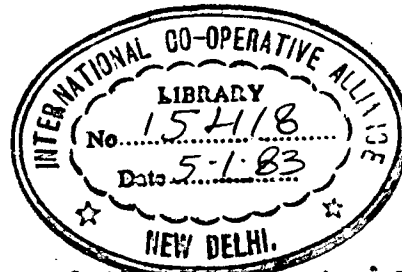


International Cooperative Alliance

2nd Meeting of the ICA Regional Working Party on Cooperative Press
for S.E. Asia, Jakarta (Indonesia): 24th to 29th May 1982

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MINUTES

OF THE

SECOND MEETING OF THE ICA REGIONAL WORKING PARTY

ON COOPERATIVE PRESS FOR SOUTH-EAST ASIA

JAKARTA, INDONESIA

MAY 24-29, 1982

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre for South-East Asia
"Bonow House", 43 Friends Colony, New Delhi - 110065 (India)

August 12, 1982

MINUTES OF THE SECOND MEETING OF THE ICA REGIONAL WORKING PARTY
ON COOPERATIVE PRESS FOR SOUTH-EAST ASIA, JAKARTA (INDONESIA).

MAY 24-29, 1982

The second meeting of the ICA Regional Working Party on Cooperative Press for South-East Asia was held in Jakarta, Indonesia, from 24th to 29th May 1982.

The meeting was inaugurated by Drs. Sularso, Director of Cooperative Extension, Directorate General of Cooperatives, Indonesia, on behalf of the Director General of Cooperatives, Indonesia. Inaugurating the meeting Drs. Sularso said that Press serves as a bridge for the needs of two interdependent ends : of the producers and the consumers, of the sellers and the buyers, of the suppliers and those who demand the goods. It is the press which can bring the information to producers where their product may have a good market; it also the press which can let buyers know of the place where to obtain the goods they need. He added that if the cooperative movement wants to progress, the use of press and publicity is of vital importance.

Mr. J.K. Lumnunon, Vice Secretary General of Dewan Koperasi Indonesia, and Mr. Lionel Gunawardana, Joint Director (P&PR), ICA Regional Office and Education Centre, also addressed the meeting.

Welcoming the members to the meeting, Mr. Lumnunon said that the cooperative press is a fruitful channel of information from outside sources and from upper organisations to members.

Mr. Lionel Gunawardana explained the objectives of the Working Party and emphasized the need to develop the cooperative press in the region as an essential supporting service to cooperative development.

Mr. Djaburuddin Djohan, member of the Working Party from Indonesia, proposed a vote of thanks. He recalled the participation of Dr. J.H. Ollman, former Secretary of the ICA Press Working Party in the last meeting and recalling Mr. R.B. Rajaguru's address to the last working party meeting said that the success of the working party is dependent on the active participation of the members of the working party. He requested the members to take active part in bridging the communication gap that exists between the movement and the general press.

Election of the Chairman of the Working Party

The meeting unanimously elected Mr. Djaburuddin Djohan as the Chairman of the Working Party.

The meeting adopted the minutes of the last meeting held in Kuala Lumpur in May 1980.

The meeting suggested that the names of members of the working party who supply news items to the ICA Regional Bulletin be mentioned at the end of such news items.

Press and Publicity Activities in the Region

The meeting reviewed the position of the cooperative press and publicity activities in the Region. Following is the summary of the presentation of country background papers by the members:

India

The cooperative movement in India was started in 1904 as a credit movement. It has now diversified to almost all sectors of the economy. The movement occupies a significant place in the programmes of rural development and other spheres. The movement commands a share of 67% in agricultural credit extended through institutional sources, 60% in supply of fertilizers and 50% of the total sugar produced in the country. Giant cooperative enterprises like the IFFCO have been established, 50-60% of wheat purchased from farmers is being handled by the marketing cooperatives.

In spite of the achievements, the role played by the cooperatives in the national economy has not been fully appreciated by the general public. While several reasons may be adduced to this, one reason appears to be the lack of proper publicity of cooperative activities. Publicity is not only needed to attract new members and customers but also to sustain the old members and existing business.

From the early period to the present day, a large number of publications have been brought out by the movement in the form of books, booklets, pamphlets and journals. The Tamilnadu Journal of Cooperation, an English monthly started in 1908 is one of the oldest journals in the cooperative sector.

The National Cooperative Union of India (NCUI), State and District level cooperative unions which are engaged in promotion of cooperative member education and training publish a number of cooperative journals.

At present in India there are nine weeklies, five fortnightlies, 23 monthlies and 12 quarterly cooperative publications being published at different levels. The total number of cooperative journals exceeds 70.

The NCUI publishes a fortnightly in English "Cooperator", a monthly in Hindi "Sahakar Path" and quarterly in English "Indian Cooperative Review". While the Cooperator and the Sahakar Path are cooperative news journals, the Review is a research oriented journal. National level business organisations like the National Cooperative Consumers Federation, National Agricultural Cooperative Marketing Federation of India Ltd., the National Federation of Sugar Cooperatives, and the State Cooperative Banks Federation bring out their own journals highlighting activities in their respective fields. Audience of these journals are also restricted to the field of activity undertaken by the federations/cooperatives.

The Central and State Government Ministries incharge of cooperation have their own press and publicity wings. A number of publications, publicity material and films are regularly brought out by the government cooperation departments.

The cooperative journals in India are brought out in Hindi, English and several other major Indian languages.

The NCUI, as a part of its efforts to project the correct image of the movement, both to the members and the general public, has set out plans to strengthen the mass media within the cooperative sector. It has plans to start a cooperative daily newspaper and a series of documentary films on the different activities of the movement.

Special supplements are brought out in national newspaper on important occasions, like the Indian Cooperative Congress, by the movement. Articles highlighting the achievements of the movement are published in these supplements.

The National Cooperative Development Corporation, a government corporation, set up to assist cooperative development has started conducted tours of selected correspondents of National dailies to successful cooperative organisations in different states. This programme has given an opportunity to the newspaper correspondents to observe for themselves the activities of cooperatives and also has helped to bridge the gap between the cooperatives and the national press to a certain extent.

Indonesia

The history of cooperative press and publicity in Indonesia cannot be separated from the history of development of cooperatives. Cooperatives have made use of publicity and press materials as means of communication and dissemination of cooperative information.

Cooperative press and publicity in Indonesia plays a vital role in the development of cooperatives. At present, several monthly journals, books on cooperation, leaflets, posters and booklets as publicity material, are brought out by the movement.

The Indonesian cooperative movement sent participants to the three activities held by the ICA in the field of cooperative press and publicity and took follow-up action on the return of these participants. The Dewan Kooperasi Indonesia (DKI) in collaboration with the Directorate General of Cooperatives deeply involves itself in activities relating to cooperative press and publicity. The following courses were held as a follow-up of the ICA Regional Workshop on Cooperative Press and Publicity held in Tokyo in 1978:

- i. Workshop on visual aids for coops, Jakarta, June 1979.
- ii. Workshop on the role of publicity to support coop. activities, Jakarta, March 1980.
- iii. Panel discussion on "How to popularise cooperatives", Jakarta, June 1980.
- iv. Training for cooperative journalists, September 1980.

On the basis of the recommendation of the training course held in September 1980, a Cooperative Information Centre was established in January 1981. The Centre's activities include collection, analysis and distribution of informative material to coop. journals, improvement of skills of members and collaboration with the government and other institutions in the field of coop. press and publicity. To achieve its objectives the coop. information centre, held the following activities after January 1981:

- (a) Publication of a monthly bulletin giving information on cooperative activities, first in mimeographed form and later in printed form.
- (b) Conducting different courses both for members and journalists:-
 - A Training Course for members, was held in April 1981.
 - A panel discussion on how to develop self-help attitude among the movements, was organised in August 1981.
 - Two courses entitled "Cross meeting with journalists", were held in January and March 1982.

The activities of the Centre was subsidised by the Cooperative Department earlier but presently the Centre is working as a part of the DKI and carries out its activities as a wing of the national cooperative organisation.

Recently the movement has started publishing "Coop. News" a monthly, in English giving the developments within the movement. This journal is mainly for the information of the visitors and sister movements in other countries.

Republic of Korea

The public relation activity has been carried out as a part of the guidance activity of the National Federation of Fishery Cooperatives (NFFC). The Department of Education and Public Relation in the NFFC is responsible for the overall public relation and publication activities.

Public relation activities of the Federation is primarily designed to widely propagate the working programme and achievements of the fisheries cooperative and fishing village societies. These activities are carried out through newspapers, magazine and broadcasting net works run by both the state and the cooperative sector. The Federation carries out public relation activities by using audio-visual equipments.

The Federation has produced publicity materials for publicising the major business activities undertaken by the fisheries cooperatives and for encouraging the consumption of mass-caught fishes. These are used in advertisements in the national newspapers and commercial messages on T.V. and radio.

Major public relation activities undertaken by the Federation are as follows:

Every year, the Federation produces more than 72 publicity materials containing the working programme and achievements of the fisheries cooperatives for distribution among the fishermen, members of the fisheries cooperatives, newspapers, correspondents, magazines, radio and T.V. This kind of public relations activity has made a considerable contribution towards better understanding and creating a sense of participation in fishermen in the activities of fisheries cooperatives.

The Federation has carried out more than 700 broadcasting programmes for the purpose of supplying information relating to fishing conditions, fish prices, aquaculturing techniques, success stories of fisheries cooperatives and fishing village societies, working programmes of the fisheries cooperatives and government policies.

The Federation has conducted programmes for the purpose of encouraging the consumption of such mass-caught fish as mackerel and saury in peak fishing seasons and for stabilising the prices of oyster and sea weeds. These have resulted in the increasing income of the fishermen.

The Federation has two film vans. The Federation has produced slides and films on successful fisheries cooperatives as well as fishing village societies. These materials have been utilised for the circuit-public relation activity or directly distributed to the provincial branch offices and the member fisheries cooperatives for their use.

The Federation publishes 30,000 copies of "New Fishermen", its monthly organ and supply them to the member fisheries cooperatives and the fishing village societies. In addition, the Federation has published the "Fisheries Cooperatives in Korea" written both in English and Korean languages to introduce the activities of the fisheries cooperatives. The Federation also supplied the fishing communities with the calendars and diaries.

In addition to these publications the Federation purchases the weekly "Fisheries News" and the monthly "Modern Fisheries" and distributes them to the fishing village societies throughout the country.

Malaysia

In Malaysia the movement was first introduced in 1922. The importance of cooperative press and publicity was really felt necessary in 1969 when the first issue of "Berita Bank Rakyat" (Bank Rakyat News) was produced by a local secondary banking cooperative. Earlier, the Department of Cooperative Development initiated news magazine which was short-lived. Even much earlier, a cooperative magazine was produced in English and the National language (Jawi), whilst in the early thirties the magazine "Cooperator" was produced in Singapore. Several books on cooperation were also produced.

