,511        |
| 1982 | 1,811   | 427    | 1,588        |
| 1983 | 2,015   | 791    | 1,350        |
| 1984 | 2,141   | 1,212  | 929          |
| 1985 | 2,946   | 1,678  | 1,249        |
| 1986 | 3,809   | 2,154  | 1,655        |
| 1987 | 6,969   | 2,599  | 4,369        |
| 1988 | 7,880   | 3,156  | 4,724        |
| 1989 | 8,499   | 3,878  | 4,611        |
| 1990 | 8,912   | 4,549  | 4,541        |

Source: Student Cooperative of Brawijaya University

According to Wawasan Almamater, Student Cooperative is intended to arise 'cooperative cadres' and at the same time, to create 'cadre cooperative'. Consequently, member and manager counselling is an important activity which needs a serious care.

### **Members Meeting**

Members' Meeting is an extremely important activity for a student cooperative to make members reply to execution of members' mandate by Boards of a students' cooperative. It means that members' meeting is also a place for democratic practices, forum to meet innovative ideas for increasing the cooperative. Students cooperative of Brawijaya University annually holds Members' Meeting. The first meeting was held on 23 February 1980 and followed by the next ones below:

|     |      |                  |      |
|-----|------|------------------|------|
| RAT | I    | on 23rd February | 1980 |
| RAT | II   | on 24th February | 1981 |
| RAT | III  | on 11th March    | 1982 |
| RAT | IV   | on 14th May      | 1983 |
| RAT | V    | on 20th May      | 1984 |
| RAT | VI   | on 28th February | 1985 |
| RAT | VII  | on 28th February | 1986 |
| RAT | VIII | on 28th February | 1987 |
| RAT | IX   | on 28th February | 1988 |
| RAT | X    | on 27th February | 1989 |
| RAT | XI   | on 27th February | 1990 |
| RAT | XII  | on 27th February | 1991 |
| RAT | XIII | on 29th February | 1992 |

### **Service Society Activity**

Students Cooperative of Brawijaya University considers the activity important as commitment and solidarity to other cooperatives and people in general but it is still on a small scale.

Some activities carried out so far in line with what has been explained above are mentioned below:

- Giving information and technical guidance to some cooperatives which needed them.

- Giving technical aid and management system guidance to other youth and students' cooperatives.
- Giving information and guidance for establishment of cooperatives in Moslem Boarding Schools.
- Many educational activities, trainings and Seminars held by Students Cooperative of Brawijaya University it self.
- Corporation with Republic of Indonesia Army to facilitate the village's development.

### **The Boards**

It comprises of Board of Executive, Board of Auditor, and employees, each with its own different function and duty. They constitute a team working together with executive members mandate in reaching the goals established through members meeting. Mentioned below are explanation of each of the Board:

#### *The Board of Executive*

Elected from and by members through Members meeting for three-year-period in office. Based on the extra ordinary Members' Meeting held in February 1990, the boards are to execute their authority for a two-year-period in office. The seven members of this body have the function and duty to make the whole policy and the cooperative.

#### *The Board of Auditor*

Elected from and by members through members' meeting for a three year-period in office. As a part of management team, their function is to control and run the organization (internal control) and not to try to find mistakes by the boards.

#### *The Employees*

Appointed by the Boards, led by the Chief Manager, assisted by three unit managers, two directors and some appointed employees, the rest of the employees have the duty to run the daily business. So far, there have been 138 employees. With the growing number of employees, it is considered important to handle them seriously and professionally. To clarify the explanation.

## **Business Service**

As a social organization, Students Cooperative of Brawijaya University serves its members, most of them students, a kind of business which fulfills their needs on clothes, lodging house etc. After many improvements, this unit is classified into three units, namely, savings and loan unit, store and service and lodging house.

The Business activities and services run by this cooperative so far are:

### a. Credit Union

This is aimed for financial services, especially for the members by consumptive or productive loan. Saving are in the form voluntary savings and deposits savings. Deposits or special savings accepted from the customer are given incentive of 24% per year. It has no incentive for voluntary savings.

### b. Services and Stationery

These comprise of 3 sub unions of business:

1. Book store and Stationery  
Provides literatures and other kinds of books, and stationery.
2. Exchange  
Providing articles such as clothes, t-shirt, jackets, suitcases, bag, souvenir, etc.
3. Services  
Photo copy, Printing, Parking

English Course (Kopma English Course). Started in 1987 and it seems to have a good prospect.

### *Souvenir's Shop*

Kopma Tour and Travel (KTT)

For the purposes of Tourism taking and picking ups with its associates.

### *Telecommunication shop*

With its associates tourism, posts and telecommunication Department. It consists of local phone/call, interlocal, international and telegram faximile.

### *Youth Hostel*

It has been planned to establish youth hostel since it must be a good prospect. It is even advised by the president of the University to complete it soon.

### *Computer Training Centre*

Development of Foreign Language Institute. Meanwhile it has Kopma English Course and it will soon have courses in Japanese, French, German and Korean.

### c. Boarding House

It formally performed its activities in August 1985. It also provides a cafeteria, retail and laundry services. The capacity of the lodging house is 550 persons. It also has a dormitory for guests of student/lecture. There are still many chances of the available business which can be realized considering the long term strategy of the cooperative it self, especially business chance of providing facilitation, either for its members of Brawijaya University itself which are.

To know more about the Development of Student Cooperative of Brawijaya University it can be seen in following tables.

Table 3  
**Development of Exchange Sales Omzet, Book Store and Stationery, Services and Student Lodging 1980-1989**

| Year | Exchange    | Book & Stationery | Services   | Student Lodging |
|------|-------------|-------------------|------------|-----------------|
| 1980 | 53,494,100  |                   | 923,370    | -               |
| 1981 | 62,806,680  | -                 | 3,650,210  |                 |
| 1982 | 52,929,730  | -                 | 7,071,161  |                 |
| 1983 | 55,779,995  | -                 | 10,793,409 |                 |
| 1984 | 64,793,649  | 31,941,266        | 15,631,980 |                 |
| 1985 | 71,461,240  | 45,491,187        | 15,565,605 |                 |
| 1986 | 75,130,405  | 43,280,090        | 17,408,484 | 136,026,180     |
| 1987 | 57,820,294  | 60,137,005        | 16,504,385 | 190,637,755     |
| 1988 | 63,516,650  | 50,201,710        | 17,608,325 | 239,199,655     |
| 1989 | 108,659,050 | 114,093,940       | 28,715,610 | 339,379,375     |
| 1990 | 137,389,255 | 109,640,930       | 39,743,883 | 235,368,280     |

Source: Student Cooperative of Brawijaya University

Table 4  
**Development of Realization of Credit and Deposito Credit Union  
of Student Cooperative of Brawijaya University 1980-1990**

| Year | Realization of Credit Member | Deposito Debts |
|------|------------------------------|----------------|
| 1979 | 5,081,025                    | 1,241,228      |
| 1980 | 11,506,860                   | 5,029,710      |
| 1981 | 25,878,086                   | 12,750,190     |
| 1982 | 46,569,670                   | 16,759,256     |
| 1983 | 125,265,790                  | 40,009,883     |
| 1984 | 143,664,025                  | 90,781,281     |
| 1985 | 278,420,950                  | 144,613/665    |
| 1986 | 505,038,669                  | 187,825,985    |
| 1987 | 503,544,650                  | 230,039,835    |
| 1988 | 263,856,807                  | 269,139,220    |
| 1989 | 255,991,850                  | 303,183,935    |
| 1990 | 285,129,515                  | 275,720,625    |

*Source: Student Cooperative of Brawijaya University*

# Present Situation of University Cooperatives in Indonesia

by Md. Iqbal, Kopindo

## 1. Nature Condition, and Population

Indonesia is an archipelago that consists of 13,667 island spread from Sabang to Merauke, with total area 5,754,500 Km<sup>2</sup>. There are some big island among them such as: Java, Sumatera, Kalimantan, Sulawesi, Nusa Tenggara, and Bali. It's Government administration divided into 27 provinces, 296 Districts, 3625 Sub district and 66,706 villages, with Jakarta as Capital City.

According to Census Data in 1990, Indonesia's population number was 180.4 million people, in which 118,6 million (65%) are young people under 30 year's of age, and predicted that in 1993 it will increase until 122,7 million. 55,7 million of the male youth (15-30 years old) and 70% of them living in the villages. The description above shows the importance of youth potential as national development sources. (Table 1).

**Table 1: The Sum Total of the Indonesia Population, 1990**

| Age          | Male              | %          | Female            | %          | Total              | %          |
|--------------|-------------------|------------|-------------------|------------|--------------------|------------|
| < 5          | 10,961,410        | 12.21      | 10,590,740        | 11.69      | 21,552,150         | 11.95      |
| 5 - 9        | 10,946,660        | 12.19      | 10,460,840        | 11.55      | 21,407,500         | 11.87      |
| 10 - 14      | 11,173,350        | 12.44      | 10,587,590        | 11.69      | 21,760,940         | 12.06      |
| 15 - 19      | 10,132,840        | 11.28      | 9,786,124         | 10.80      | 19,918,964         | 11.04      |
| 20 - 24      | 8,305,239         | 9.25       | 8,605,268         | 9.50       | 16,910,507         | 9.37       |
| 25 - 29      | 7,038,875         | 7.84       | 7,754,199         | 8.50       | 14,793,074         | 8.20       |
| 30 - 34      | 6,284,863         | 7.00       | 6,812,608         | 7.52       | 13,097,473         | 7.26       |
| 35 - 39      | 5,346,498         | 5.95       | 5,455,369         | 6.02       | 10,801,867         | 5.99       |
| 40 - 44      | 4,468,746         | 4.98       | 4,398,975         | 4.86       | 8,867,721          | 4.92       |
| 45 - 49      | 3,840,227         | 4.28       | 3,836,834         | 4.24       | 7,677,041          | 4.26       |
| 50 - 54      | 3,265,899         | 3.64       | 3,362,409         | 3.71       | 6,628,308          | 3.67       |
| 55 - 59      | 2,665,621         | 3.05       | 2,842,322         | 3.14       | 5,507,943          | 3.05       |
| 60 - 64      | 2,079,473         | 3.42       | 2,281,378         | 2.52       | 4,360,851          | 2.42       |
| 65 - 69      | 1,522,660         | 1.78       | 1,690,016         | 1.87       | 3,212,676          | 1.78       |
| 70 - 74      | 1,015,990         | 1.20       | 1,157,249         | 1.28       | 2,174,439          | 1.20       |
| 75 - ...     | 763,091           | 0.95       | 951,055           | 1.05       | 1,714,443          | 0.95       |
| <b>Total</b> | <b>89,810,424</b> | <b>100</b> | <b>90,573,273</b> | <b>100</b> | <b>180,383,697</b> | <b>100</b> |

Source: *Projection of Indonesian Population 1990 - 2020 JKT. 1990*

## 2. The Higher Education Institution

Until 1988, Indonesia had 814 universities, consisting of 49 state universities and 765 private universities. These were under the direction and supervision of the Department of Education and Cultural. That number was excluding the Higher Education Institutions that are under the direction and supervision of another Department and Institutions that performs special education such as Equal University Programmes that generally held Business, Computer, and Language Education. The recapitulation of this is on the Table 2.

**Table 2: The Summary of the Sum Total of the State and Private Higher Education Until December 1988**

| The Types  | State | Private | Total |
|------------|-------|---------|-------|
| University | 32    | 191     | 223   |
| Institute  | 13    | 43      | 56    |
| College    | 2     | 271     | 273   |
| Academy    | 2     | 260     | 262   |

*Source:* Directory of Higher Education. 1988

## 3. The Co-operative Among the Youth

Until 1990, the number of the co-operative among the youth are as follows:

|                         |   |        |
|-------------------------|---|--------|
| Student University Coop | : | 128    |
| Youth Coop              | : | 68     |
| Scout Coop              | : | 60     |
| Pesantren Coop          | : | 161    |
| Student Coop            | : | 38 033 |
| Total                   | : | 38 448 |

The number of coop that has joined with KOPINDO are as follows:

|                         |   |    |
|-------------------------|---|----|
| Student University Coop | : | 53 |
| Youth Coop              | : | 9  |
| Scout Coop              | : | 2  |
| Pesantren Coop          | : | 10 |
| Student Coop            | : | -  |
| Total                   | : | 74 |



Meanwhile, the number of Student University Coop that become KOP-INDO member are as follows:

|   |   |              |
|---|---|--------------|
| Number of Universities                                  | : | 814 (100%)   |
| Number of Student University Coop                       | : | 128 (15.72%) |
| Number of Student Univ. Coop that become KOPINDO member | : | 53 (41.40%)  |

#### **4. The Student Univ. Coop's Role**

The Student University Coop had a strategic role to developing coop in Indonesia:

1. The Student University Coop as development agent, example, and as a pioneer in development of coop in it's region.
2. The Student University Coop as a Cadre in Coop development Through the education and training they are directed to become coop's cadres as motivators, inovators, and professional.
3. The Student University Coop as a institution to created the employment and human sources development.

#### **5. History of Development the Student Univ. Coop. in Indonesia**

The Student University Cooperative has been known since 70's with its establishment in Indonesia. The development of this coop showed an increase in 80's era, since establishment of KOPINDO (Indonesian Youth Cooperative) in 1981 as a secondary and the apex organization of Co-operative among youth.

#### **6. The Existence of Student University Co-op**

The existence of Student University Co-op. at a glimpse showed good condition. We may see at it's organisational and managerial systems, activities and profit, that they're got. In this chase, the policy that they used are about:

##### *Organisational and Managerial Field*

It's duties are to carry out the the Managerial Principles of Cooperative Organisation, that deals with the climate and cooperative's demand. In Internal Way : This field describes the decision taken at annual

meetings in work programmes effectively and efficiently. And in external way : This field tries to make the Institutional Contact which can create a conducive climate and a progressive movement.

#### *Business Field*

Is the field which is responsible in cooperative's business development whether they are already available or not. And also looking for other business opportunities in order to develop member services, raising the assets value, and cooperative's net profit. The programmes that should be carried out are Business and Product diversifications, establishment of Business Relationship with other cooperatives or with State Companies and Private Companies.

#### *Financial Field*

Is the field which is responsible for Budget and Planning. Cash overflow cooperative's capital and finance distribution, establishes the close control of all financial matter so that the cooperative's capital utilisation is accomplished effectively and efficiently, according to the Accounting Principles.

#### *Human Resources Field*

Is the field which is responsible for the development and supervision of the employees, selection of employees and the improvement of human resources and cooperative's cadres.

The programme that should be executed, are:

Socialization and adoption of the cooperative's spirits and principles among members through Basic Education, Intermediate Education, Specialized Education and Advance Education, which should be imparted gradually and continuously. Beside that, creating cooperation with other institutions, such as looking for Knowledge and Technology Transformation opportunities and Business Development through On Job Training, Comparison Study, etc.

The activities, description that is done by Student University Cooperative are:

#### *Organizational and Managerial Field*

Regular Annual Member Meeting are held to confirm the business activity, financial and organizational reports in the previous year, and

confirm the work programmes for the next year in order to established the maximum organization purposes.

In order to establish the control function, there are Control Institution Structure in the Student Cooperative Organization.

Is some of the Student University Cooperative's that had grown larger, the daily activities are managed by the General Manager. The senior officials, special professional and Board of Director only concentrate on policy matters and strategy of the cooperative.

### *Business Field*

Business activities executed by the Student University Cooperative, generally are activities who have direct connection with student's needs as a member or consumer. The business can be classified into trading unit and service unit, as follows:

1. Student University Dormitory
2. Computer Course Institution
3. Foreign Languages Course Institution
4. Stationery and book shop
5. Cafeteria
6. Credit Loan and Saving
7. Printing and Copy Services
8. Campus Accesories and Clothing
9. Cleaning Service
10. Telecommunication services.

From those activities, some Students University Cooperatives as member of KOPINDO have gathered capital assets, total Rp. 4,492,807,574. Meanwhile the total capital that accumulated is Rp. 2,110,657,898, and the net profit is Rp. 326,712,232. as shown on the Annexure 3.

### *The Member Resources Development*

In order to develop member activities, the Student Cooperatives has held gradually and regularly Education Programmes. Each of the Student University Cooperative regularly held the Basic Training (1st level) at least once a year. Besides that in other chances, they participate the qualified members to follow the Intermediate education, whether held by themselves or other Student University Cooperatives.

## **7. The Advantage of The Students Co-operative for The Students and The University.**

In the development of the university, the function of the student cooperative (KOPMA) in Indonesia is as one of the Students' Activity Units (UKM). As a UKM, Student Univ. Coop, serves as the institution of the students in order to develop their interest and talents in sports and art. It also has the forum for sharing and developing their aptitude for reasoning and the development of academic fields, and can also serve as the media for students to increase their welfare and get involved in social activities, In general, the students can gain the advantages from Student Univ. Coop beside they have to get in touch with their daily academic activities while simultaneously they can develop their creativity in economic and social affairs.

Besides that function the Student Univ. Coop have to function, as the economic institution and as the cadre of cooperative organization.

As a legal economic institution, Student Univ. Coop has the objective to increase the members' welfare by increase in the net profit (SHU) as determined by the Members' Meeting.

Student Univ. Coop supplies products and services needed by the students at the relatively low prices such as a mini market, student's cafe, typing and photocopy service, translation agency and telecommunication service.

As a cadre organization, Student Univ. Coop develops all its members to be cooperative cadre. Those cooperative cadre should realize the values and spirit of cooperative so that they can apply them all in their educational environment as well as social environment. In other words, the objective is to create cooperative cadres as the cooperative motivator, innovators, and professional.

## **8. The Problems Among The Students Cooperatives Organisation**

### *Organisation*

The problems faced by the management of the cooperative Firstly, the limited experience in this field, especially when confronted with tough competition. Secondly, the high turnover of the cooperative executives replacement creates another problem. This causes incontinuity in programmes because there are always programme changes. Finally, the fact that the executives of the Univ. Coop are the last grade students made them only had a little time to establish their creativity.

### *Fund*

The student coop does not have very a large fund. It is because of the slow fund accumulation and the limited amount of the saving from the members; moreover, most members do not fully perform their duties. In addition, the cooperative has difficulty borrowing money from the banks because generally, the coops does not have enough assets to be mortgaged.

### *Operation*

The weakness of operation are: a) the lack of business management experiences, b) the limited fund to hold the operation. Both these problems above, deal with the organizational and financial aspects, that accumulate and weakens the coop. These weakness are enhanced by the low ability to avail the opportunities.