Almost all of the cooperative publications in Malaysia are in Bahasa Malaysia and are distributed free. Some are being produced in both Bahasa Malaysia and English. Various magazines that are being produced by the Malaysian Cooperative Movement are as follows:

- a) PELANCAR - published monthly by NAGKASA since 1974. Distributed free to members and sold at cost to others;
- b) Berita Koperasipolis- published monthly by the Police Cooperative Society. Distributed free to members;
- c) Berita Bank Rakyat - published by Bank Rakyat Cooperative;
- d) MCIS Review - published by the Malaysian Cooperative Insurance Society for its personnel;
- e) Malaysian Cooperator- published by the Malaysian Cooperative Union for those at the national and international level;

-: 6 :-

- f) K S M - published half yearly by the Malaysian Consumer Cooperative Society;
- g) Suara Shamelin - published by the Shamelin Cooperative Society;
- n) Suara Koperasi Tentera - published quarterly by the Malaysian Army Cooperative Society;
- i) Kootturavu - published by the National Land Finance Cooperative Society;
- j) Breakthrough - published by the Malaysian Cooperative Insurance Society;
- k) Surat Keluarga Bank Rakyat - published by the Bank Rakyat Cooperative for its employees;
- l) Berita MKM - published by the Cooperative College of Malaysia;
- m) Peladang Jaya - published by the Farmers Organisation Authority;
- n) Berita LPP - published by the Farmers Organisation Authority and other publications such as newsletters and annual reports.

ANGKASA being the apex organisation realises the importance of cooperative press and publicity in Malaysia since its formation in 1971. In achieving its specific objectives, one of the main roles of ANGKASA is to produce books, magazines, newspapers, pamphlets and other forms of educational and informative materials. To carry out these responsibilities the PELANCAR National Magazine Publication Unit was formed in 1974. Its main aim is to publish the monthly magazine "PELANCAR" and act as the voice of the Malaysian Cooperative Movement.

Philippines

Historically, the first attempt of the Philippine Government in the promotion and development of the cooperative movement dates back to 1915 when the first Cooperative Law, Act No. 2508, was enacted. This is known as Agricultural Rural Credit Cooperative Law, which permitted the organisation of Agricultural Cooperative Credit Associations.

The first agricultural credit cooperative association was organised in Cabanatuan, Nueva Ecija only in 1916 because Act No.2508 had to be amended to designate a Government Officer to supervise the operations of the agricultural cooperative credit associations.

The second attempt of the Philippine Government came in 1927 when the Philippine Legislature enacted Act 3425, otherwise known as the Cooperative Marketing Law which was almost a verbatim reproduction of one of the State Laws in the United States. Commonwealth Act No.565, 1940, permitted the organisation of any type of cooperative, and this included consumers cooperatives and credit unions.

Cooperative Union of the Philippines (CUP)

As early as May 1976, Cooperative leaders formed the Cooperatives Consultative and Coordinating Committee (CCCC) to represent the cooperative movement in the Philippines. In May 1978, the CCCC worked with the Bureau

of Cooperatives Development, the National Association of Training Centres for Cooperatives, Inc., and the Friederich Ebert Stiftung in sponsoring a seminar-workshop on Federations and Unions. On February 1, 1980, the National Cooperative Union of the Philippines was registered with the Bureau of Cooperatives Development under Certificate of Registration No. KAL-052. The CCCC became the CUP.

The "Philippines Cooperative Advocate" was first issued in September 1959. It contained success stories of cooperatives in the Philippines and abroad. It also included guidelines for a more efficient management of non-agricultural cooperatives.

In March 1960, the management and publication of the Philippines Cooperative Advocate was taken over by the Central Cooperative Educational Board created in accordance with Republic Act No. 2023, to administer the 5% Educational Fund out of the Net earnings of all non-agricultural cooperatives. When the Martial Law was declared in 1972, the publication was stopped.

But the cooperative leaders in Mindanao, Southern Philippines, in June 1973 published a monthly cooperative newsletter called the "CO-OP FORUM", originally in mimeographed form.

When the Friederich Ebert Stiftung of Germany donated a Printing Press to the Southern Philippines Cooperative Training Centre, the Co-op Forum came out in printed form with 14 pages. Originally the Co-op Forum was the organ of the Southern Philippines Cooperative Training Centre, but when the Mindanao Alliance of Self-help Societies was organised, the Co-op Forum became the organ of this bigger organisation.

In 1977, the Co-op Forum became the official organ of the National Association of Training Centres for Cooperatives (NATCCO) now having a circulation all over the Philippines, sent only to paid subscribers.

The first issue of the "Philippine Co-op Newsletter" came out in November 1981 and have issued five monthly newsletters so far.

In the last meeting of the Executive Committee of the CUP on the recommendation of the Budget Committee has decided that the Philippines Co-op Newsletter will become the "Philippine Co-op Journal", a quarterly magazine of the Cooperative Movement of the Philippines. The first issue is expected to come out in June 1982.

Sri Lanka

The cooperative movement in Sri Lanka originated in 1911. From that time onwards education, extension and publicity activities of the cooperatives were carried out by the Department of Cooperative Development. A separate section for cooperative publicity was established within the Department in 1949 which started publication of "Samupakaraya" a fortnightly Sinhala newspaper. This journal was taken over in 1956 by the then Cooperative Federation of Ceylon, the present National Cooperative Council of Sri Lanka. Articles relating to philosophy and practice of the movement as well as coop. news are published in this journal. The circulation is around 4000 copies. The journal is at present printed in the cooperative press owned by the National Cooperative Council of Sri Lanka and the production cost is subsidised by the Council.

A Tamil Magazine, "Aikkiya Theepam" is being published by the northern division National Cooperative Council since 1945. This magazine is distributed among the Tamil speaking areas of the island. From 1976 this is being published as an eight page tabloid with a circulation of 1500 copies.

The school of cooperation in Polgolla is also publishing a monthly journal entitled "Swachcha" which caters to the official cooperators within the movement. It covers a wide range of subjects such as management, audit, cooperative law and general management of cooperatives.

The NCC has a film unit. Two short films based on Cooperation are made available to cooperatives on request. A separate photographic section is also functioning under the management of the NCC. Photographs taken at numerous cooperative functions are supplied to cooperative publications as well as to the local press. In addition to these, NCC also supplies news and information to local press as well as radio and T.V. highlighting the major achievements in the cooperative movement in Sri Lanka.

Thailand

Cooperatives in Thailand were established during the reign of King Rama, the fifth of Jukree Dyansty by the initiative of government to release farmers from debts and to improve their standard of living. A cooperative was organised as a thrift and credit society at Miang district in Pitsanulok province and was registered on February 26, 1916.

On May 19, 1928 Cooperative Act 1928 was promulgated by the government. Other types of cooperatives were also encouraged.

The cooperative promotion department undertakes press and publicity activities as follows:

1. Production of bulletins, leaflets, folders, pamphlets and posters.
2. Producing handbooks or brochures for cooperative officers.
3. Producing year books and annual reports on the progress of all types of cooperatives.
4. Producing cooperative journal with the local subscription rate of Baht 25 per annum with free postage.
5. Producing articles on cooperative activities and circulating them to the press, radio and television.
6. Producing cooperative films and slides for television and for the mobile training units.
7. Arranging cooperative exhibition in Bangkok and some provinces.

The Cooperative League of Thailand (CLT) was established under the Cooperative Act 1965 to serve as a non-official organ for the promotion of cooperative development throughout the country. One of its main functions is cooperative extension i.e. to produce and publish educational material for distribution to cooperative members and general public.

Publicity Work

Promotion and Extension is one of the four divisions of CLT which consists of:

1. Periodical and publishing section.
2. Public Relation Section.
3. Audio-Visual Aid Section.

The main functions of promotion and extension division are:

1. Collecting news and producing articles on cooperative activities for the mass media.
2. Producing films on cooperative activities for general public.
3. Making the schedules for press releases, television and radio programmes.
4. Giving lectures and arranging cooperative exhibitions.
5. Bringing out folders, booklets, text books, journals on cooperation.

Cooperative Press

The CLT publishes journals in Thai language, a monthly journal called "CLT Bulletin" and a fortnightly newspaper called "Co-op News". Journals and Newspapers are distributed to every Cooperative in Thailand.

The Phranakorn Cooperative Store, the biggest consumer cooperative in Thailand, has published members relationship bulletins, folders and annual reports.

Functions of Journalistic medium as a part of mass communication

The meeting discussed at length the functions of journalistic medium as a part of mass communication. The effective ways in which an awareness of the capabilities and benefits of the cooperatives could be created among those within the movement and outside was also discussed.

The meeting felt that cooperative journalists should disseminate information re coop's activities not only to its members but also to the general public. Cooperative education programmes emphasising cooperative ideology, training, and philosophy and practice of cooperation should be given to both members and non-members.

Journalists could play this role effectively by making the members aware of their cooperative's objectives and activities. The journals brought out by them could train its readers for efficient leadership. This could be achieved by a balanced presentation of matters in the journal, both cooperative and of general interest. The journals could function both as educator and entertainer. Success stories of cooperatives functioning efficiently, attractive and interesting news and views on cooperative and allied subjects and highlighting cooperative activities could help in the balancing of news and views.

The meeting felt that a cooperative journalist to be effective should focus attention of the reader towards the coop. activities. He should act as an educator as well as an entertainer. The seven Cs of communication i.e. credibility, confidence, context, content, clarity, channel and consistency should be followed by the journalists for better presentation of the movement's image.

Ensuring reader appeal of coop. journals

The meeting discussed at length the aspect of creating and ensuring reader appeal of cooperative journals. It felt that in spite of many difficulties faced by cooperative editors they must ensure that the reader is attracted towards the journal produced by them.

Broadly, the meeting identified the readers of cooperative journals in the following four categories:

- i. Leaders of cooperatives who want to improve the community through cooperatives and who are interested to keep themselves posted with news and views on matters of cooperative interest.
- ii. Teachers and students of cooperation, who are in constant need of fresh material/news on cooperation.
- iii. Employees of cooperative departments and organisations,
- iv. Passive members and the general public.

The cooperative editor, the meeting felt, should make efforts to satisfy the above reader groups and should try to mix the material presented in his journal accordingly. The contents and lay out, selection of articles, features, news, views, success stories, light reading materials supported by photographs charts and illustrations are some of the factors that would influence the reader appeal.

The editor should not only possess adequate professional knowledge but also should tap sources from where he can get contributions from people connected with the movement. A small honorarium to the contributors could also be tried for getting quality contributions to the journals.

The editor should ensure that the editing is done properly, headings and sub-headings given are catchy and attractive, style of the journal is in accordance with the policy of the management, provision of adequate fillers and addition of attractive material supported with photographs and charts, where needed, to create and sustain the reader appeal of his journal.

Production aspects of the journal should also be given adequate attention so that the get up and look of the journal is attractive.

Ensuring the production of the journal in time and its despatch to the readers/subscribers in time will also add to the confidence of the readers in the journal. Professional staff, where feasible, should be employed to assist the editor in all his tasks. Support to the staff by way of working freedom, improvement of working conditions and emoluments will encourage the staff to give their best for the production of a quality journal.

Advertisement support from other cooperative and like minded organisations could be sought to give financial support to the journal.

Proper mix of the material to attract and sustain the interests of the different reader groups, bringing out the magazine and its despatch in time to the readers, and proper follow up with the readers regarding their opinions about the journal and improvements based on their suggestions would create and ensure reader appeal of cooperative journals.

Workshop Exercise was conducted where members explained to the workshop, production of the cooperative journals of their organisations, their contents, coverage, methods of allocation of space to different presentations, etc. The other members made comments, intended to assist in improving these journals. Mr. Sularso from Directorate General of Cooperatives, guided this workshop exercise.