### *Management*

The main weakness of these coops is that they have a poor management information system. The personnel Management information system is one of the prerequisites in handling an enterprise. Meanwhile, the coop has not got the professional abilities of management because of the low competence of cooperatives to employ the professional managers with a good pay in relation to private companies.

## **9. Recommendation**

The development of the students cooperatives needs to be encouraged in order to strengthen the role of coop to serve their members and to help the government to create wider employment, and to serve as the connector between the small businessman and big enterprises or indirectly minimizing the social gap. Finally, the coop in general helps accelerate the creation of the national economic system. This involves the increase of quality of personnel, funds, operations and the professionalism of the managerial institutions.

In the improvement of the quality of personal the role of students coop is important.

The effort is realized by holding the integrated education and training with the wider material.

The government is supposed to encourage BUMN and private institution to transform science and technology, management system,

production and marketing by providing facility, training opportunities, apprenticeship, and comparative study on coop and business both internal and foreign affairs with BUMN and BUMS as the sponsors.

The coop attempts to create a business network and mutual partnership both among coop and between coop and BUMN, BUMS, or/ other institutions in other countries.

To increase the funding competence, it is necessary to mobilize the fund from coop members, and have access to the banking system. The fund collection from the cooperative members through the main saving, compulsory saving and voluntary saving is urgently needed to be realized and managed systematically in an efficient and effective way.

It is also urgently needed to create cooperation in funding for the cooperative among youth. Beside, the cooperative should be given right to receive grants from other private or governmental institution as well as from foreign institution which are not forthcoming at the moment.

To hold the integral, and continuous education and training, there should be fixed fund, that is the accumulation from government or private institution needed for developing the cooperative personnel quality.

The student cooperative as a legal body has to be professionally run, and it has to be flexible, promising and useful so that it can be very productive and competitive. For that, the cooperative structure needs to be adjusted to the needs of the effort and be responsive toward the business development. Beside, there must be a clear differentiation of function in the cooperative such as among the executive, supervisory team, and managers, so that there is mutual cooperation and no overlapping function.

It is necessary to formulate the pattern of the executive election in order to avoid the verbal competence the most important thing to emphasize managerial competence, professionalism, and their commitments.

The development of coop among the students need to be encouraged to create and strengthen a coop business network through diversification of operation, partnership between coop and BUMN and BUMS. The type of business related to the coop members, which so far has been developed, needs to be consolidated and given chance to develop.

In developing this business, the strong private companies (BUMS) and state companies (BUMN) are, hopefully, willing to help the student

coop create mutual partnership both in management and marketing or open new business in service and industry that are directly related to the members' welfare. It is hoped that with the existence of the new business, the coop can help employ 1% of 90 million youth.

The existence of science and technology as the integral parts of the national development bring much effect on all the aspect of life. Under KOPINDO, the members are given chances to study and develop the science and technology for their coop.

**The Summary of the Sum Total of the State and Private Higher Education Until December 1988**

| The Types    | State     | Private    | Total      |
|--------------|-----------|------------|------------|
| University   | 32        | 191        | 223        |
| Institute    | 13        | 43         | 56         |
| College      | 2         | 271        | 273        |
| Academy      | 2         | 260        | 262        |
| <b>Total</b> | <b>49</b> | <b>765</b> | <b>814</b> |

**Result of Business Operations of some University Cooperatives in Indonesia  
(December 31, 1991)**

| No. Name of Cooperatives     | Total Members<br>(orang) | Total Assets<br>(Rp) | Total Omzet<br>(Rp) | Capital<br>(Rp) | Net Profit<br>(Rp) |
|------------------------------|--------------------------|----------------------|---------------------|-----------------|--------------------|
| 1. UNIVERSITAS PADJADJARAN   | 10,237                   | 369,955,470          | 484,720,060         | 227,528,790     | 47,683,426         |
| 2. IKIP PADANG               | 13,987                   | 42,319,794           | 3,285,302           | 41,568,419      | 2,514,707          |
| 3. UNIV SEBELAS MARET        | 14,610                   | 174,902,965          | 300,678,173         | 99,128,672      | 5,629,317          |
| 4. KKM MAKASAR               | 125                      | 12,801,400           | 2,841,000           | 1,682,300       | 550,447            |
| 5. IKIP BANDUNG              | 11,463                   | 240,507,596          | 35,894,763          | 134,659,103     | 4,820,091          |
| 6. UNIV LAMBUNG MANGKURAT    | 272                      | 10,952,600           | 1,870,485           | 10,952,600      | 1,023,209          |
| 7. IKIP YOGYAKARTA           | 1,352                    | 25,877,567           | 74,050,540          | 15,915,581      | 4,371,481          |
| 8. UNIV UDAYANA              | 615                      | 40,461,173           | 26,905,246          | 34,096,254      | 3,289,754          |
| 9. KPDR BANDA ACEH           | 60                       | 4,352,396            | 4,004,750           | 4,701,075       | 311,606            |
| 10. IKIP UJUNG PANDANG       | 439                      | 20,707,196           | 16,029,925          | 17,399,884      | 1,616,798          |
| 11. UNIV MUSLIMIN INDONESIA  | 569                      | 19,774,845           | 13,810,475          | 13,881,400      | 2,279,285          |
| 12. IAIN WS SEMARANG         | 3,270                    | 31,935,366           | 28,032,030          | 12,268,588      | 1,163,932          |
| 13. IKIP MALANG              | 583                      | 37,966,741           | 43,127,340          | 23,520,221      | 6,750,749          |
| 14. UNIV HASANUDDIN          | 7,876                    | 55,088,283           | 70,283,157          | 23,043,155      | 6,073,105          |
| 15. AMKOP PALEMBANG          | 229                      | 7,678,251            |                     | 1,542,000       | 76,782             |
| 16. UNIV PENDIDIKAN NASIONAL | 4,082                    | 504,425,920          | 596,726,345         | 20,563,992      | 24,857,047         |
| 17. HULUYA UNSRAT            | 4,861                    | 32,699,650           | 3,893,275           | 3,339,950       | 1,785,800          |
| 18. KKMB BANDUNG             | 331                      | 446,441,008          | 100,776,121         | 37,450,600      | 64,155,073         |
| 19. AMKOP UJUNG PANDANG      | 4,004                    | 44,951,085           | 9,432,050           | 10,881,003      | 233,967            |
| 20. UNIV SILIWANGI TSM       | 99                       | 32,095,194           | 22,061,320          | 21,994,474      | 2,519,270          |



|                              |         |               |               |               |             |
|------------------------------|---------|---------------|---------------|---------------|-------------|
| 21. KOPARMA FE UNAND         | 2,835   | 19,067,712    | 22,623,620    | 15,404,629    | 361,565     |
| 22. UNIVERSITAS RIAU         | 5,555   | 64,001,568    | 48,364,885    | 50,477,024    | 5,003,100   |
| 23. UNIV DIPONEGORO          | 18,978  | 218,692,284   | 149,115,951   | 200,444,301   | 8,299,679   |
| 24. KKB BUNG HATTA PADANG    | 9,327   | 479,174,291   | 252,936,755   | 207,899,458   | 41,434,666  |
| 25. IAIN SKJ YOGYAKARTA      | 493     | 31,996,906    | 104,071,043   | 26,316,249    | 2,112,478   |
| 26. UNIVERSITAS PASUNDAN     | 4,297   | 49,036,769    | 36,924,905    | 27,415,384    | 6,475,385   |
| 27. UNIV JEND. SOEDIRMAN     | 7,685   | 36,294,990    | 9,673,235     | 29,475,000    | 1,227,490   |
| 28. UNIVERSITAS BENGKULU     | 3,185   | 97,194,483    | 12,860,306    | 81,087,645    | 2,732,725   |
| 29. IKOPIN BANDUNG           | 4,308   | 385,917,502   | 415,984,442   | 216,305,886   | 10,508,118  |
| 30. UNIVERSITAS GAJAH MADA   | 922     | 192,140,554   | 328,010,592   | 131,075,352   | 26,835,264  |
| 31. SEKOLAH TINGGI AKUNTANSI | 380     | 144,988,992   | 150,489,557   | 32,977,910    | 6,763,686   |
| 32. IKIP MALANG              | 453     | 18,940,049    | 29,747,662    | 10,258,804    | 3,662,535   |
| 33. UNIVERSITAS LAMPUNG      | 168     | 32,435,002    | 19,580,959    | 29,653,650    | 1,781,352   |
| 34. UNIV ISLAM RIAU          | 128     | 15,911,660    | 11,341,550    | 1,037,086     | 355,140     |
| 35. UNIVERSITAS DARUL ULUM   | 4,662   | 66,957,971    | 21,533,235    | 11,099,550    | 2,893,871   |
| 36. UNIVERSITAS BRAWIJAYA    | 4,611   | 463,825,685   | 599,862,110   | 81,378,720    | 8,066,287   |
| 37. UNIV. ISLAM NUSANTARA    | 132     | 15,550,635    | 2,070,000     | 3,895,265     | 530,300     |
| 38. UNIV. ANDALAS            |         | 40,257,445    | 47,099,510    | 35,564,520    | 459,780     |
| 39. IKIP MUHAMADIYAH JAKARTA | 916     | 30,553,400    | 8,453,368     | 29,909,100    | 644,300     |
| 40. TUMO TOU UNSRAT          | 2,978   | 35,741,719    | 53,600,587    | 22,081,705    | 3,943,442   |
| 41. UNIV SUMATERA UTARA      | 801     | 77,227,631    | 254,110,142   | 31,807,976    | 2,041,354   |
| 42. UNIV SYIAH KUALA         | 482     | 90,833,394    | 52,526,375    | 61,093,088    | 11,295,952  |
| 43. UNIVERSITAS PALANGKARAYA | 839     | 18,897,160    | 3,441,575     | 15,727,135    | 758,925     |
| 44. UNIV MUHAMADIYAH JEMBER  | 894     | 3,913,017     | 19,962,853    | 2,154,400     | 1,624,830   |
|                              | 154,093 | 4,785,445,319 | 4,492,807,574 | 2,110,657,898 | 326,712,232 |

# **Student Cooperative of Sebelas Maret University**

**By Yong Dirgiatmo, Sugeng Suharto**

## **A. Introduction:**

The growth and development of Student Cooperative in the government and private universities, institutions or colleges are amazing. Student Cooperatives have been formed in all universities or institutions in Indonesia.

The existence of Student Cooperative in universities or institutions have a very strategic significance as a place to increase campus community welfare, and also to form cadres of cooperation.

Student Cooperative of Sebelas Maret University (KOPMA UNS) which have all students as members of UNS with an automatic membership system, claimed to serve the member's needs, especially related to their study. Towards this objective, KOPMA UNS have had many units which could fulfill their requirements such as:

- Student Housing unit involved with lodging, shops, canteen, laundry, and catering
- Trading units consists of shops, canteen, photocopy, typing, and printing.
- Service unit consists of banking (lending and saving money), interpreter, and others.
- Post and Telecommunication Shop unit consists of telephone, telegram, facsimile, and postage materials service.
- Computer Education Center unit consists of computer course, rent, shop and hardware and software consultancy.

## **B. Origin**

The implication of the movement of Student Cooperative in Sebelas Maret University (UNS) had begun in 1976 when student shop founded by Student Council. It's a good beginning, with the basic thinking to serve student requirements, continued with a discussion and lecture about student co-operative on December 1980, have supported to get recommendation in building a student cooperative in UNS which is known as KOPMA UNS.

In the more deep discussion of the faculty executives of UNS at



The Opening of the Regional Seminar on University Cooperatives at Malang, Indonesia, 1992







REGIONAL SEMINAR  
ON UNIVERSITY COOPERATIVES

ICA - ROAP - NEUCA - KOPMA - UNIBRAW - MALANG - INDONESIA - 1992

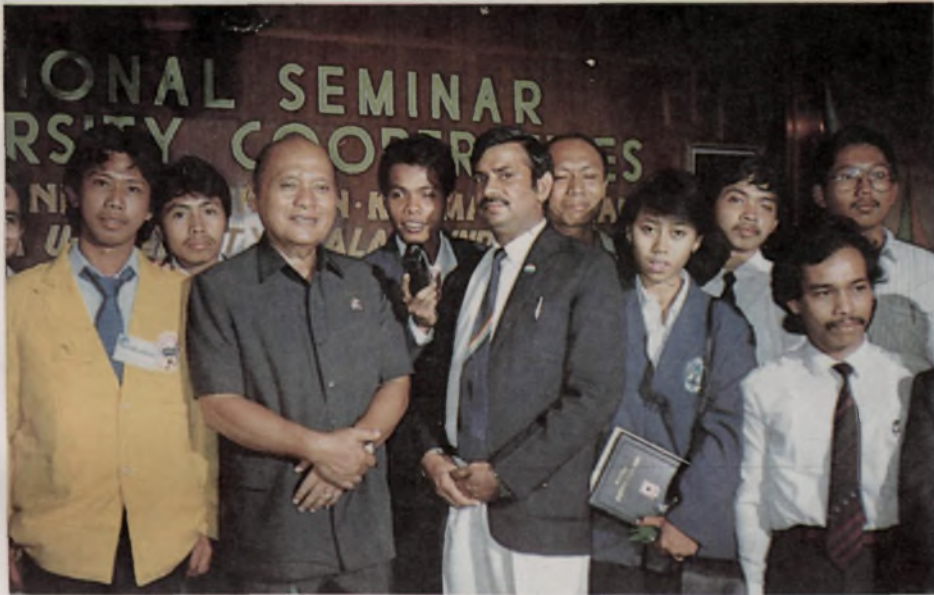
JANUARY, 28<sup>TH</sup> - 31<sup>TH</sup>, 1992

A Japanese team of experts discussing with Mr Bustanil Arifin, before the opening of the Seminar



REGIONAL SEMINAR  
ON UNIVERSITY COOPERATIVES  
ICA - DEKOPIN - KOPMA  
UNIVERSITY, MALANG, INDONESIA  
JANUARY, 28<sup>TH</sup> - 31<sup>TH</sup>, 1992

Mr Pradit Machima giving a lecture on 'Experience of University Organisation and Development' in Asian countries'



Mr Bustanil Arifin, Minister of Cooperatives with some of the participants of the Seminar



A Reception team comprising of students of Brawijaya University, Malang, Indonesia





April, 2nd 1981, succeeded to form the executives, supervisory group and organization structure of KOPMA UNS and legitimated by the head of UNS decision.

Originally, activities of KOPMA UNS were still very limited, nevertheless by a good management and positive support from various persons and institutions, KOPMA UNS began to grow and develop, so in 1983, Cooperative Department put reliance in and gave them a status of corporate body. A year later, the existence of KOPMA UNS became more and more steady while permission to expand their efforts were given. To conduct their cooperation relationship and to increase their quality, in 1984 KOPMA UNS was a member of the Youth Cooperative of Indonesia (KOPINDO).

KOPMA UNS have grown and developed within really dynamic circumstances. Their effort were more and more spread out. Some units they have had, and to smooth their, activities, since 1985 have managed by a managerial system. Improvement of their organization, financial management, and activities were always done professionally.

Encouraged by the good performance, UNS put them to manage a Student Housing which had a capacity of 594 students.

Though there were many obstacles for the units, KOPMA UNS have never stopped their activities, endeavored to extend their reach and to perfect their quality. New unit which was formed had is Post and Telecommunication Shop (WARPOSTEL) and was legitimated by the Ministry of the Post, Telecommunication and Tourism, Susilo Sudarman at December, 30th 1989.

The vital necessity that following the technology era is a computer using and knowledge right now. In this endeavour, KOPMA UNS did not fail. For the administration, financial operation and reporting they used an electronic data processing system. Besides that, in the external operation, KOPMA UNS had a moral responsibility to introduce and spread the sophisticated technology to student and public. This proved to be a good prospective and was a good decision therefore on October, 28th 1991 they had built a Computer Education Center which legitimated by the Minister of Co-operation, Bustanil Arifin.

This is the integrated long-run planning projected to be the Center of Cooperative Administration and Management Development in Surakarta. So the targets are UNS students and the cooperative movements in Surakarta.

### C. Main Objectives

KOPMA UNS has emphasized its concern to serve what members need in the objectives:

1. To increase students/members welfare.
2. To grow and develop their sense of self-confidence.
3. To develop the cooperative skill.
4. To train and develop their talent and desire, especially the leadership and professionalism of the cooperation.

### D. Membership and Organizational Structure

For the first time, the members of KOPMA UNS are valunteer students in UNS and themselves urging to be members of KOPMA UNS.

The positive development of KOPMA UNS got a good welcome from the head of UNS, so in 1985 he determined that all of the new students of UNS automatically should be members of KOPMA UNS. Of course, it could be a great advantage to remove their horizon about the world of cooperation, and gave another positive impact like:

1. The capital was increasingly growing, so that it could support to build up other units or activities.
2. They can know KOPMA UNS and its benefit earlier.