Resolutions

After detailed discussions the meeting adopted the following resolutions:

a/ Exchange of Cooperative News

The Working Party suggested that editors of cooperative journals and information officers of cooperative organisations in the region should continuously send news coverages on important cooperative developmental activities to the ICA Regional Bulletin. A digest of these news should be sent by the ICA ROEC to cooperative journals in the Region.

It was also suggested that, as a part of this exchange of news, cooperative journals published in the Region in English should be sent to the editors of cooperative journals in the other countries.

b/ Exchange Scheme for Coop. Journalists

The Working Party recommended that a scheme of exchange of working journalists between cooperative journals in the region should be drawn by the ICA. A journalist/information officer may be given opportunity under this scheme to be attached to a journal in another country on a working-cum-learning assignment.

"Cross Meetings" of coop and other journalists

The meeting noted that "cross meetings" of cooperative journalists with other journalists working with the daily press have been organised and found very useful in Indonesia. The meeting suggested that members of the Working Party should take initiative in arranging such cross meetings which, it felt, will help the cooperative journalists to enrich their knowledge in journalism and the other journalists to know more about the working of cooperative organisations for an objective presentation of news and views in their respective papers.

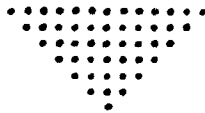
Seminar in Sweden

The Working Party recommended that the ICA ROEC should request the Swedish Cooperative Centre (S C) to hold a training seminar in Sweden for cooperative journalists and information officers from the Region. The Working Party noted that as the cooperative journals brought out by the Swedish Cooperative Movement have a better coverage, larger circulation and serve as effective spokesmen of the movement, the experience of the Swedish Movement would be of immense benefit to cooperators from the Region.

A study visit programme for a few cooperative societies within Indonesia was also arranged to acquaint the members with the working of cooperatives in Indonesia.

Sd/-

Lionel Gunawardana
Secretary, ICA Working Party
on Cooperative Press for
South-East Asia



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LIST of PARTICIPANTS

2nd Meeting of the ICA Regional Working Party on Cooperative Press
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Mr. LIONEL GUNAWARDHANA

~~Secretary~~

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2nd Meeting of the ICA Regional Working Party
on Cooperative Press for S.E. Asia, Jakarta
(Indonesia) : 24th to 29th May 1982.

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P R O G R A M M E

- 23rd May Sun : Arrival of participants in Jakarta.
- 24th May Mon
- 0900 - 1000 : Inauguration
- 1000 - 1030 : Tea break
- 1030 - 1230 : Presentation of summary of background papers on
" Present position of cooperative press and pub-
licity " and discussion.
- 1230 - 1400 : Lunch break
- 1400 - 1630 : Meeting of the ICA Regional Working Party on
Cooperative Press.
- 25th May Tue
- 0900 - 1030 : Ensuring Reader Appeal of Cooperative Journals
(Mr. Chong K. Ahn).
- 1030 - 1100 : Tea break
- 1100 - 1230 : Problems and difficulties in creating reading
appeal of cooperative journals (C.M. Rajan).
- 1230 - 1400 : Lunch break
- 1400 - 1500 : Function of journalistic medium as part of mass
communication (Mr. D.H. Assegaf).
- 1500 - 1530 : Tea break
- 1530 - 1700 : Group work : Greeting Reader appeal in Coop
journals.
- 26th May Wed &
27th May Thu : Study visits
- 28th May Fri.-
- 0900 - 1230 : Workshop exercise - 1 : Take selected publica -
tions discuss contents, adequacy of coverage,
presentation etc. (Guided by Mr. Juroso W Yuwono)
- 1230 - 1400 : Lunch break
- 1400 - 1700 : Plenary
- 29th May Sat. : S l o s i n g
- 30th May Sun. : Departure of participants.

2nd Meeting of the ICA Regional Working Party on
Cooperative Press for South East Asia, Jakarta
(Indonesia) : 24th to 29th May 1982.

GROUP I :

1. K.D. TRIPATHI
2. DJABARUDDIN
3. Mrs. PATDAPORT
4. Mrs. KADARISMAN
5. P. SIPAHUTAR
6. PAULUS WARSITO
7. Drs. SYAIFUL BAHRI
8. HANS R RATAG
9. A.H.N. C.K.

GROUP II :

1. MONANGDO
 2. N E L I R
 3. MISS RABIAH
 4. A.H. GENESAN
 5. ZUCHRI SUTARDJO
 6. ADNAN SUSANTO
 7. SUWARDI SUDIBYO
 8. P U R N O M O
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Ensuring Reader Appeal of Cooperative Journals

2nd Meeting of the ICA Regional Working Party
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1. Introduction

The National Federation of Fisheries Cooperatives (hereinafter referred to as the Federation) is the national organization of the Korea's fisheries cooperative movement and it marked the 20th anniversary on April 1st of this year.

The beginning of fishermen's organizations in the Korea's modern history can be traced back to 1908 when the Korea Fishery Law was promulgated and in accordance with this Law two fisheries organizations : Kouje-Hansan-Gajo Net Fisheries organization and Kouje-Hansan Sea Weed organization were established in the southern part of Korea in July of the same year. The modern fisheries cooperatives were emerged in 1962 when the Fisheries Cooperative Law was promulgated and the Federation and its member fisheries cooperatives were first created on April 1, 1962. Currently the Federation has 71 member fisheries cooperatives with 133,000 members affiliated with them and 1,436 fishing village societies across the country. Total business turnover of the Korea's fisheries cooperative movement in 1962 remained 6.7 billion and it jumped to 2,146 billion Won in 1981, showing a 320 times expansion. As a result, the Korea's fisheries cooperative movement has made a remarkable progress in their efforts to serve the fishermen.

Based on the principle of the cooperative movement the Korea's fisheries cooperatives has undertaken various service and business activities to enhance the fishermen's economic and social status, and in particular, they have placed their priority on the guidance service activities which included the public-relation activities. In 1982 the Federation budgeted 5,275 million Won (7,536 thousand U.S. Dollars) for the guidance service activities composed of organizational strengthening,

guidance service on the production, educational and training programme, survey and research and public relation activities, and out of the budget a total of 346 million Won (494 thousand U.S. Dollars) was exclusively allocated to the public-relation and publication activities. In addition, the Federation set aside a total of 46.7 million Won (67 thousand U.S. Dollars) to procure the publications and newspaper for the eventual purpose of public relation by distributing them to the fishermen and others engaging in the fisheries cooperative organizations.

The Korea's fisheries cooperative movement started their public relation activities in 1962 when the modern fisheries cooperative organizations emerged in this country. In November 1963, the Federation started issuing the weekly "Fisheries Cooperative News" and its circulation reached 30,000. In the same year the monthly magazine "Fishermen", the predecessor of the current "New Fishermen" was issued by the Federation for the public relation purpose and its circulation ran at 2,500 monthly in the earlier years. Later, the "Fisheries Cooperative News" was ceased to be issued on December 31, 1971 due to the financial difficulties and the issue number remained 174. The monthly magazine "Fishermen", however, was retitled as "New Fishermen" and it has survived to be a Federation's monthly organ with the circulation currently running at 30,000 copies.

On the other hand, the Federation has procured the monthly magazine "Modern Ocean" and weekly newspaper "Korea Fishery News" and distributed them to the fishermen and others engaging in the fisheries cooperative organizations for the public relation purpose.

2. Guide-Line for Editing "New Fishermen"

The monthly magazine "New Fishermen" with the issue number running at 169 as of May 1982 has been regarded as the most important publications issued by the Federation and it has made a significant development since its first issuance.

The monthly magazine has 188 pages including the cover and 28 photographs in color or white and black photograph. 45 per cent of total pages is devoted to the technical information on the fisheries and 40 per cent goes to the education, culture and public relation activities on the government's policy and the fisheries cooperative movement. Remaining 15 per cent is allotted to the literature, arts and other matters. The Federation has made its every possible efforts to make this monthly magazine needed by the fishermen and read by as many as fishermen with the highest priority placing on carrying the columns appealing the readers of all level in the fishing communities.

Following explanations on "New Fishermen" is given on the basis of category and level of readers.

a. Classification of Contents by Category

1) Technical information on fisheries

This monthly magazine has put its paramount objective on supplying the technical information on the fisheries to the fishermen to ensure the improved fishermen's income. For this purpose the magazine has carried every month the columns on the management of seaweed culturing, management of shellfish culturing and information on the catching by fishing grounds. In other words, this magazine has timely carried the scientific and

technical information on the fishing grounds. In particular, the "New Fishermen" has carried the special edition on fisheries production which has been aimed to supply the necessary information corresponding to the fishing operation season by the fishing type, caught species and fisheries culturing. Another special edition has been included in this magazine to present the fisheries policy in the future, issue and answer facing the fisheries cooperative movement and new income source for the fishermen. Among the major special editions were the Creation of Fisheries Resources, the Export of Marine Products, Perfect Use of Marine Products as the Food, the Marine Development, the Tourist Development in the Fishing Communities, the Measures to Overcome the Fisheries Disasters, the Preservation of Freshness in the Marine Products, the Measures to Ensure the Fair Prices of Marine Products and Processing of Marine Products.

Today's technology and science is making a rapid progress and owing to this progress the fisheries techniques has changed year after year. In line with this trend the "New Fishermen" has establish the columns of the Brief News on Foreign Fisheries and the Changing World's Fisheries to provide the up-to-date fisheries information to the fishermen.

2) General Culture

The columns of culture in "New Fishermen" has appealed the readers of all level because they contained the most informative and interesting stories in the daily life. The foreword has been written by such prominent figure as president of university, dean of college, professors and journalists and it usually contains valuable contents contributing to the fishermen's spiritual enlightenment. In this category the monthly

magazine has carried the dialogue columns on legal affairs in such non-fiction stories as the Diary on Savings, the My Fisheries Management, the Successful Case in the Saemaul Project, and the Guidance Worker's Diary in the Fishing Communities. The introduction of these kind stories has greatly impressed the leasers and the young people in the fishing communities.

3) Literature and arts

The "New Fishermen" has carried the columns of literature and arts and they have made a leading role of promoting the ocean and sea literature in this country. Every month 15 pages has been spared for the novel, essay and nursery story. Three novels depicting the historic events in sea or fishing village and a nursery story have been carried in the monthly magazine and nursery story titled the "Nursery Story Read in the Beach" is aimed to provide the young people in the fishing communities with full dream toward the sea.

In order to fulfil the demand of readers interested in the literature the magazine has spared 4-5 pages for the readers' columns and they have carried the poem, essay and short story supplied by the readers. In addition, the monthly magazine has alloted the entertainment and sports columns carrying the stories about the famous entertainers in the circle of movie, drama and T.V.

4) Public relation on the government's policy and fisheries cooperatives' activities

The "New Fishermen" has an indirect influence on the formulation of the government's fisheries policy by carrying the planned edition and other article related to the government's

fisheries policy and at the same time it has played a catalytic role between the fishermen and the government by propagating the government's general policy as well as fisheries policy. For this purpose the monthly magazine has spared a column running at 10 pages and some times it has been filled with the contributions written by Minister of Agriculture and Fisheries and Administrator of the National Fisheries Administration.

On the other hand, this magazine propagated the service and activities undertaken by the fisheries cooperatives to the fishermen as well as the members and for this purpose it has spared the column of Fisheries Cooperative News. 6-7 pages has been spared for the column of Fishermen's Voice to reflect the fishermen's opinion.

5) Photograph

The "New Fishermen" has usually carried 14 pages of color photographs and 14 white and black photographs. Most of the color photographs have been allotted to the cover, list of contents and public relation column on the service and business activities by the fisheries cooperatives and about five pages of the color photographs have devoted to such fishermen's interesting columns as "Advancing Fishing Communities", "Prize Winner for Increased Production", "Korea's Sea Birds", "Stories Behind Fishes", "Fishing Scene in Full Season", "Festival for Mass Catch", "Cultural Event in Fishing Communities", "Proud Fisheries Cooperators", and "Introduction of Cash Crop for Fishermen's Side-Line Job.

6) Classification by Level of Readers

The "New Fishermen" is the monthly fisheries magazine

with the largest circulation and its readers are the fishermen, fisheries cooperators, those people engaging in the fisheries production, and young people, students and women living in the fishing communities. In particular, the level of transportation, culture and education in the fishing communities are lagged behind those in the urban and rural communities and the role of this monthly magazine distributed into the every corner of the fishing communities has a great importance. The "New Fishermen" has, therefore, made every efforts to diversify its readers by establishing the special column for the women, juvenile and children in the fishing communities. For example the magazine has spared a women's consulting column carrying the articles about the health, pregnancy, nursery, and family programme. In addition, it has carried the columns of the menu in the Fishing communities and the This Month's Cloth, Taste and House to provide the knowledge required for the appropriate home economics. As part of this effort it carried a special edition titled the Consciousness Reform of Women in the Fishing Communities to enhance the women's consciousness in the fishing communities.

On the other hand, the "New Fishermen" has carried various diaries in the column titled the "Flag Bearer in Fishing Communities" and it has been designed to encourage the juvenile's participation in the community development. In addition, it has carried nursery story for the children in the fishing communities and in an effort to provide the marketing information of marine products to the consumers in the urban area and the producers it has carried every month a column of the Price of Marine Products in the large consuming cities.

3. Get Up and Lay Out

a. Get Up of the "new Fishermen"

The "new Fishermen" has 188 pages with the size of 18.8 cm in width and 28.5 cm in length and has been printed in both of off-set and movable type. The cover has the most importance in appealing to the readers and the cover of the "New Fishermen" has been the photographs depicting the scenes of fishing communities, fishing operation, seaweeds, fishes, and shell fishes.

According to the survey of the readers' opinion on the cover of the "New Fishermen" 55.5 per cent favoured the photograph currently carried in the cover and 19.4 per cent preferred drawings to the photograph. The survey further revealed that 15.8 per cent preferred the figure photograph and 9.2 per cent chose abstract picture. Based on the survey result it is considered to diversify the cover picture by carrying the orient and western paintings as well as the figure photographs.

Art/150 g/m² paper has been used for the cover of the "New Fishermen" and the title has been put on the upper part of the magazine with the date of issue and number of issue printed on right-lower part of the cover. Regarding the paper quality art/100 g/m² is used for the list of contents and color picture and 8/g/m² is used for the white and black picture. 55/g/m² rough paper is used for the rest of contents.

b. Lay Out

In laying out the "New Fishermen" emphasis has been placed on enhance the readers' understanding and interesting, and for this purpose as spacious as blank and as much as freshness have been given casting away the traditional laying out method. The editors, therefore, are necessary to review over and over

the manuscripts contributed by the writers to meet the fore-mentioned purpose. In addition, the monthly magazine has been printed in the Korean language so as to make the readers of all level accessible to this magazine and the foreign language is used in parenthesis if necessary. As a significant development in laying out the magazine the traditional vertical writing was switched into parallel writing beginning April edition of this year. The Korean language is possible for both vertical and parallel writing and largely influenced by the newspaper, magazines and general books partly written in the Chinese characters the vertical writing has been generally adopted.

The government has encouraged the exclusive use of the Korean language and most of the readers are short of the knowledges on the Chinese language. What is more, it has been proved that the parallel writing is more scientific than vertical writing in the aspect of the human's sight structure. Most publications written in the Korean language, therefore, have the trend of switching from vertical writing to parallel writing.

4. Pricing

In general the price of magazine has been decided on the basis of cost and earning. The price of the "New Fishermen" issued by the Federation has no significant meaning because 20 per cent of total earning after deducting the business cost has been allocated to cost required for the guidance service, and this is clearly stipulated in the regulation governing the service and business by the fisheries cooperatives. In accordance with this regulation fixed portion of the budget has been set aside for the fishermen's welfare and educational programme.

Production of the "New Fishermen" has been made as part of

the guidance service and the Federation has meet the full production cost and other cost required for the distribution. As a result, the readers have been subscribed free of charge. In case of subscription order from general public other than the fishermen, from regional and business-type fisheries cooperatives for the exclusive use the Federation has charged only prime cost of production in the amount of 350 Won.

5. Advertisement

It has been hoped to carry as many as advertisement on the publications to reduce the production cost by increasing the earning. In case of this magazine, however, there have been limit in acquiring the sponsors and in carrying the advertisement. The limited marketability of this magazine has hampered the sponsors from ordering the advertisement and the stagnant economy has worsened the situation of acquiring the sponsors. Another problem is the contents of the advertisement. The "New Fishermen" is in no position to carry the advertisement without limit since this magazine has been issued to provide the fishermen with the guidance and enlightenment and to promote the education and culture in the fishing communities. For example the magazine has refrained from the advertisement encouraging the luxury, waste and immorality. Currently the industries ordering the advertisement are the companies manufacturing the boat engines, fishing gears and banking institutes and the advertisement order is anticipated to grow in the future.

6. Measure for Securing Readers

20 years passed since the "New Fishermen" a magazine for

Korea's 800,000 fishermen, has been first issued and the issued numbered reached 169. Two opinion survey have been conducted in August 1976 falling on the 100 editions and in October 1980 falling on 150 editions respectively and based on the survey result the efforts have been made to upgrade the magazine's production and distribution. The survey produced the reading rate as specified in the following table. As the significant development the monthly magazine has carried the technical information on the fishing by the fishing grounds and this has based on the survey result. In addition, the magazine had been distributed to the fishermen through the fisheries cooperatives in the past and currently they are transported directly to the fishing communities.

Reading rate of the "New Fishermen"

Year	1976	1980
Item		
Reading most of contents	47.6 %	60.3 %
Reading only the interesting part of the contents	49.3 %	34.1 %
Roughly looking over	2.1 %	5.6 %
No respond	1.0 %	

Providing the technical information on the fishing by the fishing grounds started in 1981 and it has been considered as reasonable measure since the three sea areas surrounding the Korean peninsula have the varying fishing situation.

As mentioned in the above the Federation has shipped the magazine to the fishing communities and the chief of fishing village

society takes the full responsibility of distributing them to the fishermen. In some cases, problems have occurred in distributing the magazines to the fishermen due to the dishonesty of the responsible chief. For this reason the Federation has mailed the magazines directly to the fishermen at the cost of 2,131 thousand Won starting from 1981.

The difficulties facing the special magazines has been the weak marketability and earning and these have been regarded as the most important factors deciding the editing method and contents. The "New Fishermen" has been free from these problems since it has been issued at the Federation's own cost. The contributors in the field of culture, literature and arts have been the professor, doctors, lawyers, journalists, novelists, and poets and the contribution on the technical information on the fisheries have been coming from the technical staff working for the National Fisheries Technique Promotion Institute. It has, however, been experiencing the difficulties to secure the able contributors because of the limited manuscript fee and field. As a measure to overcome these difficulties the Federation plans to expand the contributors to the professors of the university and also to the teachers of the fisheries high school.

7. Conclusion

So far various aspects on the cooperative publications have been reviewed centering on the "New Fishermen", a monthly magazine issued by the National Federation of Fisheries Cooperatives. The magazines including the "New Fishermen" issued by the Korea's cooperatives have the character of integrated education and organ of the organizations with vulnerable marketability and earning. In particular, attention must be paid on the difficulty of understanding since its readers are those people

having a low level of education. These and other conditions have been the major factors playing the role of deciding the contents of the publication.

Under this situation the magazines issued by the cooperative organization should rearrange its excessive emphasis on the propagation of the technical information and culture, and the priority should be placed on the enhanced understanding of the cooperative movement among the nation. It is true that the cooperative movement in the Asian region has lagged behind those in the Western region and it is, therefore, necessary to revitalize the cooperative movement by propagating the thought of the cooperative movement, and at the same time it is required to make sufficient use of the magazines issued by the cooperative organizations for this purpose. In this context, the Federation will strengthen the activities of publishing the magazines in the future.

SECOND MEETING OF I C A REGIONAL WORKING PARTY
ON COOPERATIVE PRESS FOR S.E. ASIA.
JAKARTA (INDONESIA) 24TH TO 29TH MAY 1982.

PROBLEMS AND DIFFICULTIES IN CREATING READER
APPEAL OF COOPERATIVE JOURNALS

Paper presented by C.M. Rajan
Tamil Nadu Journal of Cooperation
Tamil Nadu Cooperative Union
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Friends and Colleagues,

I deem it a great privilege indeed to be called upon to present a paper at this august body of cooperative editor-leaders of South East Asia, therefore and let me right off the bat thank ICA Regional Director Rajaguru and Press and Public Relations Joint Director Lionel Gunawardana for bestowing this honour to me for the second time.

Most of you may remember my paper "communication in cooperatives through Journalistic medium" read by me during the first Working Party meeting Malaysia in 1980, along with others. It was indeed a pleasant experience and ^r rare opportunity listening to other experienced and renowned *journalists* like our beloved Ullman, Mr. S. Ichikawa of Japan and Mr. Aage Buchert from Denmark. Their association and suggestions have already influenced us to a remarkable extent, the result of which are for every one to see, the improvements made in our Cooperative Journals in the various, facets of the art of

publications. Thanks to the exchange of notes on journalistic experiences made in these meetings we have been able to develop new angles and devices to attract reader attention and provide reader appeal. Yet these problems and difficulties are as overwhelming as ever and always slipping out of our net.

Let us examine the problems thread bare. Before sorting them out let us identify our readers or target groups.

Our target group consists mainly of, firstly active cooperators or members, (ii) students of Cooperation - Teachers, (iii) Employees and (iv) finally members or cooperators not very active and the general public.

Active cooperators, or cooperators I include only intensive voluntary groups whose major occupation, other than their private vocation is development of cooperative institutions, cooperative thoughts and spreading of in general and other attendant features such as preserving and promoting democratic principles etc. This group does not include even participative cooperators who join ~~xxxxx~~ general body meetings and vote in elections. For clarity sake we may call this group liberally as cooperative leaders. Even in this category of people there are sub sects like those who take

cooperation as a career and others who see in the concept a harmless device for economic emancipation through collective action etc. what kind of information appeal to them or attract their attention? These groups are interested in knowing apart from cooperative development in other countries, ~~in~~ the rules and regulations, popularly known as Cooperative Societies Act which governs organisation management and running of cooperatives, and other statutory provisions regarding disqualification of members, quorum for conduct of meetings, election etc, power of the presidents and other office bearers and the latest rules and regulations issued ~~d~~ by government departments on important matters. They are also interested in decisions of tribunals, court of justice etc. These reader appeal are not difficult to meet. Sometimes delay in getting government orders intime and when published become stale. These section are very active, so through the publications in details, defect mistake and inform us, and most of them spend for their money for subscription. The unfortunate part of it is this the constructive group form a minority among the readers.