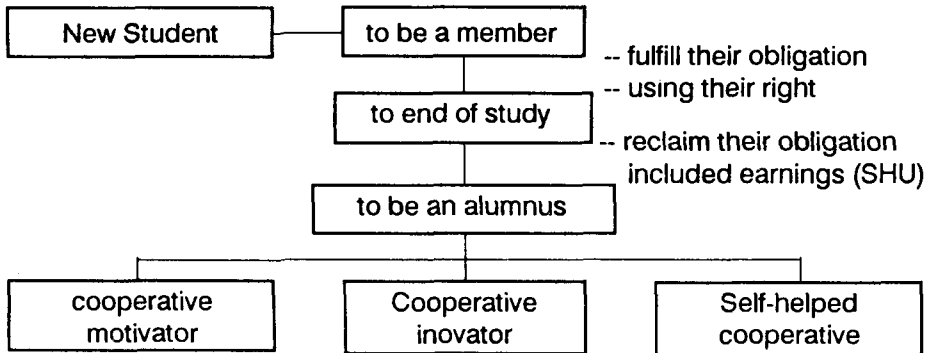
KOPMA UNS growth of the members from 1981 to 1991 can be shown in the data below:

| Year | Sum of members |
|------|----------------|
| 1981 | 10             |
| 1982 | 20             |
| 1983 | 146            |
| 1984 | 349            |
| 1985 | 2,739 *)       |
| 1986 | 5,536          |
| 1987 | 8,071          |
| 1988 | 11,060         |
| 1989 | 14,254         |
| 1990 | 17,548         |
| 1991 | 20,506         |

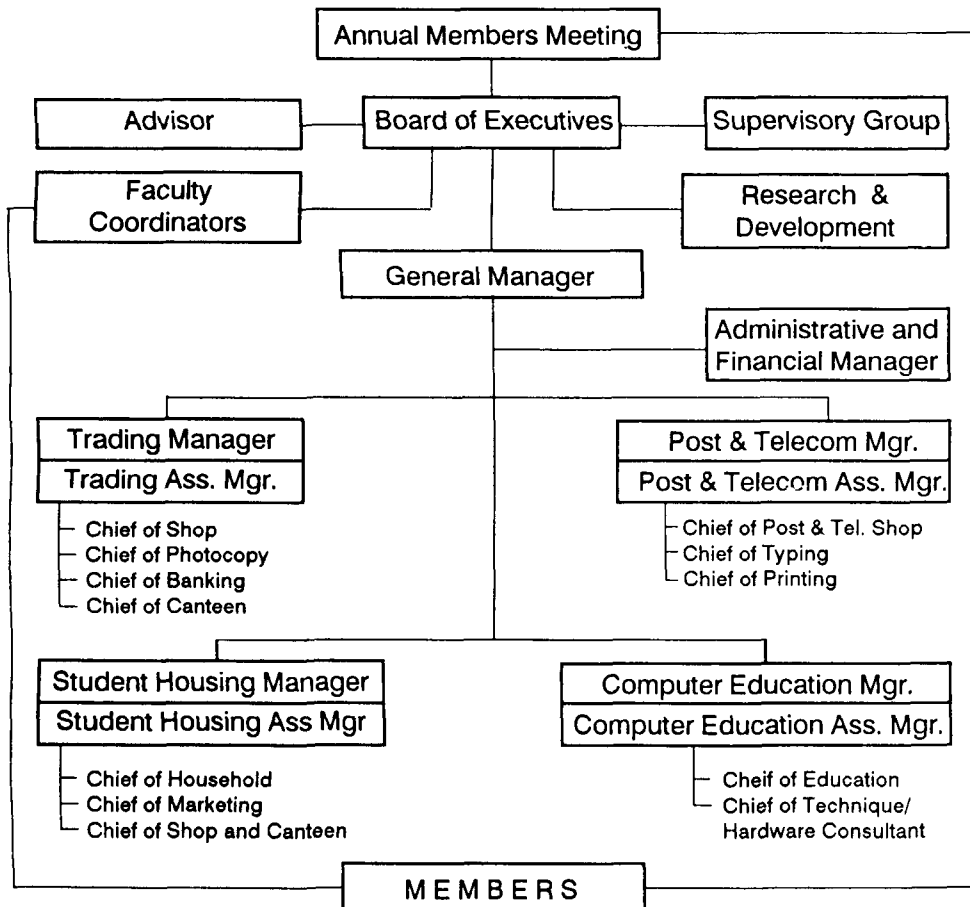
\*) There is a new policy of membership



### Flowchart of the membership of KOPMA UNS



### Structure of KOPMA UNS organisation



— Organisation Line  
 - - - Staff Line

## E. Business Activities and Operations

### 1. Trading Unit:

#### a. Shop Unit:

Besides selling student books, KOPMA UNS also furnishing a lot of writing and office equipment, photocopy, bindery, daily equipment, souvenir, T-shirt, jacket, and so on.

#### b. Banking (Lending and Saving Money) Unit:

This unit provides services to the student problems which related to the funding. KOPMA would give them, opportunities to lend money at low interest. besides of that, they could save their money.

#### c. Canteen/Cafe Unit:

DAI KOPMA canteen provides the student consumption needs easily at low price and satisfactory services. Physical building of this canteen planned artistically conform in raw materials like bamboo and rattan interior. They provide some favorite menus to students.

KOPMA UNS growth of capital and volume of effort from 1984 to 1990 can be shown in the data below:

| Year | Sum of capital | Volume of effort |
|------|----------------|------------------|
| 1984 | 8,629,295      | 34,864,050       |
| 1985 | 25,579,367     | 57,675,985       |
| 1986 | 92,106,228     | 109,177,010      |
| 1987 | 136,300,314    | 125,566,741      |
| 1988 | 188,053,263    | 133,195,532      |
| 1989 | 226,886,563    | 182,776,179      |
| 1990 | 285,275,213    | 300,678,173 *)   |

\*) There is an addition of WARPOSTEL

KOPMA UNS growth of saving money (main saving and obligatory saving) from 1984 to 1990 can be shown in the data below:

| Year | Main Savings | Obligatory Savings |
|------|--------------|--------------------|
| 1984 | 383,000      | 304,200            |
| 1985 | 4,330,000    | 14,209,200         |
| 1986 | 7,083,000    | 40,364,400         |
| 1987 | 10,935,000   | 69,887,013         |
| 1988 | 12,866,000   | 86,338,413         |
| 1989 | 14,985,000   | 123,232,713        |
| 1990 | 17,261,000   | 173,672,863        |

## 2. Student Housing Unit:

Student Housing was founded by the President Declaration in 1981, and have been managed operationally by KOPMA UNS in 1986. It was a good challenge and chance for KOPMA UNS to answer the problems and to fulfill the needs of the members, especially the occupancy concern. *Student Housing* which located in Ngoresan, is the four storey building with 594 student capacity. This Student Housing also completed various study supporting facility for student such as tables and chairs in each of their room, electricity, water, and a multi-purpose room which can be used by the occupants. Other services they can avail of are laundry, iron, wide parking area, transportation for occupants, mini market, and canteen. They also provide various sport facility for them such as a soccer, volley ball, basketball, badminton field, and table tennis.

KOPMA UNS growth of Student Housing occupants from 1986 to 1991 can be shown in the data below:

| Year | Jan - Jun | Jul - Dec |
|------|-----------|-----------|
| 1986 | 39        | 110       |
| 1987 | 98        | 143       |
| 1988 | 135       | 173       |
| 1989 | 138       | 181       |
| 1990 | 163       | 189       |
| 1991 | 212       | 227       |

### 3. Post and Telecommunication Shop Unit

Is the new unit which legitimated by the Ministry of Post and Telecommunication, Susilo Sudarman at December, 30th 1989. It started to operate on June, 14th 1990 which signed with a testing by the Head of UNS. This unit is located in Tirtomoyo, Surakarta. With more 25 million investment expected their existence could provide a maximum benefit to members, public, and telecommunication society. There provide Telegram, Telex, Facsimile, and so on.

#### F. Financial Position:

##### 1. *Deposits and liquid funds*

The amount of the KOPMA UNS deposits for 3 years in several Banks is 9 million rupiah in 1989, 16,528,750 in 1990 and no deposits in 1991. In 1991 we had a plan to build the Computer Education College and had to have liquid funds such as clearing accounts, cheques and savings. And the development of those liquid funds is 13,508,250 in 1989, 8,543,100 in 1990 and 45,736,400 in 1991.

##### 2. *Loans and member's savings*

In this sense, loans is the whole of the obligation firm which has to be returned any time or period such as accounts payable, accrued interest payable, tax payable and so on. The amount of our loans is 15,523,000 in 1989, 24,281,300 in 1990 and 23,791,670 in 1991.

On the other hand, the member's savings increased every year. It can be shown as following 138,217,000 in 1989, 190,933,000 in 1990 and 248,349,000 in 1991. The member's savings is main savings and obligatory savings.

##### 3. *Reserves and Retained Earnings*

The growth of the KOPMA UNS Retained Earnings for last 3 years is 1,650,883 in 1989, 5,629,317 in 1990 and no data in 1991 \*). Generally distributed as 25 percent for reserves, 25 percent for members as following their performances to KOPMA, 20 percent for members as following their comparison savings, and its residue for the other persons or institutions fund.

The decreasing of our Retained Earnings is due to the expenditures of our Warpostel founding, LPK pre-project establishment and the costs of organizational activities such as the National Seminar and Training for the Cooperative Marketing Management.

#### 4. Working Capital

Working Capital here is the Gross Working Capital. It means the whole of the amount of current assets like cash, accounts receivable, inventories and so on. For 3 years the amount of our Gross Working Capital is 99,618,390 in 1989, 128,323,570 in 1990 and no data in 1991 \*).

#### 5. Financial ratios

The comparison of the KOPMA UNS financial ratios for last 3 years can be shown in the table below.

\*) No data before Annual Members Meeting (March '92).

| Ratios                 | 1989   | 1990   | 1991 *) |
|------------------------|--------|--------|---------|
| 1. Liquidity.          |        |        |         |
| a. Quick assets        | 531%   | 374%   |         |
| b. Current             | 642%   | 528%   |         |
| 2. Solvability         | 1126%  | 1009%  |         |
| 3. Profitability       |        |        |         |
| a. Gross Profit Margin | 20.00% | 23.46% |         |
| b. Net Profit Margin   | 1.00%  | 3.06%  |         |
| c. Capital Turn Over   | 0.53   | 0.75%  |         |
| 4. Rentability (ROI)   | 0.94%  | 2.29%  |         |

\*) No data before Annual Members Meeting (March '92)

#### G. Business Management

The business management of KOPMA UNS has regulated and stated in the Principal Budget and Household Budget, the Personal Basic Regulation and the Executives Job Description. It can be explained below that:

1. KOPMA UNS managed by some personal including the board of executives, staff or employee and the Supervisory Group.
2. The board of executives involve:
  - The President as the obligator of KOPMA organization and operations from planning to controlling.
  - The Vice President or the General Secretary as the obliga-

tor of KOPMA elements of organization and operations such as Personal Affair, Institutional Relationship, Secretary, Operations, Treasurer and directly represent and assist the president's duties.

- The Secretary as the obligator of KOPMA management administration, included filing the KOPMA's events, problems, decisions and policies.
  - The Treasurer as the obligator of the management of KOPMA sources and allocations fund, included the policies and strategies of KOPMA financial administration.
  - The Chief of Operations Division as the obligator of KOPMA operations activities as a social organization and student business in planning, managing and developing and directly as a coordinator of managers.
  - The Chief of Human Resources Development Division as the obligator in the whole thing related to KOPMA personal which involved in KOPMA activities in organization and operations, included how to form the personal of KOPMA as a good mentality person, prestigious, effective and efficient, high quality and aware on their responsibility. Note that the role of KOPMA cadres like Faculty Coordinators which coordinate the members in each of faculty.
  - The Chief of Institutional Relationship as the obligator in the width horizon of KOPMA, it has many cooperative relationships with the other institutions in home or foreign country.
3. In their operations, the board of executives assisted by employee including the managers and their staffs. Each of manager responsible on their units. Sometimes a manager helped by an assistant manager.
  4. The result of KOPMA operations usually audited by the Supervisory Group, and simultaneously obligated in the Annual Members Meeting.

#### **H. Results of Operations:**

The result of KOPMA operations for the last 3 years can be shown in the following table:

| 1989              | Income      | Expenditure | Profit/Loss *) |
|-------------------|-------------|-------------|----------------|
| - Trading         | 93,516,587  | 18,124,975  | 14,158,812     |
| - Services        | -           | -           | -              |
| - Student Housing | 89,259,593  | 41,117,126  | 6,736,989      |
| 1990              | Income      | Expenditure | Profit/Loss    |
| - Trading         | 122,758,670 | 30,851,192  | 15,369,469     |
| - Services        | 61,593,658  | 13,850,949  | 525,770**)     |
| - Student Housing | 89,259,593  | 41,117,126  | 6,736,989      |
| 1991              | Income      | Expenditure | Profit/Loss    |
| - Trading         | 98,520,252  | 26,979,964  | 12,193,854     |
| - Services        | 239,794,427 | 23,860,623  | 5,157,519      |
| - Student Housing | 157,817,470 | 64,366,037  | 5,974,131      |

\*) Before depreciation, included other net profit or loss.

\*\*\*) Warpostel founded in June 1990 (6 months)

## I. KOPMA UNS Achievements and Problems Faced

In their mission, KOPMA UNS have the obligation to increase their members welfare, and also to operate the points of Tri Dharma Perguruan Tinggi, especially the public services.

Some performances they got are:

1. As an active cooperative in Central Java Province for multi-purpose cooperative.
2. As an active cooperative which operate in National scale.
3. As a Secretariat of the Communication Forum Center of All-Indonesian Student Cooperative since 1988.
4. As a Classification cooperative which got from Cooperative Department in Surakarta Regency in the score of 97.

The problems faced in KOPMA UNS are:

- a. The bureaucracy with the external institution still difficult enough.

- b. Getting information still have not as fast as the other institutions yet.
- c. The role of members still have not optimised yet.
- d. Sometimes the long-run programme (more than 2 years) is difficult to be executed, because of the change in management.
- e. There is no study group which can be a place to discuss their problems (The Communication Forum of Cooperative Economy and Social).
- f. We still need more donator/investor to increase and develop our institution.

#### **J. Roles of the University**

The roles of University to KOPMA UNS are:

- 1. Guiding and advising our institution.
- 2. Taking care of our activities.
- 3. Supporting our physical, mental and morality.
- 4. Guiding for our activities development.
- 5. Giving the easily of the bureaucracy.
- 6. Giving the areas to grow and develop our physical institution and activities.
- 7. Giving the effort chances and informations.

#### **K. Needs for Improvement**

To take care of the KOPMA existence, establishment and activities continuity they are need for improvement such as:

- 1. Increasing KOPMA to have more professional management system in each unit in order to be the number one Cooperative Student in Indonesia.
- 2. Composing to have a closer relationship with the other governments and private institutions at home or in foreign countries
- 3. Escalating the potentials of all involved persons in KOPMA by compensating their services and supports for study.



## L. Strategic Planning for Cooperative Development

The KOPMA UNS Strategic Planning based on their scale of the priority program which always to be improved and conformed to a couple years of KOPMA's working program (PROJADUTA). The scale of the priority program can be explained in each of elements of KOPMA management.

1. Secretary, basically try to determine the internal communication system for executives in order to support the organization affectivity and dinamism.
2. Treasurer, try to escalate the intensive and extensive funds by involving the existing or planned not working operations.
  - KOPMA internal financial management has to go to central decision through the establish planning of income and expenditure budget (RAPB), in order to the financial management on each of unit is to be their manager responsibility.
  - KOPMA administration management has to be totally computerised.
3. Operations Division, generally pressed on developing more professional management patrons which are oriented to the effective and efficient operations.
  - Creating and increasing the welfare form for members and everything can support their study.
  - Optimizing the efforts of units comprehensively, directly and integrated.
4. Human Resource Development Division try to develop the potencies of members, executives and employees through the guiding, educating and training activities.
  - Functioning the faculty coordinators in KOPMA activities as a cadre media and increasing their potencies and participations as the member of KOPMA.
5. Institutional Relationship, try to develop KOPMA internal relationship with involved institution such as Research and Development (RD), Faculty Coordinators and the employees of KOPMA go to more functional, effective and productive.
  - Determining the relationship with the other involved insti-

tutions or persons and increasing KOPMA formally and informally socialism through various way.

6. Organization and Activities, try to organize the activities which can support KOPMA socialism, and rise the members motivation and participation in cooperative and KOPMA organization.
  - Increasing the members and employees knowledge and welfare by seminar, training, comparative study and so on.

# **The Prospect of KOPMA (Student Cooperative)**

**“Almamater” Ikip Ujung Pandang \***

**By Syarifudin Aspa**

## **1. Background**

South Sulawesi as one of the provinces in Indonesia consists of regencies, one administrative region and towns. The majority of their population are farmers.

The area of the districts of South Sulawesi is 62,482.54 km<sup>2</sup> (6248254 hectare), with a population of 6,678,269. or about 188 people/km<sup>2</sup>. The economic activities are organized through government companies and cooperatives. Their progress is linked to some companies either private or government companies and the government institution themselves, for the sake of all people (the reductions of 1945, on account of 33 text 1).

At college level, the teachers, staffs as well as the student have become members of either primary cooperative or secondary levels to make it convenient to supply their daily needs.

KOPMA (Students Cooperative) “Almamater” IKIP Ujung Pandang is one of the many cooperatives which belongs to the government institutions in South Sulawesi. It becomes a member of KOPINDO (Indonesian Youth Cooperative), just like UNHAS (Hasanuddin University) cooperative, AMKOP (Academy of Cooperative and Management), KKMM (Prosperity Cooperative of Makassar Students) and KOPMA (Students Cooperative) of UMI (Indonesian Muslims University).

Those which are still under proposition are the students cooperative of STIEM YBUP (College of Economics of Makassar Institution of Bongaya Ujung Pandang) and the students cooperative of IAIN (State Islamic Institute). Actually there are still some other existing students cooperatives from other colleges in South Sulawesi.

IKIP Ujung Pandang has about 8000 students who are spreading into 4 campuses area, potential sources that need the existence of cooperatives to supply their daily needs for the students' for their intra and extra curriculum activities.

## **2. Purposes**

Student cooperatives have essential and fundamental purposes, function and positions. It also designs the construction of the academic world

which has an impact on the profile of College or University. As an educational institution, the institute has a scientific construction in which it is principally expected to produce potential people that morally have great responsibility, so that the students cooperative has position as a main part in the college and function as student social administration.

The objectives of these cooperatives are as follows:

1. Students cooperative is aimed at satisfy the students daily requirements and to serve their academic needs.
2. Students cooperative can decrease the students expenditure and economize the time used for purchasing goods which sometimes need extra effort and money for transportation.
3. Students cooperative can supply cash loan for the urgent needs of the students who have no cash because of postal delay to deliver their money from their parents or their village. The credit provided has low interest.
4. The students cooperative finds that college environment has a potential market because the student are potential buyers.
5. Student cooperative can function as an education place for the students to know closely the traits of the producers as well as the consumers and the traits of the other business.
6. Students cooperative can function as a place to compare between the theory and the world fact.
7. Students cooperative can function as a means to apply the idea of Pancasila.

### **3. Organization**

Students cooperative "Almamater" of IKIP Ujung Pandang was founded on April 21st 1982 with Act No. 4261/BH/IV dated December 11st 1983. It has a strategic position and role to socialize the cooperative among the youths and the student as well. This is possible because it is supported by the students capacity as group of society which lies in two position having a relevant level as an exertion of cooperative development.

Every organization; whether it is a social organization or labour organization, has fundamental rules to conduct the organization. The students cooperative "Almamater" of IKIP Ujung Pandang also has directions in the form of organization management.

In the discription of the structure of the organization, the function of the board is clearly stated. The organization is managed by the head of the

staff, secretary and the treasurer. The head of the general committee, as a top leader of the organization, who is responsible for the public policy and all departments are lead by the head of the staff, and each problem is solved through the regular process.

Each year, the plans of each department are formulated. Those plans will be organized and accomplished according to the management policy. The organizational structure of the students cooperative "Almamater" IKIP Ujung Pandang is a description of functional relationship and the role of cooperative organizational body of "Almamater" IKIP Ujung Pandang. Beside, the structure describes the structural function of authority and job discription of each board member.

#### 4. Property of Student Cooperative "Almamater" IKIP Ujung Pandang

Property are as follows:

|  |                           |
|--|---------------------------|
| - Permanent office building with the size of<br>10 m x 8 m x Rp. 250,000.00 =      | Rp. 20,000,000.00         |
| - Semi permanent canteen building with the size of<br>4 m x 7 m x Rp. 100,000.00 = | Rp. 2,800,000.00          |
| - Land with the size of<br>2 m x 50 m x Rp. 120,000.00 =                           | Rp. 82,000,000.00         |
| <b>Total amount</b>  | <b>Rp. 104,000,000.00</b> |

#### 5. Financial Position

##### Financial Position in 1988 - 1990

| Kinds   | 1988       | 1989         | 1990          |
|---------|------------|--------------|---------------|
| Share   | -          | -            | -             |
| Deposit | -          | -            | -             |
| Loan    | -          | -            | -             |
| Stock   | 751,525.00 | 1,263,010.00 | 1,136,709.00  |
| Capital | -          | 2,962,746.75 | 18,653,966.00 |

#### 6. Trade Development

Trade developing of students cooperative "almamater" of IKIP Ujung Pandang for the last three years, i.e. 1988, 1990, 1991, 1992 underwent a gratifying development.

### *Development phase 1988*

The development of students cooperative was still very low. The kind of trades done were very limited at shopping unit and the goods to be sold were limited to only the students' need. Printing work has also been undertaken although it had no printing press, but the cooperative could get in touch with the outsiders. It seems that the cooperative was not able to provide services.

It was felt that the tardiness of being conscious of the importance of human resources development. This development is done through the education and the training of all members.

### *Development phase in 1989*

The development of the cooperative began to make improvement. The development of human resources became an indicator of the development, where education and member training began since 1987, and the cooperative of Pemuda Indonesia (Indonesian Youth) has been able to invite the interest of the primary cooperative conduct the education so that the development of the trade volume can be seen as follows:

- The ability to build permanent office with the size of 10 x 8 meters consumed Rp. 20,000,000.00.
- By existence of the new building, the merchandise traded in the shop can be increased into office writing equipment (stationery), printed matter, soft drinks, snacks, etc.
- Bookshop unit. It means that the students cooperative is now able to sell services, because the books sold are consigning materials like magazine, newspaper, and the lecture matters.

### *Development phase in 1990*

Maturing the experience of the students cooperative "Almamater" of IKIP Ujung Pandang is a development dimensions in 1990, where the cooperative function both as an economic and as an organization cadre seems to be successful. We can see it from some indicators, namely: educational programs and cooperative training of Indonesian Youth which are conducted the members of KOPINDO is more frequently done.

The attention of the government throughout the students was able confined to the tertiary education (University level) to realize the important roles of the students cooperative. The characteristics of the development can nationally be a target which attracts of those who are involved in academic activities. The most significant development is the development of

trade management for every students cooperative.

The developing of the cooperative trade work “Almamater” of IKIP Ujung Pandang in 1990 is office building which is concurrently used as a shop was built in 1989 and become strategy to stimulate the business of the shopping unit, and are able to supply the students daily needs such as stationery, soft drinks, snacks, shirt printing, typing service, photo copy and tailoring.

## **7. Business management**

Business management used by students cooperatives “Almamater” of IKIP Ujung Pandang is still a very simple management, but the division of labor has been done very accurately and clearly. The leader of the business department leads all the activities which are business oriented and are supported by business division. Each business division is led by a chairman who is entrusted as a fixed manager. The cooperative has business division in the following division is led by its own chairman.

To bring the finance under control, every week each chairman must report to the head of the finance department and submit the money to the treasurer. Every time the division chairman report their good supply and business situation to the leader of the business department.

As a phenomenon of the business management, the business development can be done with distribution agent from all kinds of merchandise needed by the cooperative members. The cooperative system can be applied at the cooperative as with the general price without paying in cash, but the payment can be done every week after the goods sold out.

The development of the business can also be done selling the joint venture goods from the distribution agents, and the cooperative can get a discount. Business development system really supports the development of the trade of the shopping unit.

In increasing the profit, the trade development can also be done by doing a periodical work project, such as supplying the material for the academic entrance test, by supplying the need of the new students, by cooperating with the student work Association in Seminar and so on.

## **8. Work Volume for the last three years.** (see the enclosed balance).

## **9. The Work activity products for last three years**

### The product in period of 1988-1990

| Type                  | 1988(Rp)   | 1989(Rp)     | 1990(Rp)      |
|-----------------------|------------|--------------|---------------|
| Trade                 | -          | 9,251,585.00 | 16,029,225.00 |
| Other                 | -          | -            | 30,440.00     |
| Total                 | -          | -            | 16,059,665.00 |
| HPP                   | -          | 8,237,980.00 | 13,373,229.00 |
| Gross profit plus tax | -          | 1,013,605.00 | 2,686,436.00  |
| Expenditure           | -          | 615,350.00   | 1,069,637.50  |
| Net Profit            | 369,718.00 | 398,225.00   | 1,616,798.50  |

#### 10. Problem Faced

The problem which are as follows:

1. Most of the students do not want to become a cooperative member. In fact, there is a lack of consciousness that cooperative is constitution demand and it is a need for them. It can give economic advantages and can act as a laboratory to examine the theories.
2. Floating members: The members are not aware of their membership position. They do not care of the cooperative problems, they do not want to know their duties. This is still in members' mind. They tend to claim their property rather than their duty in the cooperative so that the members' finance cannot support contribution to develop the cooperative in trade.
3. The campus is located in four places namely Gunung Sari Baru, Banta-Bantaeng, Parangtambung and Sultan Hasanuddin, while the cooperative can only serve one location that is in Gunung Sari Baru where the cooperative building is located. Therefore the cooperative can only serve the student there. This is still become unsolved problem.
4. With the limited capital it cannot be possible to develop our activities.
5. The Committee is held by the students as a whole, some times they take leave for other activities like attending their lectures specially after their curriculam.



## 11. Environment Needed

Basically, the creation of work environment is a main key of cooperative trade development, a characteristic of the students cooperative. As a cadre cooperative, the cooperative should give priority to the improvement of management quality, management development is not only aims at developing cooperative trade but is also specialized to become an experience for the members and the students in general. Therefore it is expected that the cooperative can really function or serve as a place for education.

The need for developing the cooperative management can be done by committee member education as elucidated below:

- Education of members in the form of the basic cooperative education which can be done by the cooperative itself. It become one of programmes to develop the quality of the members. These activities have been done seven times in the following details, five times in the region of Ujung Pandang, once for its members, and once for the region of South Sulawesi. This basic education of cooperative will be continued to the advance level.
- Education of committee: Cooperative education for the committee is an education which is aimed at the application of management, because the committee manage the organization and work directly in cooperative. Education for the committee can be done by joint workshop in the form of sending a delegation to each education programme which held by another cooperative. In the extensive development of cooperative environment, there are some main central management are very important:
  - The institution of cooperative.
  - To identify and to extend or to try to cater the student's needs which support their main as well as their extra curricular activities.
  - Extra curricular activities.
  - To convince the other side about the advantage of co-operative.

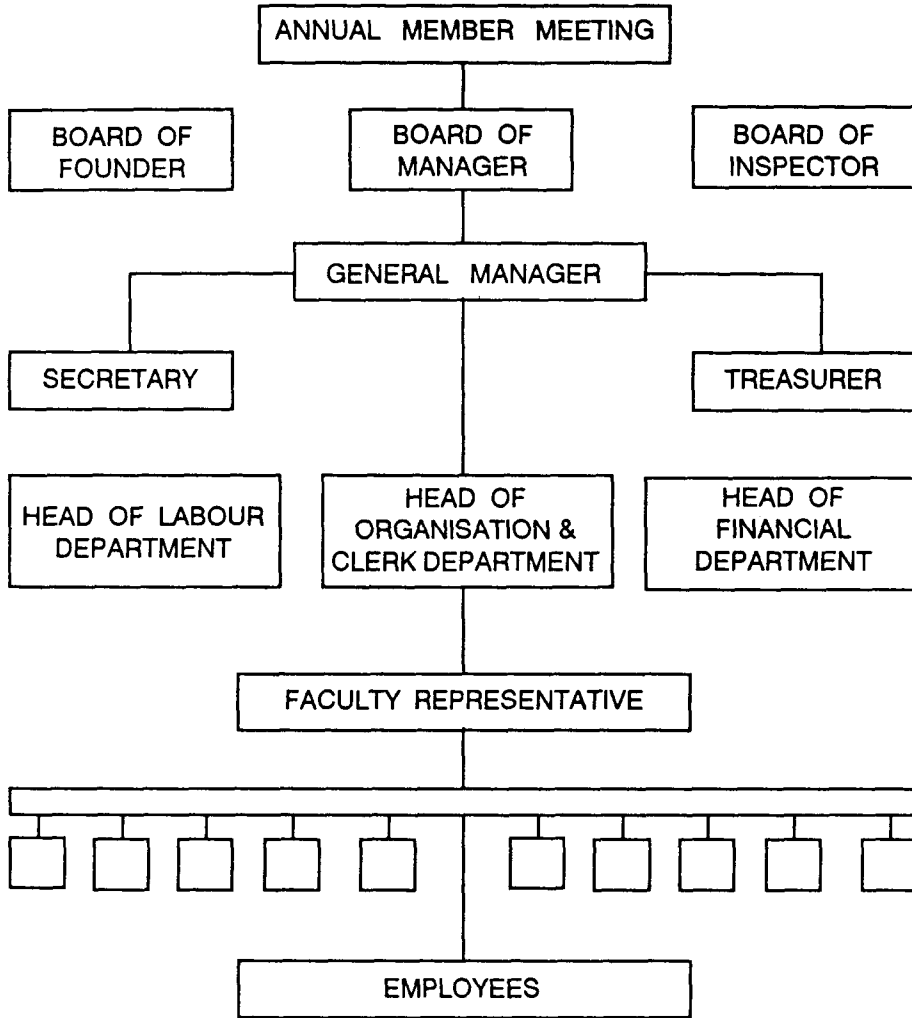
## 12. Strategic plans for work development

The slogan "Tetap Jaya dalam Tantangan" is still faced by cooperative and it makes the cooperative now in its full development to comprehend the business world, therefore this cooperative comes out to improve the economy totally.

To satisfy the needs, the cooperative plans as follows:

- To approach the contiguous institutions.

The structure of organization at KOPMA “Almamater”  
IKIP Ujung Pandang



- To comprehend the significant roles of the cooperative for the students.
- To build up the branch offices in the other three campuses.
- To cooperate with other institutions to enable itself to develop as a subsidiary.
- Try to satisfy the students needs such as dormitory etc.
- Try to get more capital reinforcement.
- To make good performance by improving the administration and organization.
- To seriously attend to all the cooperative activities and needs to appoint someone specially from junior lectures as a leader of the committee.

### The Prospect of KOPMA (Student Cooperative) "Almamater" IKIP Ujung Pandang

#### I. Background

|                        |             |                 |
|------------------------|-------------|-----------------|
| 1. Area                | 62,482.5    | km <sup>2</sup> |
| 2. Population          | 6,678,269   | people          |
| 3. Occupation:         |             |                 |
| a. Food plants         | 3,661,183   | tons            |
| b. Fruits plants       | 460,512     | tons            |
| c. Vegetable           | 83,201      | tons            |
| d. Plants Productivity | 184,342     | tons            |
| e. Cattle and Breeding | 10,368,708  | tons            |
| f. Fishery             | 114,173.1   | tons            |
| g. HPH Productivity    | 69,163      | in cubic meters |
| h. Non HPH             | 27,702      | in cubic meters |
| i. Meening             |             |                 |
| j. Industries          | 49,893      |                 |
| 4. Income              | Rp. 424,996 |                 |
| 5. Literacy Rate       | + 10%       |                 |

- |   |       |
|---|-------|
| 6. Member Cooperative                         | 3,525 |
| 7. Univ. Cooperatives                         | 5 + 2 |
| 8. Univ. members coop of IKIP UP + 600 person |       |

## II. Purposes

1. To serve their academic needs
2. To decrease the student expenditure
3. Provide Credit in low interest
4. Get potencial market
5. Closely the straits of produsers and consumers
6. To compare between theory and world fact
7. Function to apply the idea by Pancasila.

## III. Organization (See, Structure)

## IV. Property

- |             |                 |
|-------------|-----------------|
| 1. Building | Rp. 20,000,000  |
| 2. Canteen  | Rp. 2,800,000   |
| 3. Land     | Rp. 82,000,000  |
| Total       | Rp. 104,800,000 |

## V. Financial Position (See draft)

## VI. Business Development

- 1988 Building, stationery, printed matter, softdrink, snacks, etc.
- 1989 book shop unit, magazine, newspaper, literatur matters
- 1990 shirt printing, typing service, photocopy and tailoring

## VII. Business Management

- Distribution agent without paying in cash
- The joint venture goods from the distribution agent (get discount)

- Periodical work project (Academic entrance, Seminar).

### **VIII. Work volume 1990 (See, IX)**

### **IX. Work Activity (See table)**

### **X. Problem Faced**

1. Lack of interest
2. Lack of awareness
3. Scattered locating
4. Lack of capital
5. Lack of attention by boards members

### **XI. Situating need**

1. Working environment
2. Members education
3. Need for business education for board member and staff
4. The institution of cooperative
5. Cooperative analyses
6. To convince about the advantage of cooperative
7. Create awareness on Co-operative benefit

### **XII. Strategic plans for work development**

- To make approach with the corresponding institutions
- To comprehend the significant sales of the Cooperative for the students
- To build up the branch offices in the other three campuses.
- To Cooperative with other institution as foster father firm
- Try to satisfy the student needs such dormitory, etc.
- Try to get more capital reinforcement
- To make good performance by improving the administrations and organizations

- To seriously effective to all cooperative activities, need to appointment some one specially from yunior lecture as a leader of the committee.

### **XIII. Participant Expectation For The Seminar**

- To find several new methods
- To know each among among the participants
- We may take and give more advice among the participants
- New ideas, which are able to enhance the participant experience
- Give one another information which is related to the local cooperative development
- Take and give information about the interest of the students societies to the cooperative.

# Malaysia University Cooperatives

## (An overview and recommendations)

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### 1.0 Country's Background

Malaysia comprises the Malay Peninsular, Sabah and Sarawak. The Malay Peninsular is situated at the main land of South-east Asia, while Sabah and Sarawak are located on the island of Borneo, separated from the Peninsular Malaysia by about 530 kms (330 miles) of the South China Sea. The country has a total land area of around 330, 433 square kilometers.

The population of Malaysia is just over 17.8 millions. The outstanding characteristic of Malaysia's population today is its highly variegated ethnic mix which makes it one of the prime examples of a multi-racial society in the whole world. Its population comprises of Malays, Chinese, Indians, Ibans and Khadazans forming the main bulk, with the Malays forming the prominent ethnic group. The other smaller communities are made up of Arabs, Singhalese, Eurasians, Europeans and the aborigines.

The per capita income of Malaysia is about M\$ 6,210.00 (US\$2,300) and the real gross domestic product growth is about 10% per annum.

The Malaysian economy is estimated to have expanded with the manufacturing sector emerging as the leading economic sector, followed by the agricultural and mining sectors.

Bahasa Malaysia is the National Language and English is widely spoken. All the world's major religions are represented in Malaysia, with Islam as the state religion.

Literacy rate is very high, touching more than 92 percent. This is due to the fact that although Malaysia is not a welfare state, education at the primary and secondary level is fully funded by the government, while the tertiary education is highly subsidised.

Following independence (1957) there have been two major developments in the Malaysian education with important implications for the relationship between occupation and education. The first involves the expansion of educational institutions to provide more young Malaysians

with education and with education to a higher level. The second development has been the dismantling of the four separate education streams based on different languages of instruction i.e. English, Malay, Chinese and Tamil into one national stream.

Higher institutions are quite recent. In 1957 a campus of the university was founded in Kuala Lumpur, and this obtained autonomy in 1961 when it became the University of Malaya. Subsequently, Malaysia witnesses the development of six more universities and (the setting up) MARA Institute of Technology by the government:- Table 1.

**Malaysian Universities  
As of 1991**

| Name of Universities   | Year Founded | Number of Full time Students | Number of Teaching Staff |
|--|--------------|------------------------------|--------------------------|
| 1. Univ. Malaya (UM)<br>(Univ. of Malaya)                              | 1961         | 11,893                       | 1,372                    |
| 2. Univ. Sains Malaysia (USM)<br>(Univ. of Science, Malaysia)          | 1969         | 17,257                       | 609                      |
| 3. Univ. Kebangsaan Malaysia (UKM)<br>(National Univ. of Malaysia)     | 1970         | 10,255                       | 1,100                    |
| 4. Univ. Pertanian Malaysia (UPM)<br>(Univ. of Agriculture, Malaysia)  | 1971         | 8,920                        | 879                      |
| 5. Univ. Teknologi Malaysia (UTM)<br>(Technological Univ. of Malaysia) | 1972         | 8,142                        | 1,276                    |
| 6. Univ. Utara Malaysia (UUM)<br>(Northern Univ. of Malaysia)          | 1984         | 3,500                        | 173                      |
| 7. *Univ. Islam Antarabangsa (UIA)<br>(International Islamic Univ)     | 1983         | 2,642                        | 307                      |
| 8. Institute Teknologi MARA (ITM)                                      | 1967         | 30,114                       | 2,500                    |
| Total  |              | 82,723                       | 8,216                    |

\*UIA is a private university sponsored by Malaysian government and various other Islamic countries.

As education has a high priority among the goals of Malaysian society, getting a tertiary education has always been very competitive. This scenario has led to the establishment of several privately run institutions of higher learning which offer degree programs using the twinning concept.



## 2. University Cooperatives

It is a most welcoming sight to see that every university in Malaysia has its own university or college cooperative, a few has more than one. The privately owned universities and colleges recently established are in the process of creating their own cooperatives.