The second group includes students of cooperation and teachers of cooperation are also eligible to be in this list. They are teachers in cooperative training centres and colleges as well as state and private ~~in~~ educational institutions, ~~where~~ where they teach humanities including cooperation to graduates and under graduates. Their main interest is to acquire

knowledge on development of cooperative thoughts and action, detailed study of the progress in the varied sectors, as well as the comparative study of the movement in the other countries. This section by the nature of their profession is an intellectual and influential group which functions as opinion makers also. It is not a problem to achieve reader satisfaction among them we get adequate material on the subjects; if we arrange to get journals from other countries on mutual exchange basis, we may be able to reproduce salient articles from them.

Next group is the employees of cooperative institutions and in our present context of the cooperative situation in South East Asia, the government department officers who administer and regulate cooperative institutions. Therefore most interest is of course latest rules and regulations on cooperative administration and also government rules on employees rights, and perquisites like travelling allowance daily allowance etc. They are very much pleased to read news on postings, promotions, and transfers.

Last group include passive cooperators and unattached public. This is very difficult area to cope up with. They are neither serious nor casual. They always want what is not in our journals. They compare our journals with commercial journals, criticise our journals as of bad quality and talk in depressive mood about cooperative publication. We have to be wary of this section because they are very articulate and assuming.

my job has been made very easy by being asked only to pinpoint problems and difficulties in reader appeal, and not to find out solutions for them. The difficult task has been assigned to someone else who I hope would help us to meet the problem raised.

There is a vast difference between, as we are all aware, commercial journals and journals with some purpose. For commercial journals except a few managerial and financial problems they are not burdened with limitations. Once they know what the readers want, which is also not very difficult to find. In India there is one Tamil weekly, 'Kumudam' which has the largest circulation. Their techniques and angles are ever changing. They start a particular feature and run it for a couple of months and by the time they become very popular and catch up with the masses, and imitated by other magazines they stop it, and switch over to other. They are pioneers in many journalistic innovations and strangely their very unpredictability has made march over others. Every week people would be looking forward expectantly to what is new that ~~were~~ ^{are} ~~was~~.

Coming to our point, assuming every thing else is correct, our first problem is mix of the matter. How much the respective interest of the above categories of readers should be accommodated. Perhaps you may remember Mr. Buchert telling us that in his publication in Denmark

95 per cent of the matter related to general nature and only 5 per cent related to cooperative matters. According to him more knowledge of cooperative is acquired by target reader group than perhaps if the magazine were to consist 100 per cent cooperative matter, ~~with~~ *Will* in work?

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2nd Meeting of the ICA Regional Working Party on Cooperative
Press for South-East Asia, Jakarta(Indonesia): 24th-29th May 1982.

Summary of Back Ground Papers On
Present Position of Cooperative Press And Publicity

Introduction:

The Role of cooperatives as an important institution and an effective instrument for socio-economic change has been accepted by the governments of the countries of the region. Special emphasis and encouragement is given to the cooperatives in sectors like agriculture, fisheries, urban consumers, artisans housing etc. National policies of development give sufficient emphasis and importance to cooperatives in plan formulations and their implementation.

Governments in the region extend financial and other assistance to the cooperatives to carry out their activities. The role played by the cooperatives in the schemes of development is not sufficiently highlighted to the public, among other reasons due to lack of effective publicity media within the cooperatives. To get over these problems steps are being taken by the movements in the region to have an effective press and publicity wing within the movements.

Out of eight participating countries, background papers were received from Bangladesh, India (two papers), Indonesia and Sri Lanka. The other participants who have not sent their papers in time for inclusion in the summary may give a gist of the present position of cooperative press and publicity in their countries in the meeting.

Bangladesh:

The Cooperative movement in Bangladesh was introduced in 1904. After the liberation of Bangladesh in 1971, the govt. has given top priority to cooperatives which has resulted in the execution of twelve cooperative development projects at an estimated cost of Taka 320.82 million.

The cooperatives increased, both in number and strength, from the 1959-60 level. During 1981-82 there were about 122,000 cooperatives with a membership of 9.11 million individual members and a working capital of Tk 2734.2 million. The cooperatives have also diversified into several new areas from the traditional credit and input supply sector.

The cooperatives in Bangladesh have to face several problems for their survival. Among others, the movement has very little publicity, propaganda or extension activity so necessary to generate public support to attain its objectives.

Motivation and education of members and constant publicity about its activities and achievements is a sine-quo-non for the success of cooperatives in the country. Though the movement developed, this basic condition was left neglected. This is one of the reasons why the cooperative movement in Bangladesh could not attain reasonable level of organisational strength and management.

In the new economic development plans of the country an important role has been earmarked for the cooperatives and it is envisaged that the cooperatives would assist the Govt. in implementation of these plans, especially relating to improvement of rural economy and in the distribution system.

The Bangladesh Jatiya Samabaya Union in collaboration with the Cooperative department is publishing a monthly journal, Samabaya, in Bengali with a circulation of 5000 copies. It also publishes a quarterly "Cooperation" in english with a circulation of 2000 copies. The Union has programmes to improve the standards of publications and to increase the circulation. The BJSU also distributed 20,000 copies of books and booklets on cooperation to different district coop unions for mass literacy programmes. 50,000 booklets and pamphlets on cooperation and 10,000 calendars and posters were also distributed throughout the country as a part of its publicity campaign.

The district coop unions also bring out their own journals. The Comilla district coop union brings out a weekly "Rangdhenu" in Bengali, with a circulation of 5000 copies. The Police Coop Society is also publishing a monthly magazine regularly. Annual reports are brought out by several secondary and national cooperative organisations.

The Bangladesh Samabaya Bank brings out a monthly entitled "Samachar" with a circulation of 3000 copies. The Weekly paper "Ajker Samabaya" in Bengali is brought out by the Bangladesh Jatiya Samabaya Pally Unnayan Federation. Its circulation is about 2000 copies. The Comilla Kotwali Thana Coop Association brings out a weekly, Sama Jatra with a circulation of 1000 copies.

As a part of its publicity campaign, the BJSU has produced a documentary film, of about 60 minutes duration, on Cooperation. The print will be ready soon for exhibition throughout the country.

India :

The Cooperative movement in India was started in 1904 as a credit movement. It has now diversified to almost all sectors of the economy. The movement occupies a significant place in the programmes of rural development and other spheres. The movement commands a share of 67% in agricultural credit issued through institutional sources, 60% in supply of fertilisers and produces 50% of the total sugar produced in the country. Giant cooperative enterprises like the IFFCO have been established. 50-60% of wheat purchased from farmers is being handled by the marketing cooperatives.

In spite of the achievements, the role played by the cooperatives in the national economy has not been appreciated by the general public. While several reasons may be adduced to this, one reason appears to be the lack of proper publicity of cooperative activities. Publicity is not only needed to attract new members and customers but also to sustain the old members and existing business.

From the early period to the present day, a large number of publications have been brought out by the movement in the form of books, booklets, pamphlets and journals. The Tamilnadu Journal of Cooperation, an English monthly started in 1908 is one of the oldest journals being published in the cooperative sector.

The National Cooperative Union of India, State and district level cooperative unions which are engaged in promotion of cooperative member education and training publish a number of cooperative journals.

At present in India there are nine weeklies, five fortnightlies, 23 monthlies and 12 quarterly cooperative publications being published at different levels. The total number of cooperative journals exceeds 70.

The NCUI publishes a fortnightly in English "Cooperator", a monthly in Hindi "Sahakar Path" and Quarterly in English "Indian Cooperative Review". While the Cooperator and the Sahakar Path are cooperative news journals, the Review is a research oriented journal. National level business organisations like the NCCF, NAFED, the National Federation of Sugar Cooperatives, and the State Coop. Banks Federation bring out their own journals highlighting activities in their respective fields. Audience of these journals are also restricted to the field of activity undertaken by the federations/cooperatives.

The Central and state government ministries in charge of cooperation have their own press and publicity wings. A number of publications, publicity material and films are regularly brought out by the government cooperation departments.

The cooperative journals in India are brought out in Hindi, English and several major Indian languages.

The NCUI, as a part of its efforts to project the correct image of the movement, both to the members and the general public, has set out plans to strengthen the mass media within the cooperative sector. It has plans to start a cooperative daily newspaper and a series of documentary films on the different activities of the movement.

Special supplements are brought out in national newspapers on important occasions, like the Indian Cooperative Congress, by the movement. Articles highlighting the achievements of the movement are published in these supplements.

The National Cooperative Development Corporation, a government corporation, set up to assist cooperative development has started conducted tours of selected correspondents of National dailies to successful cooperative organisations in different states. This programme has given an opportunity to the newspaper correspondents to observe for themselves the activities of cooperatives and also has helped to bridge the gap between the cooperatives and the national press to a certain extent.

Some of the problems being faced by the movement in the implementation of successful publicity programmes are:

- i.. Insufficient budgeting for publicity purposes.
- ii. Lack of expertise and professional approach within the movement to bring out effective publications and publicity material.
- iii. Excessive cost of publicity, especially through national press, radio and TV.
- iv. Lack of trained supporting staff to the editor, like artists, photographers etc.
- v. Lack of own printing presses by the movement and where they do exist the need to modernise them.
- vi. Lack of in-service training facilities for personnel engaged in the field of press and publicity.

Indonesia :

The history of cooperative press and publicity in Indonesia cannot be separated from the history of development of cooperatives. Cooperatives have made use of publicity and press materials as means of communication and dissemination of cooperative information.

Cooperative press and publicity in Indonesia plays a vital role in the development of cooperatives. At present several monthly journals, books on cooperation, leaflets, posters and booklets as publicity material, are brought out by the movement.

The Indonesian cooperative movement sent participants to the three activities held by the ICA in the field of cooperative press and publicity and took follow up action on the return of these participants. The DKI in collaboration with the Directorate General of Cooperatives deeply involves itself in activities relating to cooperative press and publicity. The following courses were held as a

follow up of the ICA Regional Workshop on Cooperative Press and Publicity held in Tokyo in 1978:

- i. Workshop on visual aids for coops, Jakarta, June 1979.
- ii. Workshop on the role of publicity to support coop activities, Jakarta, March 1980.
- iii. Panel discussion on "how to popularise cooperatives" Jakarta, June 1980.
- iv. Training for cooperative journalists, September 1980. On the basis of the recommendation of the training course held in September 1980, a Cooperative Information Centre was established in January 1981. The Centre's activities include collection, analysis and distribution of informative material to coop journals, improvement of skills of members and collaboration with the government and other institutions in the field of coop press and publicity. To achieve its objectives the coop information centre, held the following activities after January 1981:
 - i. Publication of a monthly bulletin giving information on Cooperative activities, first in mimeographed form and later in printed form.
 - ii. Conducting different courses both for members and journalists:-
 - A Training course for members was held in April 1981.
 - A panel discussion on how to develop self help attitude among the movements was organised in August 1981.
 - Two courses entitled "Cross meetings with journalists" were held in January and March 1982.

The Activities of the Centre was subsidised by the cooperative department earlier but presently the Centre is working as a part of the DKI and carries out its activities as a wing of the national cooperative organisation.