Most university cooperatives offer their membership to staff and students, but due to their temporary stay at the university the student membership is rather small, of less than 10 percent.

### Cooperatives Membership (Staff) 1987 - 1990

| Cooperative | 1987  | 1988  | 1989  | 1990  |
|-------------|-------|-------|-------|-------|
| UM          | 1,357 | 1,357 | 1,301 | 1,314 |
| USM         | 520   | 540   | 560   | 600   |
| UKM         | 1,749 | 1,746 | 1,895 | 356   |
| UPM         | 203   | 260   | 284   | 356   |
| UIA         | 129   | 188   | 200   | 256   |
| ITM         | 271   | 262   | 283   | 357   |
| Total       | 4,229 | 4,353 | 4,523 | 4,948 |

### Cooperatives Turnover Income, Expenses, Profit/Loss and Dividend for 1990

| Coops | Turnover      | Income    | Expenditure | Profit  | Dividend |
|-------|---------------|-----------|-------------|---------|----------|
| UM    | M\$9,548,844  | 1,531,868 | 1,329,400   | 202,468 | 10%      |
| USM   | 2,714,450     | 446,306   | 304,659     | 141,646 | 20%      |
| UKM   | 4,726,564     | 636,810   | 294,258     | 342,551 | 6%       |
| UPM   | 7,346,711     | 490,556   | 346,959     | 143,606 | 15%      |
| UIA   | 541,794       | 386,211   | 354,875     | 31,336  | 20%      |
| ITM   | 4,500,678     | 511,368   | 480,773     | 95,002  | 15%      |
| Total | M\$29,379,041 | 4,003,119 | 3,110,924   | 956,609 | 12.6%    |

US\$ 1 = M\$ 2.5

### **3. Performance of University Cooperatives**

All university cooperatives have registered substantial profits, and this success can be related to several factors:-

#### **3.1 *Good Management***

Of board directors is made up of lecturers and senior administrators with a high level education and commitment.

#### **3.2 *Strong Leadership***

The post of chairman and secretary of the university cooperatives, have always been occupied by senior members of university staff, thus commanding respect by its members.

#### **3.3 *Full Time Employees***

The-day-to-day running of co-operatives is run by full-time qualified personnel.

#### **3.4 *Monopolist Market***

In terms of text books and stationery with the university logo, university cooperatives are the main suppliers to both staff and students.

### **4. Impact of University cooperatives on Campus Life**

Traditionally, the university cooperative is the main supplier for text books, university souvenir items and stationeries. A university bookshop is a place where the staff and students gather around during their free time either to browse through books and magazines or to collect souvenir items.

The cooperative's caferia is always a nostalgic site for most university students. It is as old as the university itself, while the cooperative's mini market is most popular among college residents to shop for their daily needs and tit-bits.

The cooperative's office serves as a bank where university employees who are cooperative members to get cash loan with a minimum interest charge of about 6 percent.

Members can also buy electrical goods, furniture and other items, at competitive prices on credit and repayment is made by deducting from their salary.

Some university cooperative bookshop offer a discount for academic books bought by members and students.

As a good gesture university cooperatives always lend a hand either to sponsor or promote student involve in and off campus activities.

It can be summarised that the university cooperatives play a very important role for the social welfare of the university community.

## **5. Problems and Challenge of University Cooperatives**

University cooperatives although one of the most successful cooperatives in the country are by no means free from problems and challenges.

Responding to our questionnaires several problems confronting them were highlighted:-

- 5.1 Although the university cooperatives play a very important role in uplifting the social welfare of university community (in the form of services and dividends), the university cooperatives are not recognized by the university authority as part and parcel of the university management team.
- 5.2 Membership of the university cooperatives only attracted the lower income group, while membership of lecturers and students was extremely small.
- 5.3 As the university keeps on expanding and growing, the location of university cooperative bookshops, and mini market becomes less and less-strategic.
- 5.4 The cooperative's businesses are strictly restricted to the university community. Long vacation periods (where there is practically no students) has some adverse effect on their business.
- 5.5 The cooperatives have to compete with privately-owned shops in the campus as well as departmental stores mushrooming around the campus.
- 5.6 In 1986, the government prohibited the university cooperatives from supplying books, stationery, and other office equipment to the university, because of the fear that there will be a conflict of interest.  
This circular has an adverse effect on all the university cooperatives. A few cooperatives registered losses in the year 1986 and 1987.
- 5.7 Most members of cooperatives are inactive and non-participative.
- 5.8 It is difficult to get efficient and qualified full-time personnel to manage coop, there is a high turnover among the employees of the coop.

5.9 Lack of capital restricted the business activities.

## **6. Needs for Improvement**

- 6.1 University coop, by its nature is an entity which helps to improve the social welfare of university community and therefore, it is right and proper to propose that the university administrators and board of directors of the coop work hand-in-hand in planning strategies to provide better welfare facilities to the university community.
- 6.2 Wooing membership has always been a problem. Serious effort must be made to increase membership especially among academicians, senior administrators and students.
- 6.3 Most university coop are restricting their business boundries within their own campus compound. Cooperatives need to venture businesses outside the campus to serve the public and community in the vicinity of the campus.
- 6.4 The high rate of turnover of coop staff can be reduced by providing a competitive salary scheme and fringe benefits.

## **7. Recommendations**

Earlier at the outset it has been indicated some of the achievements of university coop, nevertheless there is lot of room for further improvement:-

- 7.1 University coop and National Cooperative Organization of Malaysia should organise comprehensive seminars for the university community to educate them on the philosophy, and the objectives of cooperatives. The knowledge would hopefully induce better participation and involvement of university community in the cooperative movement.
- 7.2 The Training Department of National Cooperative Organization of Malaysia, the cooperative college of Malaysia should design a comprehensive education and training programme for the advancement of knowledge and skills of the cooperative's personnel.
- 7.3 The high level executive of the cooperative management should undergo special courses or attachment to some successful cooperative for practical training.
- 7.4 The Association of the Malaysian Universities which was recently

launched, should play a role to serve as the ware-house buying goods at large quantities and distributing them at competitive prices to university coop.

- 7.5 Inter-universities trades and businesses should be introduced, to expand business opportunities.
- 7.6 Dialogue and meetings with top government officers responsible in making policies need to be more frequent so as to create better rapport and understanding.
- 7.7 The university cooperatives should share their knowledge and experiences with their less successful counterparts. Each university coop should create an education fund to fulfill this obligation.
- 7.8 The university coop should provide some funds to help provide scholarships to students. This gesture is definitely most welcomed by the university community.

### **Conclusion**

It should be realised that fundamentally cooperative principles are contradictory to the principles of private enterprise. The major concern of university coop should therefore not only focus on the profit to its members and its community only, but should extend their hands to help other less fortunate cooperatives through education and training and guidance.

*20th January 1992*

# The Co-operative Movement of Sri Lanka

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## General Information:

The Democratic Socialist Republic of Sri Lanka is an island approximately 65610 kilometres in area and is 435 kilometres in length and 245 kilometres wide. It is situated between latitude 6° and 10° North and 78° to 80° longitudes. The total land area amounts to 6.56 million hectares of which approximately one fifth is under forests. The climate is tropical with temperatures remaining around 26° to 28° celsius through the year. The annual rainfall is around 80" received mainly during the two monsoonal periods. While the population of the country is 16.5 million the average density is 250 per square kilometre. Nearly 78% of the population lives in rural areas and 45% of the work force is engaged in agricultural sector.

Sri Lanka is still primarily an agricultural country. Agricultural production contributes for 30% of the gross national product and accounts for 60% of exports. The principal crops grown fall in to three main categories; paddy rice, tree crops (tea, rubber, coconut) and subsidiary crops (coarse grains, roots and tubers, vegetables, pulses, spices).

Paddy is the single most important crops which influences overall performance of the economy. The contribution to the gross domestic production composition is about 24% within agricultural sector. Average annual paddy production is about 2.5 million metric tons and the average yield per hectare is 2660 kgs.

The tree crop plantations, tea rubber and coconut account for 12% of gross domestic production. These crops cover approximately 41% of total cultivated area and contribute nearly half of total export earnings and provide employment for one sixth of the total labour force.

The rural sector plays an important role in the overall economy of Sri Lanka and in terms of development potential. The rural sector is still primarily a subsistence agricultural economy with paddy as it's neclues. Apart from paddy and other food crops the rural sector contributes substantially to the production of principal export crops, minor export crops, cottage industries, fishing and dairying.

## Sri Lanka - General

|                     |   |                  |
|---------------------|---|------------------|
| 1. Area             | - | 25,332 sq. miles |
| 2. Population       | - | 16.0 million     |
| 3. Urban population | - | 22.4%            |
| 4. Village          | - | 77.6%            |
| 5. Literacy         | - | 82%              |

### Co-operatives

|   |   |            |
|---|---|------------|
| 1. No of Co-operative District in Sri Lanka | - | 27         |
| 2. Types of Societies                       | - | 48         |
| 3. Co-operative Membership                  | - | 34,000,000 |
| 4. No of Co-operative Societies             | - | 7813       |

### History of the Co-operative Movement in Sri Lanka

Co-operation in its wider sense has been in existence for many centuries in the past in Sri Lanka village life, particularly in the various operations of paddy cultivation. "Aththam" system forming exchange of family labour with their neighbours in agricultural operations such as ploughing, harvesting and threshing were examples of co-operative activities within the community.

The co-operative movement was introduced by the British rulers to Sri Lanka in the context of the socio economic environment at the beginning of the 20th century. The initial moves were made by the Agricultural Society of Ceylon (under the patronage of the British Governor) established in 1904, which urged the government to formulate a credit scheme to encourage rural people to improve productivity. The society's Dumbara branch (Kandy) formed the first credit society in 1906 in order to provide cultivation loans for members as well as non members. Thereafter the Governor Sir Henry McCallum appointed an Agricultural Bank Committee of inquiry which among other matters examined farmer indebtedness, farmer needs and assistance required by them, the suitability of the Raiffaisen system of co-operative credit society to conditions of Sri Lanka. On the basis of the recommendations of the Agricultural Banks Committee, Co-operative Credit Societies Ordinance was enacted as ordinance No. 7 of 1911, thus providing a legal foundation for the co-operative movement in Sri Lanka.

### Phases of Development

The history of the co-operative movement in Sri Lanka is generally dis-

cussed under four phases of development namely:

1. First phase : from 1911 - 1942 (Credit phase)
2. Second phase : from 1942 - 1957 (Consumer & agricultural phase)
3. Third phase : from 1957 - 1971 (Multi Purpose Co-operatives)
4. Fourth phase : from 1971 (Re-organisation and after)

### **Phase I (1911-1942) Credit Co-operatives**

The co-operative credit societies ordinance of 1911 gave recognition to establish rural credit societies and this created the training ground for early co-operators. The growth of co-operatives in the early period was slow and the formation of the co-operatives became a governmental move. Although initiated with official support these societies were voluntarily organised and were based on mutual understanding and trust among members. Credit societies of early period provided loans mainly for agricultural purposes. Since most of the societies were of unlimited liability the average peasant cultivator had no access to become a member and remained indebted all the time.

Besides lending for agricultural purposes, these societies inculcated the habit of saving among village people. It can be observed that savings deposits in 1931 in a period of economic depression, amounted to Rs. 503,611/=.

The credit societies were so much popular among the village people and the number of societies increased to 1519 by the year 1942. The subsequent amendments made to the co-operative act, provided for formation of limited liability and secondary societies. As a result the first co-operative bank was registered in 1929 in Jaffna to undertake financing of credit societies in the Northern Region. The number of Co-operative Banks increased to six and the Co-operative Federal Bank was formed in 1949 as the apex co-operative bank. In 1950 each of the nine provinces of the country had it's co-operative bank. In 1961 the Co-operative Federal Bank was replaced by the People's Bank and the Provincial and District Co-operative Banks were merged with the People's Bank.

### **Phase II (1942 - 1957)**

The period from 1942 - 1957 witnessed a remarkable change in the pattern and orientation of the co-operative movement in the country. The consumer co-operative movement which started with the stores societies in 1942 was to meet the situation created by the World War II. With the entry



of Japan into the second world war the situation regarding supply of food and the consumer goods became acute in the country. The food scarcity conditions tempted the traders to profiteering in consumer goods. Therefore in 1942 the government made a decision to establish a net work of consumer co-operatives throughout the country to undertake the distribution of food and other essential commodities, and this was known as the Stores Drive. This was quite a success and within a year 1600 stores societies were formed. Since the food supply situation aggravated further in 1943 it was decided to continue the stores drive with vigour to cover the entire country and by the end of 1945 there were 4029 Stores societies with a membership of over one million.

The Co-operative Whole sale Establishment was started in 1943 as the supply centre of stores societies. During this period a network of Consumer Societies Unions was also organised, but became operational in 1945. The successful food distribution carried out by the Stores societies was able to avoid famine and starvation in the country.

After the end of war food supply situation improved and the enthusiasm for consumer co-operatives decreased. As a result the weaker societies became inactive. By the end of 1957 the number of consumer societies decreased to 2569.

### **Co-operative Agricultural Production and Sales Societies (1947 - 1957)**

The experience during the war years made the government realise the dangers of depending on foreign countries for essential food stuffs. Hence measures were taken to increase food production. The success of the co-operatives in food distribution during war time gave the government greater confidence to organise a network of Co-operative Agricultural Production and Sales Societies with a view to provide farmers with credit and inputs and also to market their produce.

These societies formed the basis of agricultural development in the country, specially in the production of food crops and their marketing. The CAP&S societies made a rapid progress and by 1957 there were 995 societies with a membership of 246,776.

Another important development that took place in agricultural sector during this period was the formation of Coconut Co-operative Societies. The first Coconut Co-operative Society was registered in 1940 and there were 42 such societies which were supported by the Coconut Producers' Co-operative Union. The large coconut societies installed desiccated mills and oil mills. The government also sponsored other types of societies such as

fishermen's and industrial co-operatives during this period. The period 1942 - 1947 saw a rapid expansion of co-operative societies both in membership and type. In 1957 there were 10,812 societies with a membership of 1,371,500.

### **Phase III (1957 - 1971) - Multi Purpose Co-operatives**

Following a government policy decision in 1957 a programme was launched to establish Multi Purpose Co-operatives. The decision was to establish Multi Purpose Co-operative Societies in every village. The existing stores societies and the CAP&S societies were converted into MPCs and new societies also were registered.

The objective of forming of MPCs was to provide various services such as credit, inputs and consumer goods to members from a single unit. But due to various reasons these societies did not perform according to the expectations and many remained single purpose societies engaged in distribution of consumer goods.

### **Phase IV - Re-organisation and after (1970)**

The government appointed a Royal Commission in 1968 to examine and recommend measures for strengthening and improving the co-operative movement in the country. One particular term of reference of the commission was to inquire into and report on the role of co-operatives in the development of the national economy particularly in the agricultural sector. The Royal Commission recommended major structural changes and one of the major recommendation was the creation of more viable co-operative organisations by a voluntary process of amalgamation. However special legislation was passed in 1970 giving statutory powers to the Commissioner Co-operative Development to amalgamate societies and to cancel weak societies.

Thus during the period of 1971-1972 existing 5818 co-operatives were amalgamated into 372 large Multi Purpose societies. The new societies were expected to be more viable both financially and managerially. Under the same law in 1974 the 284 Fisheries Co-operatives were amalgamated into 56 large primary societies. During 1975-76, 319 Textile Co-operative Societies were also amalgamated to form 34 large primary co-operatives.

During this period changes also took place in the national level organisations. The Co-operative Federation of Ceylon, the ideological apex organisation was re-constituted from a three tier to a two tier structure and named as National Co-operative Council of Sri Lanka (NCC). In 1973 Sri

Lanka Co-operative Marketing Federation (MARKFED) was formed as the agricultural marketing apex in the country.

### Present status of Co-operative movement in Sri Lanka

There are over 50 different types of Co-operative Societies functioning in the country. Besides the Multi Purpose societies others are single purpose societies engaged in specific activities. Except for the Thrift and Credit Co-operative societies which are constituted with three tiers, other types of societies for business purposes are vertically integrated into national level organisations.

#### Growth of co-operative societies by types

| Type                  | 1984        | 1985        | 1986        | 1987        | 1988        |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Multi Purpose         | 289         | 286         | 283         | 283         | 282         |
| Thrift & Credit       | 1758        | 2216        | 4406        | 5608        | 5885        |
| Tea, Rubber, Coconut  | 70          | 64          | 73          | 69          | 73          |
| Milk Producers        | 100         | 113         | 154         | 172         | 184         |
| Young Farmers         | 22          | 23          | 19          | 21          | 21          |
| Other Agricultural    | 48          | 43          | 50          | 47          | 45          |
| Animal Husbandry      | -           | -           | 17          | 25          | 25          |
| Textile               | 32          | 31          | 31          | 29          | 29          |
| Fisheries             | 74          | 72          | 68          | 64          | 64          |
| Small Industries      | 193         | 185         | 190         | 173         | 169         |
| School                | 878         | 868         | 775         | 777         | 776         |
| Hospital              | 09          | 07          | 07          | 08          | 08          |
| Electoral Development | 48          | 48          | 38          | 38          | 38          |
| Labour                | 62          | 64          | 57          | 59          | 58          |
| Youth Co-operatives   | -           | -           | -           | 21          | 22          |
| Others                | 140         | 173         | 162         | 143         | 134         |
| <b>Total</b>          | <b>3723</b> | <b>4193</b> | <b>6330</b> | <b>7537</b> | <b>7813</b> |

### Membership Growth of the Primacy Co-operative Societies, 1984-1988

| Type of Society                            | 1984           | 1985           | 1986           | 1987           | 1988           |
|--|----------------|----------------|----------------|----------------|----------------|
| 1. MPCs                                    | 2279063        | 2221816        | 2084798        | 2168124        | 2170420        |
| 2. Credit Transaction                      | 241615         | 265826         | 488345         | 546993         | 568325         |
| 3. Tea, Rubber and<br>Coconut              | 10249          | 10447          | 11327          | 10856          | 12330          |
| 4. Milk                                    | 23130          | 24963          | 29758          | 37186          | 40869          |
| 5. Young Farmers                           | 5052           | 4746           | 2503           | 5529           | 5519           |
| 6. Livestock                               | -              | -              | 2610           | 4817           | 5139           |
| 7. Other Agricultural                      | 5384           | 5578           | 9551           | 4270           | 4211           |
| 8. Textile Industry                        | 62294          | 62095          | 61075          | 54930          | 50801          |
| 9. Fisheries                               | 18340          | 19291          | 21464          | 20429          | 20530          |
| 10. Small Industries                       | 13536          | 23071          | 24576          | 25987          | 24307          |
| 11. School co-ops.                         | 266751         | 276474         | 263195         | 270700         | 269881         |
| 12. Hospital Co-ops.                       | 14697          | 13710          | 11486          | 14076          | 14180          |
| 13. Electoral District<br>Co-op. Societies | 5238           | 4782           | 4379           | 6374           | 6208           |
| 14. Labourers                              | 3845           | 4184           | 3353           | 3049           | 3012           |
| 15. National Youth<br>League               | -              | -              | -              | 154111         | 185120         |
| 16. Others                                 | 86151          | 99541          | 122743         | 62372          | 60425          |
| <b>Total</b>                               | <b>3035345</b> | <b>3036524</b> | <b>3141163</b> | <b>3389803</b> | <b>3441277</b> |

### Co-operative Education in Sri Lanka

Co-operative education in Sri Lanka is been carried out by the following Institutions:

#### 1. National Co-operative Council of Sri Lanka (NCC)

As the national apex for the entire co-operative movement, the NCC conducts educational programmes for members as well as employees. National level, NCC has been assigned the task of planning and monitoring of educational activities at national level. To implement the programme a National Level Co-ordinating committee has been appointed. These pro-

grammes are prepared to meet the training needs of the movement. Following programmes are implemented to educate the membership.

Leadership development courses are being conducted (Kahagolla Member) for Board of Director, Committee Members and co-operative women leaders and school co-operatives leaders. Educational programmes for women are conducted as one day residential courses on consumer protection, project planning, additional income generating activities, and advisory services on the role of women in the co-operative movement are provided for women leaders at district levels.

Training for field officers who are engaged in educational activities at District Levels have been prepared to develop their subject knowledge, to improve the methodology of teaching and to educate them on supervision and evaluation. At the four Regional Co-operative Training Centers which are situated in Galle, Kurunagala, Kahagolla and Jaffna, classes are conducted for managerial level officers and intermediate level managers. NCC also conducts regular education and training courses for employees.

#### **Programmes for school children**

The above programmes are conducted for selected leaders in schools to emphasize the value of co-operation and its activities as a solution for problems that these school children are facing in their lives.

#### **2. *School of Co-operation***

School of Co-operation which comes under the Department of Co-operative Development conducts training courses for newly recruited co-operative inspectors and others who are already employed. Training programmes are conducted all aspects of co-operation to all categories of office bearers and employees.

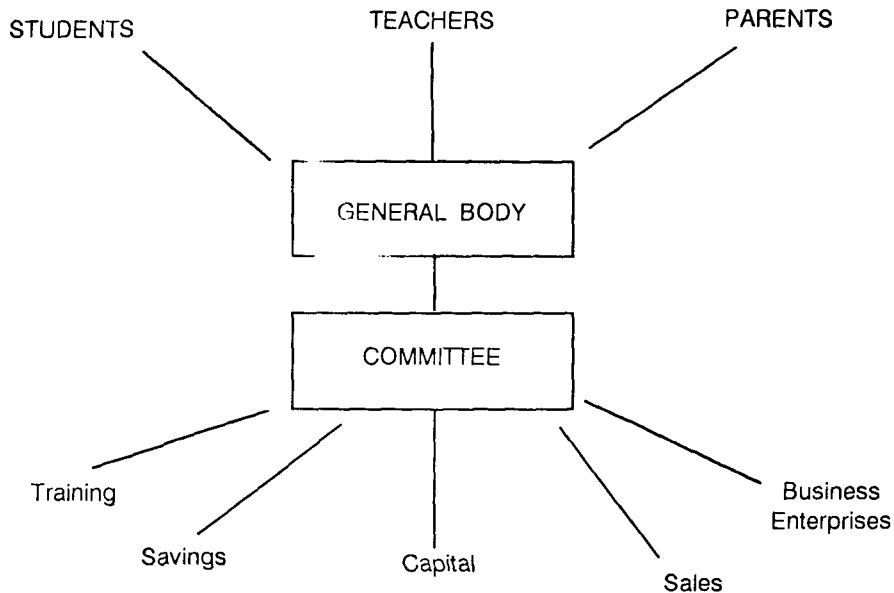
#### **3. *Sri Lanka Institute of Co-operative Management***

Sri Lanka Institute of Co-operative Management implements relevant management programmes providing advice for management problems of the co-operative movement with a view to promote co-operative societies.

#### **4. *SANASA Training & Development Institution***

Which is situated in Pasgammuna in Kegalle District conducts all National Level programmes of the Thrift and Credit Sector.

## Structure of School Cooperatives



### 5. *The Universities in Sri Lanka*

The universities in Sri Lanka conduct a Development studies programmes where the subject of co-operatives is included.

### 6. *National Youth Services Co-operative Union*

Which is the Co-operative Youth Organisation sponsored by the State conducts their own programmes for their members.

Although these Institutions conduct various types of co-operative educational and training programmes, a ministerial level committee is co-ordinating all these activities to smooth out the functions and to avoid duplication of programmes. All these institutions implement their own work plans in collaboration with other organisations such as Ministry of Co-operatives, Department of Co-operatives, National Co-operative Council of Sri Lanka, School of Co-operation, Sri Lanka Institute of Co-operative Management and Co-operative Employees' Commission.

### **The School Co-operatives in Sri Lanka**

The very first school co-operative was started in 1927 in Jaffna at the Arunthai College in Alaveddy. In the Western Province school co-operatives were started in Kiriwattuduwa in 1933. By 1938 the government paid

a lot of interest in forming and developing school co-operatives as these was a general acceptance that Co-operation should be included as a subject in the school curriculum. At the beginning these societies were known as “Juvenile Societies” and “School Supply Co-operatives”. These societies were not registered due to the fact that membership was given only to persons over eighteen years of age. However, as the concept of democracy spread wide and sqr within the country, special attention was given to increasing the membership in school co-operatives.

#### Development of Membership at the Beginning

| Year                        | 1948 | 1949  | 1950  | 1951  | 1952  |
|-----------------------------|------|-------|-------|-------|-------|
| No. of school co-operatives | 65   | 95    | 190   | 391   | 793   |
| Membership                  | 8583 | 10490 | 21444 | 42883 | 82808 |

Before 1960 there was a rapid development in this sector, which declined from 1965 as more attention was paid to the development of Consumer Co-operatives. In 1969 a commission was appointed, headed by Mr. Landlow to re-organise the activities in the Co-operative Sector. As a consequence a By-law for School Co-operatives was introduced in 1971. Along with the re-organisation of the movement based on the recommendation of the above Commission, registration of school co-operatives was approved.

#### Development of School Co-operatives from 1948 - 1973

| Year | No. of societies | Membership | Savings | Sales  |
|------|------------------|------------|---------|--------|
| 1948 | 65               | 8583       | 22381   | 46898  |
| 1951 | 391              | 42833      | 72878   | 253884 |
| 1952 | 793              | 82808      | 124010  | 846814 |
| 1956 | 2828             | 227416     | 162500  | -      |
| 1973 | 2038             | 246496     | 140969  | 135000 |

In 1989 the registered number of school co-operatives were 779, and 9.3% of the total number of co-operative societies registered were school co-operative.

### **Present trends and developments of school co-operatives**

- 1) In 1990 the Department of Education included the subject of Co-operation in the grade nine syllabus of the school curriculum.
- 2) Under the Presidential concept of the free mid-day meal the co-operatives issue food items through food stamps in lieu of the meal.
- 3) Practical applications of co-operation in the technical and commercial fields was also introduced by the National Co-operative Council in consultation with the Department of Education. Special attention of the state and the NCC is been paid to the setting up of school co-operatives.
- 4) Subjects such Handicrafts, home gardening etc., were also introduced.
- 5) Through the food stamps scheme the student members are able to acquire essential school items.
- 6) Establishment of an apex school co-operative organisation is also being considered.
- 7) Through this programme Education Officers involved in teaching of Commerce as a subject are introduced to the co-operative movement and its activities.
- 8) Introducing school co-operatives to school principals.
- 9) The National Co-operative Council has discined with the Education Department select Assistant Teachers from 10.30 schools from each district to be selected and trained to finally set up Model School Co-operatives in the Districts.
- 10) Based on the above Model Co-operatives 5 - 6 student leaders to be trained from each school to eventually extend activities of school co-operatives within each district.
- 11) To encourage co-ordination between school co-operative, school development society and parents for the benefit of the school coops.
- 12) School co-operatives provide students stationary, school uniforms etc at reasonable prices.
- 13) Accept tenders for contracts to repair school building, and furniture during week ends and holidays to build up a school co-operative fund.
- 14) Encourage thrift and savings through saving campaigns and contests.
- 15) School co-operatives are encouraged to deposit their savings in the closest Rural Co-operative Bank.



# University Cooperatives in Thailand

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## 1. General Background of Thailand

- 1.1 Location: Thailand is in the center of Southeast Asian mainland. Its border touches on Malaysia, Laos, Kampuchea and the Union of Myanmar.
- 1.2 Area: Approximately 513,00 square kilometers
- 1.3 Capital : Bangkok
- 1.4 Population : About 56 millions
- 1.5 Literacy rate : 90 percent
- 1.6 Per capita income : Baht 36,534 (\$1460)
- 1.7 Economy : 1990 gross domestic products at current prices are about 2,405,894 million Baht or 94,348 million dollars. Total exports in 1990 are estimated at 600,503 million Baht or 23,549 million dollars. Total imports in 1990 are estimated at 803,526 million Baht or 31,510 million dollars. Economic growth rate is 10.4 percent.

## 2. Number of Universities or Equivalent

Under the National Education Scheme for the year 1977, there are four (4) levels of education:- pre-school education, elementary education, secondary education and higher education.

The higher education follows the upper secondary education and aims at cultivating and developing the intellect and ideals of the learners for academic advancement. It also aims at creating a task force at the higher academic and vocational levels for development of the country. At the same time, it aims at endowing the learners with high morals, knowledge and appreciation of art and culture. This will enable the learners to have a valuable life or other individuals, society and finally the nation.

The 1989 record from the Ministry of University Affairs on higher education exhibits that there are 13 public institutes and 25 private institutes as follows:-

### *2.1 Public Institutes*

- 2.1.1 National Institute of Development Administration (NIDA)
- 2.1.2 Chulalongkorn University
- 2.1.3 Kasetsart University
- 2.1.4 Khon Khaen University
- 2.1.5 Chaing Mai University
- 2.1.6 Thammasart University
- 2.1.7 Mahidol University
- 2.1.8 Ramkhamhaeng University
- 2.1.9 Silapakorn University
- 2.1.10 Sri Nakharinwirot University
- 2.1.11 Prince of Songkha University
- 2.1.12 Sukhothaimathirath University
- 2.1.13 Maejo Institute of Agricultural Technology
- 2.1.14 King Mongkut's Institute of Technology

### *2.2 Private Institutes*

- 2.2.1 Bangkok University
- 2.2.2 Siam University
- 2.2.3 Dhurakijpundit University
- 2.2.4 Payap University
- 2.2.5 Sri Patum University
- 2.2.6 University of the Thai Chamber of Commerce
- 2.2.7 Institute of Social Technology (Krik)
- 2.2.8 Kaem Bandit College
- 2.2.9 Christian College
- 2.2.10 Pundit Phisanulok college
- 2.2.11 Pundit Sakon Nakhon College
- 2.2.12 Saint Louis Nursing College

- 2.2.13 Phatana Phakklang College
- 2.2.14 Northeastern College
- 2.2.15 Mission College
- 2.2.16 Yonok College
- 2.2.17 Rangsit College
- 2.2.18 Wongchawalitkul College
- 2.2.19 Sri Esarn College
- 2.2.20 Sri Sophon College
- 2.2.21 Siam Pundit College
- 2.2.22 Saeng Tham University
- 2.2.23 Hua Chieo College
- 2.2.24 Assumption College of Business Administration
- 2.2.25 South-East Asia College

### 3. Number of University or College Coop. Training Institutions that Organised University/Students Cooperatives

Based on 1989 record of the Department of Cooperative Audit, it is found that a total of 17 universities have established two major types of cooperatives which are the consumers cooperative and the saving and credit cooperative. 13 out of 17 are public institutes.

**Table 1: Summary of the universities organizing the cooperatives in 1989**

| University Names            | No. of Consumers Coop. | No. of Saving & Credit Cooperative |
|-----------------------------|------------------------|------------------------------------|
| <i>I. Public Institutes</i> |                        |                                    |
| 1. NIDA                     | -                      | 1                                  |
| 2. Chulalongkorn University | 1                      | 1                                  |
| 3. Kasetsart University     | 2                      | 1                                  |
| 4. Khon Khen University     | 1                      | 1                                  |
| 5. Chiangmai University     | 1                      | 2                                  |
| 6. Thammasart University    | 1                      | 1                                  |
| 7. Mahidol University       | 1                      | 1                                  |
| 8. Ramkhamhaeng University  | 2                      | 1                                  |
| 9. Silpakorn University     | -                      | 1                                  |
| 10. Sri Nakharinwirot       | 5                      | 1                                  |

|  |   |   |
|--|---|---|
| 11. Prince of Songkla                      | 1 | 1 |
| 12. Sukhothai Thammathirat                 | 1 | 1 |
| 13. King Mongkut's Institute of Technology | - | 1 |

## II. Private Institutes

|   |   |   |
|---|---|---|
| 1. Bangkok University                     | 1 | 1 |
| 2. Dhurakijbundit University              | - | 1 |
| 3. University of Thai Chamber of Commerce | - | 1 |
| 4. South-East Asia College                | - | 1 |

### 4. Roles of University, Coop. College and Coop. Training Institute In Promoting University/Students cooperatives and Cooperative and Coop. Education and Training

In considering the roles of the university, Coop. College and Coop. Training Institutes in promoting the university/students cooperatives and Coop. education and training, the aims and workplan of each agency are explained as follows:-

#### 4.1 University

At present, three universities under the Ministry of University Affairs are operating the cooperative courses. They are:-

- Kasetsart University
- Sukhothai Thammathirat Open University
- Maejo Institute of Agricultural Technology

The three university have the following programme:-

##### 4.1.1 Kasetsart University

The Department of Cooperative under school of Economics and Business Administration is responsible for the implementation. The cooperative courses are provided into two levels:-

- Bachelor's Degree Programme: Bachelor of Science (Cooperative Economics)
- Master's Degree Program: Master of ARts (Cooperative Economics)

##### 4.1.2 Sukhothai Thammathirat Open University school of agricultural is undertaking two programs:-

- Certificate Program: Certificate in Agricultural Extension and cooperatives

- Bachelor's Degree Program: Bachelor of Agricultural Extension and Cooperatives
- 4.1.3 Maejo Institute of Agricultural Technology School of Agricultural Business is undertaking two programs which are:-
- Bachelor's Degree Program: Bachelor of Agricultural Technology (Cooperative Economics)
  - Master's Degree Program: Master of Agricultural Technology (Cooperative Economics).

#### 4.2 *Training Institutes*

There are two training institutes who are providing the training courses on the cooperatives in Thailand. They are:-

- 4.2.1 The Cooperative League of Thailand
- 4.2.2 Training Division of Cooperatives Promotion Department

##### 4.2.1 *The Cooperative League of Thailand*

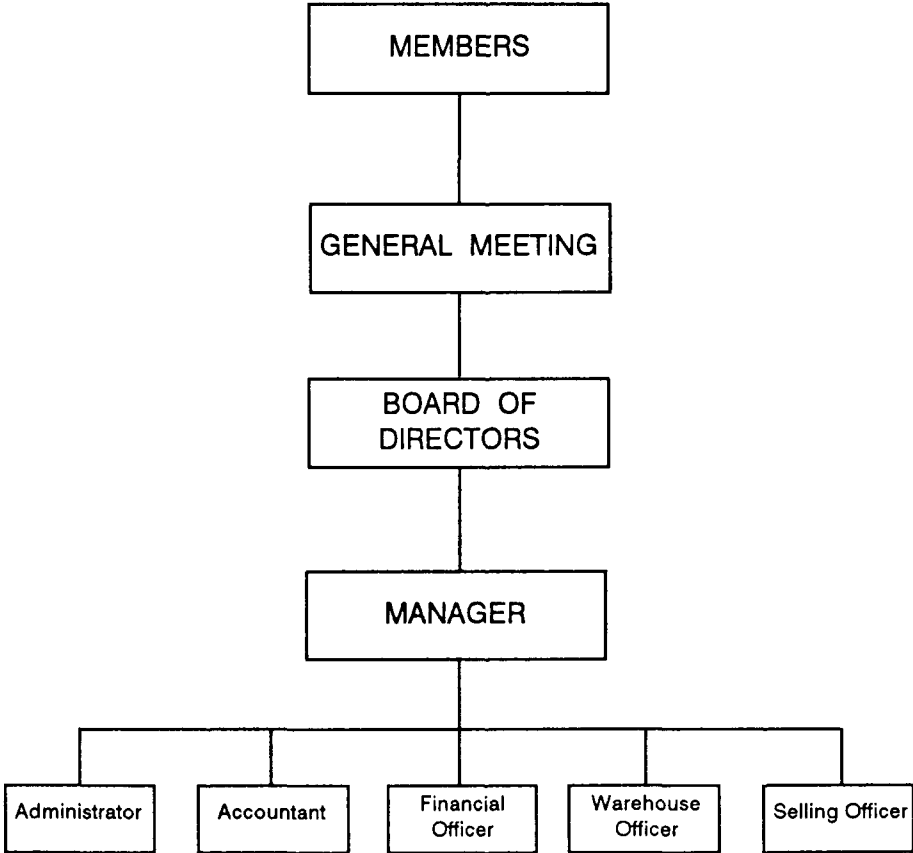
The Cooperative League of Thailand (CLT) is a result of the implementation of Cooperative Code in 1968. The CLT's prime responsibility is to provide services to the cooperatives and their members in training, promotion and dissemination. In addition, the CLT has to promote the coordination among cooperatives within/outside the country.

The Training Division (TD) has the responsibility of personnel development related to cooperative scenario. These are the cooperative officials of the government, Board of Directors, cooperative members and staff, and interested people. The TD also provides the training courses for the students of the Cooperative Institutes and publish the cooperative manual and articles. Besides, it still produces the visual aids for teaching and training. The TC has to coordinate with the CLT to deliver the cooperative training course.