Sri Lanka :

The cooperative movement in Sri Lanka originated in 1911. From that time onwards education, extension and publicity activities of the cooperatives were carried out by the department of cooperative development. A separate section for coop publicity was established within the department in 1949 which started publication of "Samupakaraya" a fortnightly Sinhala newspaper. This journal was taken over in 1956 by the then Cooperative Federation of Ceylon, the present National Cooperative Council of Sri Lanka. Articles relating to philosophy and practice of the movement as well as coop news were published in this journal. The circulation was around 4000 copies. The journal is at present printed in the cooperative press owned by the National Coop Council of Sri Lanka and the production cost is subsidized by the Council to a great extent.

A Tamil Magazine, "Aikkiya Theepam" is being published by the northern division National Cooperative Council since 1945. This magazine is distributed among the Tamil speaking areas of the island. From 1976 this is being published as an eight page tabloid with a circulation of 1500 copies per issue.

The school of cooperation in Polgolla is also publishing a monthly journal entitled "Swachcha" which caters to the official cooperators within the movement. It covers a wide range of subjects such as management, audit, cooperative law and general management of cooperatives.

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**PRESENT POSITION
OF
COOPERATIVE PRESS AND PUBLICITY
IN INDIA**

by

K. D. TRIPATHI
Manager (P&PR)

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ICA REGIONAL WORKING PARTY ON COOP. PRESS & PUBLICITY
JAKARTA, INDONESIA
(May 24 to May 29, 1982)

PRESENT POSITION OF COOPERATIVE
PRESS AND PUBLICITY IN INDIA

By K.D. Tripathi

At present the position of Cooperative movement and its form in India has assumed a radical change in regard to its magnitude, multiplicity, role, utility, problems and the like. The Central and State Govts. have been providing technical, financial and administrative assistance. Central and State Ministries have their own departments of cooperation which are having their own press and publicity wing and are doing very well. A number of publications and review and publicity materials are brought out regularly to publicise **the cooperative movement.** Besides Governmental publicity, public relations and press Departments, there are a number of national cooperative organisations of various types of cooperatives and also national cooperative union, state cooperative unions, district cooperative unions, which are engaged in promoting cooperative member education and training for all types of cooperatives in the country. Now about 70 periodicals are published by various cooperative organisations out of which majority of the journals are being printed at cooperative presses only. Details of which had been consolidated and printed by ICA New Delhi. Apart from these periodicals enormous publications and the publicity material such as books, booklets, pamphlets, brochures, annual reports etc. are published by the Centre and State Governments and also by the other cooperative organisations. All national and many state and district cooperative organisations have their own publicity, public relations or editorial departments which are responsible to publicise the activities of various types of cooperatives. In addition to publication of journals and other reading materials, audio-visual publicity campaign are also launched such as producing and fixing, hoardings, organising seminars and

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conferences, exhibitions, meetings etc. Use of mobile Vans for showing films by projectors and making feature films, arranging radio/television talks and interviews are also now common in India. In order to publicise the cooperative activities, advertisements are released to all available publicity media including radio and T.V.

While cooperative press and publicity has developed to this extent, we are not complacent with the present achievement. We still feel that there is need to improve our publicity programme and win the confidence of other private presses. We are arranging study tours to the visitors from developed or developing countries from whom we learn a lot by exchanging our thoughts.

What we need today is to learn from the other advanced countries who are deploying most sophisticated means and media of publicity. It is not known to me what other friends attending the seminar may need for further development of publicity of their respective cooperative movements.

But in India and under Indian conditions, there are certain needs to be pointed out. Let us first discuss about the publications. Publications have to be brought out by some editor. Then what requisite qualification and calibre should have the cooperative publications editors? Essentially, he should be a professional journalist with honest feelings and oriented in the philosophy and principles of cooperatives. He must be conversant with the concept of cooperation, he must be trained in the principles of cooperation. He should be in tune with what is happening in the cooperative movement in the state or country and bring good or bad news in light, with his tears wrung out of his heart to make an impact as an editor. He must convince the Government with the paramount importance of the movement. He should not try to convince people with statistical data but publish impressive literature on the actual achievements of successful cooperative e.g. as of Anand Dairy and Ahmednagar Sugar Factory in India. He

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should be precise, to the point, frank and bold. He should not publish photographs of his President, Directors, or any individual only to please them. He should talk in his journal more in terms of deeds because deeds have real telling effect on the minds of the people, words backed by deeds can strike like thunder but words devoid of deeds, sound like empty shells. In regard to his professional knowledge, the editor is expected to know each and every thing about printing, such as knowledge of typography, colour scheming, layouts, together with that of block and plate making and paper. Editor of a journal is also expected to know the process of advertisement and launching advertisement campaign and as how to manage and run the journal with greatest efficacy with minimum of funds.

As a publicity and public relation officer, he has to play the role of a link between his institution and the public. When he organises his seminars, conferences, exhibitions, etc. there again his professional knowledge is tested. He must have funds of knowledge and abundant experience in these fields. He must know all the media of publicity through which he is going to publicise his movement's activities. As a person he should be very polite and social in nature. It is also expected from him that he should go on widening his social contacts in various fields. As a Publicity Officer, he must be aware that many more people in India learn through pictures, since there are still about 80% people living in villages and are illiterate. For pictures, therefore, good posters and hoardings can be made and reached / the people to teach them the benefits of cooperation. For the urban population he may utilise his ability of producing documentary films pertaining to cooperations and arrange their shows at various cinema halls which are about 11000 in number in India. Use of mobile Vans also can be improved and made more useful by technical means.

In publicity there comes the need of artist and photographers. Our cooperative artists are also not at present equipped with required qualifications and experience. It is

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equally applicable to the cooperative artist who has to be trained in the cooperative line so that he must be able to think in terms of cooperation and then depict his ideas on his canvass. Besides, his professional knowledge regarding various paraphernalia of work he must have fair knowledge of photography.

Need of finance for cooperative press and publicity has its own place and requires much more attention, since without finance no programme can be implemented. If we could keep a small amount aside for publicity and promotion of the movement, it is not a big task. In this connection, the statement of Mr. S.K. Dey, Ex-Minister of Cooperation in India may be mentioned "if the private press can secure advertisements in such a measure as to promote it to print multipage journals and newspapers and make a profit and build up industrial empires of the paper magnet themselves, is it too much to expect that the cooperative union in the name of cooperative movement should not get atleast the advertisements of cooperative activities, cooperative marketing societies, or processing societies or consumer societies". Thus enhancing the funds for the cooperative press and publicity has to be given much attention to, if we at all are sincerely thinking to make the cooperative movement grow better and serve more and more people.

In order to feed with the required material to the press the cooperatives in India have to function more efficiently and develop their management and managerial part.

AUDIENCE OF THE COOPERATIVE JOURNALS

In a vast country like India where various types of cooperatives are functioning in different parts of the land, the people also vary in many respects. We do not have any one language common to all the people, rather we have more than a dozen popular languages spoken by our people. These languages have their own literature and thus our cooperative journals also, in order to cater to the needs of the people

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speaking different languages are published in their local languages besides English. However, main languages in which the cooperative journals are brought out are Hindi, Urdu, Rajasthani, Kashmiri, Marathi, Gujarati, Tamil, Telugu, Malayalam, Oria, Bengali, Assamese, Punjabi and English. While the local language journals serve the purpose of the local people in States and in their towns and villages English journals serve purpose of almost all urban cooperators.

In other words, State and District level cooperative organisations are bringing out their journals in their local language or in English or in both and the national level organisations are bringing out their journals mostly in English or in English and Hindi combined, in Urdu or Hindi Urdu combined. It shows that the audience covered by our cooperative journals in India are spread all over the country. But their number cannot be ascertained by the yard-stick of their circulation. It may figure many many times their number of copies printed. Another thing has to be taken into consideration that most of the people, who are engaged in their respective cooperative activities, their interest is confined only in their limited sphere and therefore, the journals are confined to readers of that particular type of cooperative societies' journal. For instance "INDIAN CONSUMER COOPERATOR" may have the interest of the people concerned with the consumer cooperative activities only. While some other journal of our country say NAFED REVIEW, which is brought out by National Agricultural Cooperative Marketing Federation of India Limited, has its readership confined to the people of agriculture cooperative marketing only and the like. That is why we say that the readers covered by our cooperative journals have their own audience depending on the types of the societies journal. But we have to think what impact is there of these journals on the general mass in regard to the message they give. In spite of multi directional quantitative growth of all sectors of cooperative movement.

A criticism is levelled against it that the public is not much responsive to it due to glaring fact of communication gap and due to this communication gap only, the women, younger generation and students have not been attracted towards the cooperative movement resulting in lack of second line on leadership, which is an essential condition for the success of the movement. And if this end is not realised by our journals, we may feel that our journals have not shown any breakthrough in functioning and discharging their duties to the audience.

PROBLEMS FACED BY THE COOPERATIVE PRESS

Cooperative Presses in our country suffer mainly with two or three problems. First and the foremost may rightly be pointed out that most of the cooperative presses lack in managerial expertise because of which the cooperative press in India has not grown to the satisfactory level. Hardly there is a cooperative press which has trained managers and workers in the press line. It is, therefore, very necessary that the personnel engaged in the cooperative presses should be adequately trained in the country or abroad. The second problem of the cooperative press is that of finance. The institutions owning cooperative presses are paying very little or no attention in the interest of the growth of the presses. It is, therefore, advisable that the management of the institution should pay more attention to the establishment of the press and its running. The third problem is of effective material for publishing in the presses. Most people are reluctant in supplying the proper and useful material to the press despite abundantly available cooperative material of activities in the far flung areas of the country. The activities of a particular cooperative society remain confined to that area only instead of getting proper and far wide publicity to the press. When the press is not fed with such material how can it produce results. There are many projects which are running cooperatively and cooperatives are involved very actively in those projects, but the account of those activities are either

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not being recorded or if recorded, they are not being sent to cooperative presses. This is why the publicity and propoganda is still suffering. Steps are being taken in this direction to minimise the slipshodness of the people responsible for disseminating such informations to cooperative press. Our Government is also taking keen interest in this regard.

TRAINING FACILITIES FOR PRESS AND PUBLICITY PERSONNEL

As mentioned earlier, the personnel in the press and publicity lines have to be professional ones and should be drawn from the newspapers where such training facilities are available and provided. In most of presses of metropolitan cities of India which are in organised sector, journalists are given professional training before employing them on the job. In respect of any facility available in cooperative training colleges or training centres in India such facility pertaining to the press and publicity for the personnel working in this field is not available. We have one national level training institute known as Vaikunth Mehta National Institute for Cooperative Management which conducts various sorts of cooperative training. The institute has conducted training in public relation and publicity in 1977 for the first time, but there are institutions which conduct trainings, such as Indian Mass Communication, Indian Institute of Public Administration, Bhartiya Vidya Bhawan and Indian Institute of Management. But these institutions are not in cooperative sector and therefore, the cooperative press and publicity personnel cannot get complete training in their profession. For this, they have to be trained once in any such training organisation for their profession and then in some cooperative training centre for their cooperative knowledge. There are a number of training centres run by National Cooperative Union of India and State and District cooperative unions.

Some seminars and conferences of Editors and Publicity Officers are also organised either by the cooperative institutions or by these professional organisations, where

the persons engaged in cooperative press and publicity go and attain some knowledge. It is, of course, very sad that India like big country should not have a special training centre for cooperative press and publicity.

National Cooperative Union of India is the apex cooperative institution of all types of national, State, District and village level cooperative organisation in India and undertakes educational and training programmes for the cooperatives through its training centres spread all over the country as also it conducts number of sectorial and functional training programmes. It brings out three regular journals (1) 'The Cooperator' - a fortnightly English, (2) 'Sahkar Path' - a monthly Hindi and (3) 'Indian Cooperative Review' - a quarterly English. While the first two journals are news journals, the third one is a research journal. Through these journals NCUI is keeping the all cooperative sector of Indian Cooperative Movement abreast of events, policies and feature programmes during the last month only. The NCUI organised 9th Indian Cooperative Congress from 26th April to 28th April, 1982. The Congress is the biggest forum of the Indian cooperative movement where all cooperative organisations in the country are largely represented. Traditionally the congress is held every third year and is inaugurated by the Prime Minister and attended by many central and State cabinet Ministers besides foreign delegates from various countries.

FINANCING AND PUBLICITY PROGRAMMES

All the national level cooperative organisations as mentioned earlier through their own publicity, public relation or editorial departments, are conducting some publicity programmes or other, from time to time by different media. Similarly some state level and even the district level cooperative institutions launch some publicity programmes. All these institutions have some funds reserved for publicity work. But the need is much more. The Govt. of India has, besides its departmental publicity fund,

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National Cooperative Development Corporation, which is govt. body to release funds for such programmes for planning and assisting the cooperative institutions in the country.

NCDC provides huge amount from time to time for special publicity programmes. In fact, if we give more importance to the publicity, there would not be any problem of finance. Concrete planning regarding publicity for the cooperative movement will always attract the attention of our Government which is ready to provide finance for such programmes. Even our national level cooperative organisations have so much resources that they can spare any amount of funds to conduct any big publicity programme.

FUTURE PROGRAMMES

We are all marching ahead cooperatively day by day and are coming up with fresh future programmes. Mention may be made about the national interest in the cooperatives. The stipulated and initiator is the Govt. of India, who under NCDC coordination has been arranging organised visits of national daily newspapers correspondents to cover various cooperative societies. After their study, they flash the news in all national dailies and other news weeklies. This is a tremendous achievement in the field of cooperative publicity and the step taken by Govt. of India to publicise the activities of cooperative societies through-out the nation and is very encouraging to the movement.

In respect of documentary films pertaining to cooperative activities the Govt. has launched a very good programme. According to the plan annually 2-3 documentary films of 10 minutes duration for general release on cinema circuits are being made.

PRESENT POSITION OF COOPERATIVE PRESS
IN INDONESIA

I. PREFACE.

1. The history of cooperative press and publicity in Indonesia cannot be separated from history of development of cooperative itself. From the beginning of cooperative development, the cooperatives had used the press and publicity materials as means of communication and dissemination of coop. ideology.

The cooperative Press and Publicity in Indonesia plays a very important role in the development of cooperatives by propagating the principles of cooperation and helping in the promotion of business activities. At present the forms of cooperative publications owned by movement and Government (Directorate General Cooperatives) are : monthly magazines, books on cooperatives, leaflets, posters, booklet etc.

2. Realizing the role of press and publicity in developing cooperatives, National Cooperatives Council and Directorate General of Cooperatives deeply involved in activities related with press and publicity, in national level as well in regional level. In regional level Indonesia has participated in three activities, namely :

- a. Regional Workshop on Coop. Press and Publicity in Tokyo, September 6-27. 1978;
- b. Regional Workshop on Coop. Press and Publicity in Bangkok, 26th. April-6th. May, 1981;
- c. First Meeting of Regional Working Party on Coop. Press and Publicity for SE Asia in Kuala Lumpur, May 25-29, 1980.

After workshop in Tokyo, different activities related with coop. press and publicity has been carried out, namely :

- a. Workshop on visual aids for Cooperatives (Jakarta, June 21-31, 1979);
- b. Workshop on the role of Publicity to support Coop. activities (Jakarta, March 18-22, 1980);
- c. Panel Discussion on "How to popularize cooperatives" (Jakarta, 12nd June, 1980);
- d. Training for Coop. Journalist (Jakarta September 15-20, 1980).

3. To enhance the efficiency and effectiveness of press and publicity was needed organization for personnel working in these field. It was one of conclusions of the discussion carried out by participants of Training for coop. journalist held on September 1980. In the meeting attended by editors and publishers

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of cooperative magazines/bulletins in the country on January 1981 it was decided to set up a "Cooperative Information Centre".

II. THE ACTIVITIES OF COOP. INFORMATION CENTRE.

1. The aims of the establishment of Coop. Information Centre are as follows :

- a. to gether, to analize and distribute informations on different aspect of cooperatives to movement;
- b. to improve the skills of the members and to collaborate with the Governement and other institutions working in the fields of cooperative press and publicity;

2. To reach the above aims, different activities has been carried out :

- a. to publish monthly bulletin containing information on all aspeck of coop. activities and dessiminate it a - mong the coop. movement, Government and other institu- tions working in coop. field. The bulletin was publish ed since April 1981 as mimeographed news. Since March 1982 it was published in offset printing;
- b. In collaboratin with Directorate General of Cooperati- ves, Indonesian Journalist Association and other insti- tutions has been conducted different activities, namely
 - 1). Training for members (April, 1981);
 - 2). Panel discussion on "to develop selfhelp attitude a- mong movement" (31st August, 1981);
 - 3). Cross meeting for journalist I (11th-16th, January, 1982;
 - 4). Cross meeting for journalist II (16th.-22nd March 1982.

III. PRESENT POSITION.

As organization initiated by personnel working in pres (of movement as well of Goverment) inially Coop. Informati- on Centre was independent. To finance its activities, Coop. Information Centre was subsidized by Directorate General of Cooperatives. At present Coop. Information Centre is a part of Indonesia Cooperative Council and carries out one of the main functions of the council as information centre for the movement.

Jakarta, 20-3.1982.
DJABARUDDIN DJOHAN.

Background Paper
on
Present Position of
Cooperative Press and Publicity

May 1982

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PRESENT POSITION OF COOPERATIVE PRESS AND PUBLICITY

1. Activity of Federation

a. Organization

The Public relation has been carried out as part of the guidance activity and the Department of Education and Public Relation has been responsible for the overall public relation and publication. Department of Education and Public Relation is organized with one manager, one deputy manager, seven staff for public relation, five staff for publication, three staff for education, thus totaling 17 staff at the Department.

In addition, each provincial branch office and the member fisheries cooperatives have 1-2 public relation staff and they are engaged in propagating the various activities undertaken the fisheries cooperatives to the fishermen.

b. Objective and Function

Public relation activity of the Federation is primarily designed to widely propagate the working programme and achievements scored by the fisheries cooperatives and fishing villages societies, and this activity has been conducted in the use of newspaper, magazine and broadcasting net works run by both the state and corporate. In addition the Federation has undertaken the public relation activity in the use of the projector-carrying cars in the fishing communities.

On the other hand, the Federation has produced the public relation materials for the purpose of propagating the major business activities undertaken by the fisheries cooperatives and encouraging the consumption of mass-caught fishes, and these have

been introduced through the advertisement columns in the newspaper and commercial message on T.V., or radio.

The Federation has published the monthly "New Fishermen" and periodical, or non-periodicals containing the information related to the fisheries management and introduction of the Korean fisheries cooperatives. These publications have been widely distributed to the fishermen throughout the country and to the fisheries-related organizations, or industries. The Federation has also produced the photograph, slide and films and these have been distributed to the provincial branch offices and the member fisheries cooperatives to support their public relation activity in the fishing communities. As a result these public relation activities have made a significant contribution to the enhanced economic and social status of the fishermen by promoting the cooperative organizations among the fishermen and the fisheries manufacturers.

2. Major Activity of Public Relation

Major activities of the public relation being undertaken by the Federation are as follows;

Every year, the Federation has produced more than 72 public relation material containing the working programme and achievements of the fisheries cooperatives, and these have been introduced to the fishermen and the member of the fisheries cooperatives in use of newspaper, correspondents, magazines, radio and T.V. This kind of public relation activity has made a considerable contribution to the improved understanding and participating sense of the fishermen toward the fisheries cooperatives.

The Federation has provisioned more than 700 broadcasting

programms for the purpose of supplying the information related to the fishing condition, fish prices, aquaculturing technique, successful examples in the fisheries cooperatives and fishing village societies, working programme of the fisheries cooperatives and government's policies.

The Federation has conducted the public relation activity for the purpose of encouraging the consumption of such mass-caught fishes as mackerel and saury in peak fishing season and of stabilizing the prices of oyster and sea weed. This activity has resulted in the increased income of the fishermen.

The Federation has operated the two projector-carrying cars for the purpose of enhancing the fishermen's understanding on the activities undertaken by the fisheries cooperatives. Last year a total of 30,000 fishermen participated in this public relation activity. In particular, the public relation activity in the fishing villages put its emphasis on the propagation of the aquaculturing technique suitable to the local condition and on the introduction of the success in the exemplary fishing village societies. At this time the extension workers from the Fisheries Research and Development Agency and chief of relevant fisheries cooperative joined the activity to provide on-the-spot technical extension and to explain the works of the fisheries cooperatives.

The Federation has produced the slide and film containing major works of the fisheries cooperatives and success example in the fisheries cooperatives as well as in the fishing village societies. These materials have been utilized for the circuit-public relation activity, or directly distributed to the provincial branch offices and the member fisheries cooperatives to be used for the public relation activity in the fishing communities.

The Federation has published 30,000 copies of "New Fishermen",

the monthly organ of the Federation and supplied them to the member fisheries cooperatives and the fishing village societies for the purpose of improving the fishermen's income and to improve the fishermen's life in the fishing communities. In addition, the Federation has published the "Fisheries Cooperatives in Korea" written both in English and Korean to introduce the activities of the fisheries cooperatives in this country. Furthermore, the Federation supplied the fishing communities with the calendar and diary which has been efficiently used for the sound fisheries management.

In addition to these publications the Federation has purchased the weekly "Fisheries News" and the monthly "Modern Fisheries", and distributed them to the fishing village societies throughout the country.

3. Publication by the Federation

a. Outline

Beginning of the publication by the Federation can be traced back to the year of 1963, a year after the founding, when "Fishermen", periodical magazine and fortnightly newspaper "News on Fisheries Cooperatives" were first published and distributed to the fishing communities. Later on, the News Fisheries Cooperatives was suspended to issue on December, 1971 due to the financial difficulty. The Federation, however, plans to issue the weekly, "Fishermen's News" as its own news organ.

Title of the Fishermen which was monthly published at the time of founding has been changed in to the monthly, "New Fishermen" with contents largely supplemented. As other periodical the Federation has published the "Monthly Review" to provide the

information related to the fisheries statistics and management. The Federation has also published the "Fisheries Cooperatives in Korea" in every two years and the "Annual Report" every year written both in English and Korean to introduce the activities of the fisheries cooperatives to foreign cooperators.

b. Major Publications

1) New Fishermen

The Federation has published 30,000 copies of the "New Fishermen", a monthly magazine, to improve the fishermen's income and they have been distributed to the member fisheries cooperatives and the fishing village societies. This monthly magazine has usually contained the information related to the aquaculturing technique, fisheries news, government's policy, cooperative news and other columns of culture, society and education in the fishing communities. The space of the magazine has been composed of 188 pages and number of issue reached 169 as of May, 1982.