#### 5. **History of University/Students Cooperative in the Country**

In Thailand there are six different types of the cooperative which are the Agricultural Cooperative, Land Settlement Cooperative, Fishery Cooperative, Consumers Cooperative, Saving and Credit Cooperative and Service Cooperative. But only two types of cooperative have been established by the university.

**Figure#1**  
**The organizational structure of the Consumers Cooperative**



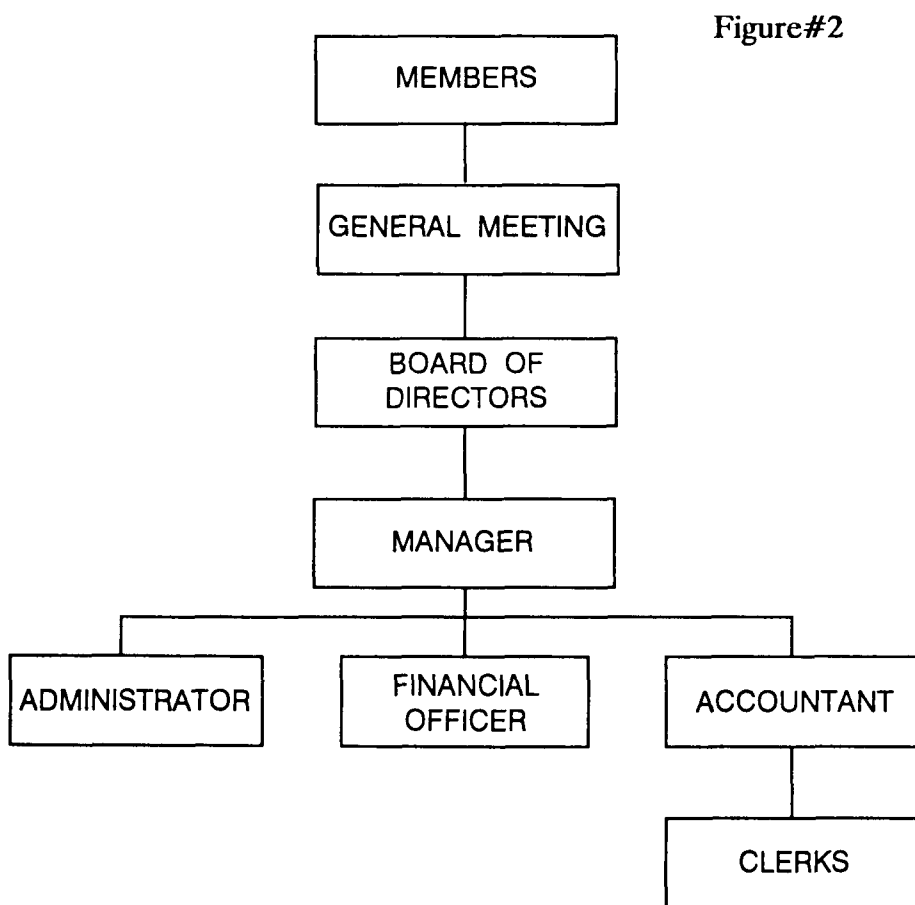
### 5.1 Consumers Cooperative

The first consumers cooperative was established in 1956 at the Kasetsart University and has been in operation. Other universities that later established the cooperative have followed the same type of that of the Kasetsart University. Today, there are 17 consumers cooperatives in the Universities of Thailand.

### 5.2 Saving and Credit Cooperative

The first saving and credit cooperative was established by Kasetsart University in 1959. Its name is Kasetsart University Saving and Credit Cooperative Ltd." At present, there are 18 saving and credit cooperatives in the universities of Thailand.

The organizational structure of the saving and credit cooperative



## **6. Performance of University/Student Cooperative in the whole country**

The performance of the university/student cooperative is described by type as follows:-

### *6.1 Consumers Cooperative in the University in Thailand*

Today, the consumers cooperatives in the university in Thailand is structured as in Figure #1 and managed by the Manager who receives the policy from the Board of Directors to translate into practice. The Consumers cooperatives put the first priority on the procurement of reading and writing materials for the major members who are the students. Besides it also secures other goods as needed by the students and has several rental services i.e. cap and gown and video cassettes. Besides, it provides a training course on computer operation.

Normally, the cooperatives are engaged in the sale of goods at retail and accept cash for payment. But some accept a credit from the related schooling offices in the university. The acceptance of credit is considered as another form of the fringe benefit for the university office as well as to increase the services of the cooperative.

#### **6.1.1 Total cooperatives:**

According of 1989 record, there are 17 consumers cooperatives.

#### **6.1.2 Total Members:**

Per 1989 record, there are 89,794 who are the members of the consumers cooperative.

#### **6.1.3 Performance of the Cooperative:**

16 consumers cooperatives that are operational receive a total of net profit of 5.6 millions Baht or US \$219,607.

#### **6.1.4 Financial Status:**

The working capital of the consumers cooperatives total 56.2 millions Baht or 2.2 million dollars. 25.7 out of 51 millions Baht are reserve funds.

The performance of the consumers cooperative is shown in Table #2.

### *6.2 Saving and Credit Cooperative in University in Thailand*

The structure of the saving and credit cooperative (SCC) is demonstrated in Figure #2. The management of the SCC is similar to that of the consumers cooperative. But it is established to benefit only the university



**Table # 2 : Results of Operations of the Consumers Cooperatives in Thailand**

Unit : Million

| Name of Cooperatives                            | Members       | Working Capital | Liabilities | Reserves    | Total Income | Total Expen. | Net Profit |
|---|---------------|-----------------|-------------|-------------|--------------|--------------|------------|
| 1. Chulalongkorn Uni. Cons. Coop.               | 30,017        | 8.1             | 4.6         | 3.5         | 28.9         | 28.1         | 0.8        |
| 2. Thammasart Univ. Cons. Coop.                 | 21,210        | 9.5             | 4.8         | 4.6         | 20.7         | 20.3         | 0.4        |
| 3. Srinakarin Uni. Cons. Coop.                  | 3,920         | 2.1             | 0.5         | 1.5         | 5.8          | 5.4          | 0.3        |
| 4. Kasetsart Uni. Cons. Coop. (Prasanmit)       | 11,641        | 2.6             | 3.2         | (0.6)       | 7.1          | 6.8          | 0.3        |
| 5. Mahidol Uni. Cons. Coop.                     | 3,383         | 1.0             | 0.3         | 0.6         | 2.9          | 2.7          | 0.2        |
| 6. Srinakariniwrot Uni. Cons. Coop. (Bangsaen)  | 904           | 0.3             | 0.1         | 0.2         | 0.4          | 0.4          | 0.03       |
| 7. Ramkambaeng Uni. Cons. Coop.                 | 1,082         | 1.8             | 2.0         | (0.1)       | 9.9          | 9.7          | 0.1        |
| 8. Bangkok Uni. Cons. Coop.                     | 7,073         | 6.1             | 2.2         | 3.9         | 7.5          | 6.4          | 1.0        |
| 9. Kasetsart Uni. Cons. Coop. (Nakornpathom)    | 691           | 1.4             | 0.4         | 0.9         | 5.2          | 4.9          | 0.2        |
| 10. Chiangmai Uni. Cons. Coop.                  | 353           | 2.3             | 1.0         | 1.2         | 5.9          | 5.6          | 0.3        |
| 11. Khon Khen Uni. Cons. Coop.                  | 3,400         | 5.0             | 2.3         | 2.6         | 16.0         | 15.5         | 0.4        |
| 12. Srinakarin Uni. Cons. Coop. (Mahasarakarm)  | 806           | 0.4             | 0.2         | 0.1         | 0.7          | 0.6          | 0.01       |
| 13. Srinakarin Uni. Cons. Coop. (Songkla)       | 739           | 0.4             | 0.1         | 0.2         | 1.0          | 0.9          | 0.04       |
| 14. Prince of Songkla Uni. Cons. Coop.          | 1,641         | 2.4             | 1.3         | (1.1)       | 7.6          | 7.3          | 0.3        |
| 15. Lok Poo Khan Uni. Cons. Coop.               | 852           | 5.0             | 1.1         | 1.1         | 0.0          | 0.0          | 0.0        |
| 16. Sukhothatham. Uni. Cons. Coop.              | 889           | 4.4             | 1.0         | 3.4         | 3.8          | 2.8          | 1.0        |
| 17. Srinakariniwrot Uni. Cons. Coop. (Bangsaen) | 1,193         | 3.4             | 0.9         | 2.5         | 9.7          | 9.1          | 0.5        |
| <b>Total</b>                                    | <b>89,794</b> | <b>56.2</b>     | <b>26.0</b> | <b>25.7</b> | <b>133.1</b> | <b>126.5</b> | <b>5.9</b> |

personnel not students. The SCC is under the Cooperative Law. It aims at promoting the savings of its members and at helping the members through provision of loans. Other services include educational funds for the member's children, life insurance and funeral funds.

6.2.1 Total SCC:

Per 1989 record, there are 18 saving and credit cooperatives

6.2.2. Total SCC Members:

Following 1989 record, there are 46,381 SCC members.

6.2.3 Performance:

18 SCCs are in operation and were able to obtain the net profit of 147.6 millions Baht or 5.8 millions dollars in 1989.

6.2.4 Financial Position:

The SCC has a total of working capital of about 2,510 millions Baht or 98.4 millions dollars. About 1,151 millions Baht or 46% of the total working capital are reserve funds.

The performance of the SCC is shown in Table #3.

## **7. Impact of University/Student Cooperatives on Students & University Employees**

### *7.1 Consumers Cooperative*

Based on the results of the seminars on the impact of the cooperative and the annual report of the cooperatives, it is found that how much the cooperative can benefit the members depends on many factors. Firstly, whether the location of the cooperative facilitate the commuting and purchasing of the members. Secondly, whether the Manager is able to attract the interest of the members.

In overall, the consumers cooperative has more outstanding roles than other cooperatives in providing the reading and writing materials particularly the training courses on the computer operation to the members, employees and other people.

In terms of leadership, group action and coop. ideology, this cooperative does not differ from other cooperatives which is described in Topic #8.

### *7.2 Saving and Credit Cooperative in Universities*

The direct impact of the SCC is an increase in savings of the members.

**Table # 3 : Results of Operations of the Savings and Credit Cooperatives in Universities in Thailand**

Unit : Million

| Name of Universities                           | Members       | Working Capital | Liabilities    | Reserves       | Total Income | Total Expen. | Net Profit   |
|--|---------------|-----------------|----------------|----------------|--------------|--------------|--------------|
| 1. Kasetsart University                        | 4,068         | 298.2           | 169.9          | 128.3          | 32.7         | 15.4         | 17.3         |
| 2. Dhurakitpundit University                   | 267           | 3.8             | 1.4            | 2.4            | 0.4          | 0.1          | 0.3          |
| 3. Punditpatana University                     | 492           | 41.9            | 24.4           | 17.5           | 4.4          | 2.1          | 2.3          |
| 4. Ramkhamhaeng University                     | 3,388         | 69.1            | 27.3           | 41.7           | 7.7          | 3.2          | 4.4          |
| 5. King Mongkut Institute of Technology        | 630           | 10.4            | 2.6            | 7.7            | 1.1          | 0.2          | 0.9          |
| 6. Srinakharinrajavidyalaya University         | 2,571         | 164.8           | 76.2           | 88.6           | 19.1         | 8.1          | 10.9         |
| 7. Bangkok University                          | 354           | 2.2             | 1.4            | 0.8            | 0.1          | 0.06         | 0.09         |
| 8. Chulalongkorn University                    | 6,074         | 561.1           | 0.3            | 251.5          | 54.7         | 25.6         | 29.1         |
| 9. South-East Asia College                     | 174           | 0.8             | 0.08           | 0.7            | 0.09         | 0.02         | 0.06         |
| 10. Mahidol University                         | 10,303        | 452.8           | 199.1          | 253.7          | 45.3         | 15.9         | 29.3         |
| 11. Thammasart University                      | 2,036         | 319.5           | 246.2          | 73.3           | 33.6         | 20.3         | 13.2         |
| 12. Silpakorn University                       | 1,100         | 41.4            | 13.3           | 28.0           | 4.6          | 1.3          | 3.3          |
| 13. University of the Thai Chamber of Commerce | 348           | 7.2             | 2.5            | 4.6            | 0.8          | 0.2          | 0.5          |
| 14. Chiangmai University                       | 5,368         | 142.0           | 44.4           | 97.5           | 17.9         | 4.8          | 13.1         |
| 15. Suksasart Chiangmai University             | 220           | 4.4             | 0.0            | 4.4            | 0.5          | 0.04         | 0.5          |
| 16. Prince of Songkla University               | 3,932         | 232.1           | 162.2          | 69.8           | 24.9         | 14.8         | 10.1         |
| 17. Sukhothaimatirat University                | 1,254         | 46.8            | 24.8           | 22.0           | 5.5          | 2.3          | 3.1          |
| 18. Khom Khen University                       | 3,802         | 110.9           | 52.8           | 58.0           | 15.2         | 6.9          | 8.2          |
| <b>Total</b>                                   | <b>46,381</b> | <b>2,509.4</b>  | <b>1,048.9</b> | <b>1,150.5</b> | <b>268.6</b> | <b>121.3</b> | <b>146.7</b> |

In other words, the SCC has much more funds from the savings of its members than other cooperatives. Other impacts are summarized below:-

- 7.2.1 The SCC plays an important role in developing the efficient working system;
- 7.2.2 The SCC is leading in improving services and fringe benefits for its members;
- 7.2.3 The success of the SCC has influenced the people on cooperative ideology;
- 7.2.4 The SCC also provides the funds for other cooperatives in Thailand.

## **8. Problems Encountered**

Based on the seminars, reports and researches, it is observed that the cooperative have the following problems:-

- 8.1 Lack of understanding of the members on the cooperative's objectives;
- 8.2 Lack of cooperation from its members;
- 8.3 Mismanagement of the Manager;
- 8.4 Working capital shortage;
- 8.5 Inappropriateness of Location

## **9. Recommendations**

In order to improve the cooperative, the following steps should be undertaken:-

- 9.1 Develop a workplan and a mechanism to enable the members to understand the cooperative's objectives;
- 9.2 Create the roles and the participation of the members in organizing the training and publicity;
- 9.3 Develop a workplan and a mechanism to effectively raise fund, invest money and expand services.

## **Kasetsart University Consumer Cooperative Ltd.**

**By: Ms. Apiwan Kamlang-ek  
Ms. Juthatip Patrawart  
Ms. Napaporn Pormchana**

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### **1. Introduction**

The cooperative shops of the educational institutes in Thailand have been established for a purpose of providing goods at the reasonable prices to students, faculty members, employees and all related persons. In other words, the services of the cooperative shops are regarded as another form of fringe benefits to the university personnel.

In addition, the cooperative shops have been used as study and training places in business management for students as well, especially those students who are enrolling in the Cooperatives Department. To date, nearly every college and university has established a cooperative shops. The board members and the manager who are responsible for the operation of the shops have managed the shops following the techniques and methodology in managing the cooperatives.

Some universities or colleges have been successful in undertaking the cooperative shops. But some fail to achieve their goals. Those that are not successful are good examples for the comparative study, which will yield lessons learned for the other cooperative shops' managers.

### **2. History of the Society**

The Kasetsart University Consumers Cooperative was initiated in 1956 by the Faculty members and students in the Faculty of Economics and Business Administration. During that period, the Thai government had recognized the importance of the establishment of the cooperatives particularly a cooperative shop in order to alleviate the shortage of household commodities bearing on the people's lives.

In the first stage of setting up, the cooperative shop had a working capital of Baht 1,000 and provided related goods to the university personnel.

The students of the Faculty of Economics and Business Administration (FEBA) had voluntarily run the cooperative. After the cooperative had made considerable progress in providing services, the FEBA therefore, registered the cooperative and renamed it as the Kasetsart Consumers Cooperative Ltd. on September 15, 1965.

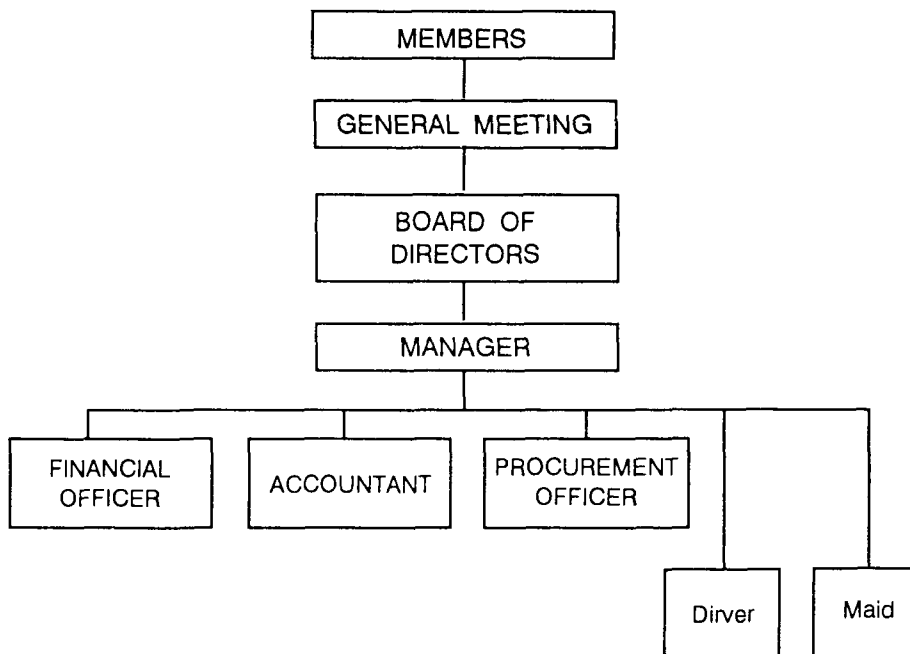
### 3. Main Objective

The main objective of the cooperative is to provide services, school supplies and related goods at the reasonable prices to the student and the university personnel.

### 4. Organization Structure

The organization structure of the cooperative comprises the members, the Board of Director, the manager and his operational staff. The operational staff consist of the financial officer, the accountant, the procurement

Figure 1. The Organizational Structure of Kasetsart University Consumer Cooperative Ltd.



officer. The manager takes a responsibility of managing the cooperative shops following the policy set in the general meeting. The financial officer is responsible for monitoring the financial status of the cooperatives, preparing and submitting the financial report to the manager. The accountant has a responsibility of keeping all accounting records i.e. Journal, Register, Files). The procurement officer is in charge of maintaining an inventory record and replenishing the commodity stock.

The organization structure is attached.

## 5. Physical Assets

At present, the Kasetsart University provides its two-storey building as the office for the Kasetsart University Consumers Cooperative. Another asset is a pick-up truck.

## 6. Financial Position

The financial position of the Consumers Cooperative during the past three years is illustrated in Table No. 1.

Table #1

| Items               | 1988      | 1989      | 1990      |
|---------------------|-----------|-----------|-----------|
| 1. Member (persons) | 11,552    | 11,641    | 11,897    |
| 2. Share (Baht)*    | 500,580   | 469,040   | 486,540   |
| 3. Deposits (Baht)  | 50,616    | 150,256   | 132,133   |
| 4. Loans (Baht)     | 2,941,867 | 2,194,183 | 2,206,189 |
| 5. Reserves (Baht)  | -         | -         | -         |
| 6. Working Capital  | (681,126) | (958,351) | 283,834)  |

Source: *The Annual Report of the Kasetsart University Consumers Cooperative Ltd.*

The above table indicates that a current number of member totals 11,897 or a 1.5% increase when compared to that of 1988. A total value of share is worth at Baht 486,540 with an average annual increase of 16% comparing to the last year's value. Due to the deficit caused by the incompetence of the manager since 1979, the Consumers Cooperative has been unable to reserve any funds and faced with the working capital shortage. The situation has significantly affected the operation of the Consumers Cooperative.

\* US\$ 1 = 25 Bhat

## **7. Business Activities**

The Kasetsart University Consumer Cooperative has divided into two major services. They are wholesale and retail services. The wholesale service is only for the Departments of the Kasetsart University. The Cooperative dispatches the articles to the Departments according to their orders. The retail service operates in form of a supermarket. In order to solve its working capital shortage, the Consumer Cooperative has allowed the private company to rent its certain space to set up the cloth and book sections. This not only brings in the income but also attracts the interests of the members and outside persons to utilize the services provided by the Consumers Cooperative.

## **8. Business Management**

The policy of the Consumers Cooperative is developed in the General meeting where most members and the Board of Directors attend. The Board of Director is responsible for formulating the workplan and bylaw. The workplan which is translated from the policy will be assigned to the manager for the implementation.

The Board of Directors comprising 9 persons monthly meets to discuss about the result of the implementation, problems and solutions to these problems. The manager is in charge of solving the problems as approved by the Board of Directors. The Consumer's Cooperative hires an auditor to internally audit the cooperative's financial records and report the results of the auditing to the Board of Directors.

## **9. Business Operation**

The volume of the commodities during 1988-1990 shown in Table #2. The table indicates that in 1988 the income from wholesale and retail services of the consumer cooperative totaled Baht 10,360,542 (US \$406,295). The gross profit was Baht 1,049,700 or US \$41,156. In 1989, the total good sold was worth at Baht 6,445,352 (US \$252,758) and the gross profit was Baht 556,054 (US \$21,806). In 1990, the total income was Baht 7,321,774 (US \$287,128) which was higher than that of the 1989. The gross profit was Baht 596,591 (US \$23,395).

It should be noted that the sales from the wholesale service have relatively been stable while that of the retail have been fluctuated. The fluctuation of income from retailing is an urgent problem which requires attention. The recommendations on how to solve the problems are described in Topic #12.



## 10. Results of Operations

The results of the Consumers Cooperative operation during 1988-1990 is demonstrated in Table #2.

**Table #2**

| Items                | 1988       | 1989      | 1990      |
|----------------------|------------|-----------|-----------|
| 1. Good sold         | 10,360,542 | 6,445,352 | 7,321,774 |
| 2. Cost of good sold | 9,310,836  | 5,889,297 | 7,725,184 |
| 3. Gross profit      | 1,049,706  | 556,054   | 596,590   |
| 4. Other revenue     | 632,779    | 736,072   | 597,992   |
| 5. Operating cost    | 2,229,671  | 951,456   | 895,105   |
| 6. Net profit (loss) | (568,561)  | (324,974) | (299,423) |

*Source: The Annual Report of Kasetsart University Consumers Cooperative Ltd.*

## 11. Problems Encountered

The major problem of the Consumer Cooperative has encountered stemmed from the incompetence of the former Manager in managing the cash flow and the inventory of the cooperative. The side effects of the problem remain until now. The problem has caused the shortage of the working capital because the Consumers Cooperative has to use the profit to pay out the debts occurred from purchasing the goods from the indirect agent.

Other problems are summarized as follows:-

1. **Inflexibility in the cooperative operation:**  
The liquidity ratio in 1990 equaled 0.8. The situation is caused by the shortage of the working capital.
2. **Inappropriate location:**  
The Consumers Cooperative does not have a parking lot for the buyers. This combined with the change in the traffic direction in the campus of the university prohibits the members and other consumers to use the services provided, thereby reducing the volume of goods sold.
3. **Increasing Marketing Competition From Other Business:**  
The Consumer Cooperative has to compete with many depart-

ment stores nearby the university. The department stores have much more choices and their prices are cheaper. This consequently attracts the cooperative's members and other interested buyers to purchase there.

#### 4. High Cost of Goods Sold

Due to the shortage of the working capital, the cooperative is unable to purchase the bulks of goods from the direct agent or manufacturing company which will result in the much cheaper prices. As such, it has to purchase the limited number of goods at a higher cost. The price of the same goods, therefore is higher than that of the departments.

### 12. Needs For Improvement

The Board of Directors conducted the study on how to improve the Consumers cooperative in 1989. Results of the study indicates the following recommendations:-

1. Focusing on marketing promotion and organizing a member recruitment campaign in the university;
2. Holding a low priced household commodities fair once a month. This is to finish up the goods of which their expiring dates come closed. The money from the fair should be used to invest in the new items of goods;
3. Increasing the services will allure the members to use these available services;
4. Improving the location of the Consumer Cooperative to attract the members and the buyers;
5. Developing a plan to mobilize savings to increase the working capital;

### 13. Strategic Plan For Cooperative Development

In 1989 the Kasetsart University and the Consumers Cooperative had set up the Board of Directors which is called "Cooperative Improving Committee". The purpose of establishing the committee is to circumvent the cooperative's problems and to develop the operational plan to revamp the cooperative. The summary of the operational plan is as follows:-

1. Moving the office of the cooperative to the new place.  
This will facilitate the purchasing of the members and other

interested persons. The moving should begin in 1991.

2. Organizing the campaign to mobilize the savings for the cooperatives. This will be done through selling the cooperative shares to the members.
3. Increasing the services to draw the attention of the members. This will include:-
  - Opening the computer training course
  - Providing the cap and gown services
  - Selling low-priced agricultural products available in each season
4. Distributing the posters to publicize the list of the cheaper-priced goods once a month.
5. Holding a bazaar in the university campus.

#### **14. Summary**

The Kasetsart University Consumers Cooperative Ltd. which is the cooperative shop of the Kasetsart University is aimed at providing the goods to its members particularly on schooling articles. This is because the members of the cooperative are the Kasetsart University's personnel and students.

35 years after its establishment in 1956, the cooperative has faced the problems caused by the incompetence of the former manager. His incompetence has led to low-liquidity and working capital shortage. However, the Board of Directors has put a lot of efforts to lessen the difficulties through implementing a new strategic plan. The plan calls for mobilizing savings, organizing low-priced goods fairs and out-campus bazaars. It is expected that through the combination of the interventions the working capital shortage will be alleviated.

**Programme of Regional Seminar  
on University Cooperatives  
Malang - East Java - Indonesia 28th - 30th January 1992**

Monday, 27th January 1992

- All day : Arrival of participants and check in at Students Cooperatives of Brawijaya University's Dormitory.
- 12.00 - 14.00 : Innauguration of Japanese Course on KOPMA LANGUAGE COURSE (KLC)
- 14.00 - 18.00 : Free/Registration.
- 18.00 - 21.00 : Welcome party by Students Cooperatives of Brawijaya University.
- 21.00 - 21.30 : Briefing

Tuesday, 28th January 1992

- 07.00 - 08.00 : Breakfast
- 08.00 - 09.00 : Registration/additional briefing
- 09.00 - 10.00 : OPENING CEREMONY
1. SCBU : Drs. Wilopo
  2. ICA : Mr. Pradit Machima
  3. NFUCA : Mr. Okayasu
  4. Rector of UNIBRAW : Prof. Z.A. Achmady
  5. DEKOPIN : Prof. Dr. Sri Edi Swasono
  6. Innauguration by Honourable Minister of Cooperatives : Mr. Bustanil Arifin, SH
- 10.00 - 11.00 : Coffee Break
- 11.00 - 12.00 : History of Univ. Coop. in Japan
- 12.00 - 13.00 : Lunch
- 13.00 - 14.00 : Business Activities
- 14.00 - 15.30 : Home Operation and Management of Japan Univ. Consumers Cooperatives.
- 15.30 - 15.45 : Coffee Break
- 15.45 - 17.00 : Members Activities of Univ. Coops. in Japan.

- 17.00 - 19.00 : Free  
19.00 - 23.00 : Dinner Party by Rector of Brawijaya University.

*Wednesday, 29th January 1992*

- 07.00 - 08.00 : Breakfast  
08.00 - 09.30 : Future plans and Social Roles of Univ. Coops. (Japanese Team).  
09.30 - 09.45 : Coffee Break  
09.45 - 11.00 : Presentation on Univ. Coops. In Indonesia by Mr. M. Iqbal)  
11.00 - 12.00 : Field Visit  
18.00 - 19.00 : Free  
19.00 - 23.00 : Dinner Party by. The Mayor of Malang Municipality.

*Thursday, 30th January 1992*

- 07.00 - 08.00 : BreakFast  
08.00 - 11.00 : Presentation of working paper by participants from Indonesia, Malaysia, Sri Lanka and Thailand.  
11.00 - 12.00 : Action Plan by Mr. Pradit Machima  
12.00 - 13.00 : Lunch  
13.00 - 15.30 : Group Discussion & writing up of the reports. (Coffee service during the session)  
15.30 - 17.30 : Presentation of group reports  
17.30 - 18.30 : Free  
18.30 - 20.30 : Dinner  
20.30 - 21.00 : Closing the Seminar and the Farewell Party.

*Friday, 31th January 1992*

- 06.00 - : Departure of participants.

## List of Participants

28th - 30th January, 1992

| No. Name of Participant      | Office Address  |
|------------------------------|---|
| 1. Yong Dirgiatmo            | Economics Faculty<br>of Sebelas Maret Univ.<br>Jl. Ir. Sutani 36 A<br>Surakarta - Indonesia               |
| 2. S. Suharto                | Economic Faculty<br>of Sebelas Maret Univ.<br>Jl. Ir. Sutani 36 A<br>Surakarta - Indonesia                |
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| 4. I Gede Darmasetiawan      | Economics Faculty<br>of Udayana University  |
| 5. Ida Syuryanti             | Architecture Technical fac.<br>Bung Hatta Univ.<br>Jl Sumatra Ulak Karang<br>Ulak Karang Padang Indonesia |
| 6. Dadang Judi Wiharhuka     | Students Coop. of General<br>Soedirnan Univ.<br>Jl. H.R. Boenyanin Purwokerto<br>Indonesia                |
| 8. Adri Istambul Lingga Gayo | Kkbm Ikopin<br>Jl. Raya Bandung-Sumedang<br>Km. 20, 5 Jatinangor 45363<br>Indonesia                       |
| 9. Mukhamad Yazid Sukandar   | Kkbm Ikopin<br>Jl. raya bandung-Sumedang<br>Km. 20, 5 Jatinengor 45363<br>Indonesia                       |
| 10. Irwan Saputra Darlius    | Stan-Prodip Keuangan<br>Jl. Purnawarman 99<br>Jakarta Indonesia   |

- |                               |  |
|-------------------------------|--|
| 11. Nirbito                   | Ikip Malang<br>Jl. Surabaya 6 Malang, Ind.   |
| 12. Raihan Anwar              | Economics Fac. Management<br>of Merdeka Univ.<br>Jl. Terusan Dieng 62-64<br>Malang, Indonesia                        |
| 13. Sangadji Etta Mamang      | Ikip Malang<br>Jl. Surabaya 6 Malang, Ind.   |
| 14. Bernardinus Adjo          | Students Coop. of Unika<br>Widya Karya<br>Jl. Bondowoso 2 Malang, Indonesia  |
| 15. Syarifuddin Aspa          | Ikip Gunung Sari Baru<br>Ujung Pandang   |
| 16. Kusnedi                   | Economics Fac. of General<br>Soedirman Univ.<br>Jl. Grendeng, Purwokerto<br>Indonesia                                |
| 17. Herianto Puspowarsito     | Economics Fac. of Sriwijaya<br>University<br>Jl. Srijayanegara-Palembang<br>30139-Indonesia                          |
| 18. Edy Sudarto               | Ikip Gunung Sari Baru<br>Ujung Pandang   |
| 19. Juthatip Patrawart        | Economics Fac. and Business<br>Administration Kasertsart<br>Univ. Bangkok - 10900 Thailand                           |
| 20. Mokhtar Bidin             | Koperasi Universiti Kebang<br>Saan Malaysia. 43600 Ukm,<br>Bangi, Selangor, Malaysia                                 |
| 21. Mohd. Ariffin Bin Ibrahim | Bahagian Latihan dan Basiswa<br>Pejabat Pendaftar<br>Intitut Teknologi Mara<br>40450 Shah Alam, Selangor<br>Malaysia |
| 22. Yayat A                   | Students Coop. of IKIP<br>Bandung  |

- |                          |   |
|--------------------------|---|
| 23. Nana S.A.            | Students Coop. of Pasundan<br>Univ. Bandung   |
| 24. Alfiyah              | Students Coop. of Iain Walisanga<br>Semarang  |
| 25. A Rivai Muslang      | Students Coop. of Hasanuddin Univ.<br>Ujung Pandang   |
| 26. Dila Anzani          | Students Coop. of Ipb   |
| 27. Samsul Hadi Fadillah | Students Coop. of Lambung<br>Mangkurat University<br>Banjarmasin                                      |
| 28. Kim Young Mi         | South Korea   |
| 29. Kim Il Tee           | South Korea   |
| 30. Kim Yung Suk         | South Korea   |
| 31. Duminda De Silva     | Sri Lanka   |
| 32. Salinda De Silva     | Sri Lanka   |
| 33. A.K. Taneja          | ICA-ROAP  |
| 34. Suroso               | DEPKOP RI   |
| 35. Apiwan Kam Lang Ek   | Kasertsart Univ. Thailand<br>Fac. of Economics & Business<br>Administration<br>Bangkok-10900-Thailand |
| 36. Napaporn Phromchana  | Kasertsart Univ. Thailand   |
| 40. Phaholyothin Rd      | Fac. of Economics & Business<br>Administration<br>Bangkok-10900-Thailand                              |
| 41. Edy Hardiyanto       | Kopma Ikip Bandung  |
| 42. Prasetijo            | Kopma Padjajaran Univ.<br>Indonesia<br>Akop Malang  |
| 43. Ida Syuryanti        | Padang University<br>Widyagama University<br>Usu Medan  |
| 44. D. Sodikin           | Kopindo Jakarta   |



- |                              |   |
|------------------------------|---|
| 45. Mohammad Sukri           | Kopindo Jakarta   |
| 46. Iyan Kastiyani           | Kopindo Jakarta   |
| 47. Mohammad Iqbal           | Kopindo Jakarta   |
| 48. Akkaphan Leevutinun      | Chulalongkorn Univ.<br>Coop. Ltd Thailand                                   |
| 49. M. Abd. Rofiqi           | Iain Sunan Kalijaga<br>Jogjakarta   |
| 50. Dyah Erlis Triana A      | Uns Surakarta   |
| 51. Joga Guritno             | Kopma Its Kampus Its Sukolilo<br>Surabaya Indonesia                         |
| 52. Adhi Prasiddha Yoedo     | Kopma Its Kampus Its Sukolilo<br>Surabaya-Indonesia                         |
| 53. Noerman Setijadi         | Kopma Its Kampus Its Sukolilo   |
| 54. I Wayah Gede Rumeza      | Bali Indonesia  |
| 55. Retno Wulandari S. Noer  | Kopma Univ. Dr. Soetomo<br>Jl. Semolowaru, Surabaya<br>Jawa Timur-Indonesia |
| 56. Nur Indah R.             | Kopma Unibraw<br>Mt Haryono 161 B Malang<br>Indonesia                       |
| 57. Heru Nur Iswanto         | Kopma Unibraw<br>Mt Haryono 161 B Malang<br>Indonesia                       |
| 58. Dilan Sawalius Batuparah | Kopma Unibraw<br>Mt. Haryono 161 B Malang<br>Indonesia                      |
| 59. Amrozi M Hilmy           | Kopma Unibraw<br>Mt Haryono 161 B Malang<br>Indonesia                       |
| 60. Rudy Rinaldy             | Bung Hatta Univ. Padang   |

The International Cooperative Alliance is one of the oldest non-government international organisations. It is a world wide confederation of cooperative organisations of all types. Founded in London on 18th August 1895, the ICA has affiliates in 77 countries with 195 national and ten international level cooperative organisations as members serving over 648 million individual members at the primary level. The ICA is the only international organisation entirely and exclusively dedicated to the promotion of Cooperation in all parts of the world. The ICA holds Consultative Status of Category I in the United Nations Economic and Social Council (UN/ECOSOC).

Besides the head office in Geneva, Switzerland, there are four Regional offices viz. the Regional Office for Asia and the Pacific in New Delhi, India (established in 1960); the Regional Office for East, Central and Southern Africa at Moshi, Tanzania (established in 1968); the Regional Office for West Africa at Abidjan, Ivory Coast (established in 1979) and the Regional Office for Central America and the Caribbeans at San Jose, Costa Rica (established in 1989).

The ICA Regional Office for Asia and the Pacific (ICA ROAP) serves 53 national level organisations from 18 countries representing nearly 440 million individual cooperators. These countries are : Afghanistan, Australia, Bangladesh, China, Fiji, India, Indonesia, Iran, Japan, Democratic Rep. of Korea, Republic of Korea, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.

The main activities of the ROAP include coordination of cooperative development efforts within the Region and promotion of exchanges and experiences; project identification and evaluation; promotion of establishment and development of national cooperative apex organisations; and organisation of seminars and conferences on specific subjects including support for programmes aiming at the involvement of women and youth in cooperative activities.

Finances are derived from member subscriptions, own funds and assistance from donors for various activities carried by the ICA.