2) Monthly Review

The Federation has published 1,000 copies of the "Monthly Review" every month as the research and survey report and distributed them to the member fisheries cooperatives and others related organizations. This monthly research publication has usually contained the information related to the fisheries statistics, fisheries management and trend of the fisheries industries in this country.

3) Annual Report

The Federation has published 600 copies of the

"Annual Report" every year written in English and distributed them to the related organization at home and abroad including the ICA. This Report has contained major government's policy and detailed explanation on the activities of the Federation.

4) Fisheries Cooperatives in Korea

This publication has been published every two years to introduce the role, organization, function and various activities of the Federation to cooperators at home and abroad. 3,000 copies have been published and distributed to the relevant organization at home and abroad.

5) 20 Years in Korea's Fisheries Cooperative Movement

This publication was issued to mark the 20th anniversary of the Korea's fisheries cooperatives movement on April 1st 1982 and it's contents are composed of the chronological explanation about the service and activities undertaken by the Korea's fisheries cooperatives since their founding. It has 668 pages with 40 photographs.

PRESENT POSITION OF COOPERATIVE PRESS
AND PUBLICITY IN MALAYSIA

for

SECOND MEETING OF THE ICA REGIONAL WORKING PARTY
ON COOPERATIVE PRESS FOR S-E ASIA, JAKARTA
24th To 29th May 1982

Prepared by

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1. INTRODUCTION

The Malaysian Cooperative Movement along with their counterparts in this region agree in principle the importance of cooperative press and publicity for cooperative developments. These roles should be taken up by the apex organisation and societies at all levels.

2. HISTORICAL BACKGROUND

2.1 In Malaysia where the movement was first introduced in 1922, the importance of cooperative press and publicity was really felt necessary in 1969 when the first issue of 'Berita Bank Rakyat' (Bank Rakyat News) was produced by a local secondary banking cooperative. Earlier, the Department of Cooperative Development initiated periodicals in cooperative news. However, it was short-lived due to unforeseen circumstances. Even much earlier, a cooperative magazine was produced in English and the National Language (jawi), whilst in the early '30s the magazine 'Cooperator' was produced in Singapore.

2.2 The first book, 'Cooperative Management and Administration' was produced in 1968 in the local language. It was a translation by S. Abdullah Al-herid from the original produced by the ILO office in 1960.

2.3 In the same year another book, 'Introduction To The Cooperative Movement' translated in the local language by Nordin A. Hamid and Aziz Manap was also produced. It was originally written in English by N. A. Kularajah (Dato').

2.4 ANGKASA, in 1978 produced a book on 'Cooperatives In Malaysia' in the National language. It was initiated by A. Aziz Hj. Ibrahim the editor of the 'PELANCAR' magazine. The book 'Cooperative Principles' (in Bahasa Malaysia, the national language) by Prof. Diraja Ungku A. Aziz, the President of ANGKASA was produced in 1980. It was also initiated by the Editor of PELANCAR. The book 'Cooperative flag' which written by the editor was produced in this year. More books to be published in 1982: A glance with Raiffeisen and The History of ANGKASA (initiated and written by editor of PELANCAR). *And The role of cooperative press and publicity' with special reference to two workshop also will be published.*

3. THE PRESENT POSITION

3.1 Almost all of the cooperative publications in Malaysia are in Bahasa Malaysia and are distributed free. Some are being produced in dual languages namely Bahasa Malaysia and English. Various magazines that are being produced by the Malaysian Cooperative Movement are as follows:

- a) PELANCAR - published monthly by ANGRASA since 1974. Distributed free to members and sold at cost to others;
- b) Berita koperasi - published monthly by the Police Cooperative Polis. Society. Distributed free to members;

- c) Berita Bank Rakyat - published by Bank Rakyat Cooperative;
- d) MCIS Review - published by the Malaysian Cooperative Insurance Society for its personnels and administrators;
- e) MalaysianCooperator-Cooperator. - published by the Malaysian Cooperative Union for those at the national and international level;
- f) KSM - published half yearly by the Malaysian Consumer Cooperative Society;
- g) Suara SHAMELIN - published by the Shamelin Cooperative Society;
- h) Suara Koperasi Tentera. - published quarterly by the Malaysian Army Cooperative Society;
- i) Mufu Ravu - published by the National Land Finance Cooperative Society;
- j) Breakthrough - published by the Malaysian Cooperative Insurance Society;
- k) Surat Keluarga Bank Rakyat. - published by the Bank Rakyat Cooperative for its employees;
- l) Berita MFM - published by the Cooperative College of Malaysia;
- m) Peladang Jaya - published by the Farmers Organisation Authority;
- n) Berita LPP - published by the Farmers Organisation Authority and other publications such as newsletters and annual reports.

3.2 ANKASA, being the apex organisation realises the importance of cooperative press and publicity in Malaysia since its formation in 1971. In achieving its specific objectives, one of the main role of ANKASA is to produce books, magazines, newspapers, pamphlets and other forms of educational and informative materials. To carry out these responsibilities the PELANCAR National Magazine Publication Unit was formed in 1974. Its main aim is to publish the monthly magazine PELANCAR and act as the voice of the Malaysian Cooperative Movement.

4. FUNCTIONS OF PELANCAR

4.1 Among the important functions of PELANCAR are:

- a) to spread cooperative knowledge covering the philosophy, concept, principles and activities;
- b) to propagate information regarding the economic and social activities carried out by various cooperative societies at home and abroad;
- c) to carry out case studies and social economic surveys on cooperative societies for the development of the movement and its history;

- d) to provide translation service on foreign cooperative articles;
- e) to stimulate the reading habit among cooperative articles;
- f) to give talks and lectures on the movement to those requiring cooperative assistance;
- g) to issue and publish books, pamphlets etc.
- h) to voice the desires of the cooperative movement;
- i) to act as an in between for ANGKASA and members/cooperative societies and vice-versa.

4.2 At present, the monthly magazine PELANCAR are being issued free to members of ANGKASA. To others they are sold at M60 cents each. This price which is at cost is considered only as a contribution towards the efforts of the unit in promoting cooperative education. There are two main reasons why PELANCAR are not given free. First things which are given free are often regarded as unvaluable. Second, the charges are only meant to cover the cost of printing.

4.3 ANGKASA believes that each and every cooperative society in this country has a bigger role to play towards PELANCAR as this is the only monthly magazine or the cooperative mass media instrument produced by the apex organisation for the cooperative movement. Apart from becoming the customer and reader, they should also become active contributors morally as well as in the form of materials in support of the magazine.

4.4 Initially, PELANCAR was published in 12 pages only. It now has 32 pages with the same quality and price as before. Efforts are being made to increase the number of pages, articles and circulation in line with the reading requirements.

4.5 It is a fact that ever since PELANCAR was launched positive results have been achieved. Member of the public within and outside the cooperative movement appreciate and responded well towards the magazine. Curiosity among the general public who are non-members of cooperative society towards the movement were being felt. Cooperative member were beginning to know and realise what their society and the movement is all about. These led to the development of the societies concerned and the movement as a whole.

4.6 The circulation of PELANCAR at present covers:

- a) ANGKASA's member cooperative societies and non-members;
- b) Schools cooperative societies and schools;
- c) Agencies dealing with cooperative societies;
- d) Certain parties dealing with the movement at national and international level.

5. PROBLEMS

5.1 There are a number of problems faced by this magazine. Most of these problems are universal where cooperative press and publicity are concerned. The negative attitude of some of members of cooperatives towards the magazine are still found to be one of

5.2 Articales receives by the magazine are still limited. This is mainly because of the shortage of writers, lack of cooperative experience and interest.

5.3 The circulation of cooperative magazine can only be widened if there are awareness towards the reading interest among the public. Nothing will solve this problem unless magazines bought or received are read seriously.

5.4 Communication gap between some of the cooperatives and the apex organisation that manage the publication still exists. This affect the move to publish as much news and articles as possible. Certain cooperatives feel that writing and sending news to be published and exposed to their societies and the general public is unimportant.

5.5 Through exper^eience PELANCAR found that there is also a problem in the **running** of a cooperative press and publicity work. PELANCAR unit itself faces this problems of personnels to **manage** publications. The functions of this unit are to publish, distribute and market magazines, books, pamphlets etc. It has its own separate management **staffs**,

5.6 In the early stages PELANCAR was managed by only one man. He was (and is) the editor who not only does the writing but also act as the photographer, reporter, **translator**, graphic and layout artist, proof reader, typist, manager, **accountant**, distributor, **analyst** and does the marketing, billings, visiting and giving informations to cooperatives and attending seminars. However, part of the problems have been solved when more staffs were employed. At present there are five personnels besides the editor himself managing and running the show. To lighten the burden carried out by this unit, personnels from other unit and section in the ANGKASA management gives a hand from time to time. This include the Liaison and Membership Affair section.

5.7 To conclude the problem of personnels managing the cooperative press and publicity, in the eyes of ANGKASA, each and every cooperative having to deal with this sector should have a separate unit with adequate staffs in order to achieve success.

5.8 The other problem is finance. To have a separate unit with adequate staffs we should have a steady financial backing. Unlike almost every other cooperative magazines published in Malaysia which are given free, PELANCAR are being sold at M60 cents each. The income collected from these sales are not sufficient to cover the cost of running the unit as a whole. So, it is being backed up and financed by the ANGKASA head quarters whose source of income are received from the subscription and contribution from member and non-member cooperative.

5.9 The government too gives full backing in one way or other. as a launching grant, PELANCAR received M\$124,000 as a subsidy from the government. Hopefully this kind collaboration will continue from time to time.

6. PROJECTS

6.1 Projects of this unit for the '80s will be focused on reading campaign to step up the reading habit of people in the field of cooperative publications. After the first meeting of this workshop, we already organised 12 projects of the reading campaign, in the ANGKASA Seminars courses and also in cooperative general meeting. In line with this project the unit will widen the distribution of the magazine so as to cover the 1.4 million individual members of cooperatives throughout Malaysia. This will also include the cooperatives and agencies dealing with cooperatives.

6.2 Intensive briefing and talks to all cooperative on the importance of cooperative press and publicity will be held at all levels with the help of ANGKASA State Liaison Committees and agencies of cooperatives. Cooperative leaders, members and employees will be asked to participate.

6.3 Training programmes for cooperative reporters will also be organised. These reporters will be grouped and apart from publishing their own magazines (for those cooperatives which could afford to) would act as a local reporter for PELANCAR.

6.4 Exhibitions on reading materials for the public will be organised. It will also be held at all levels if necessary.

6.5 Publishing technics will be improved and more columns introduced such as Consumers column, Women's column, column on Cooperative Law and Education, Cartoon and Entertainment column to supplement the present contents namely column on ANGKASA's activities including its management units and sections, local and foreign cooperative news and activities, education series on economy and accounting, current affairs, articles etc.

6.6 Correspondence course throughout the country. This course, will stretch more on elementary of cooperation. The participants from the individual members of the cooperative societies.

6.7 More books on cooperative information and education, posters, pamphlets, wall charts etc. will be published. Programmes to mobilise cooperative investments and the like will be organised. The unit will also increase its efforts as the centre of cooperative mass media for the movement within and outside Malaysia.

7. CONCLUSION

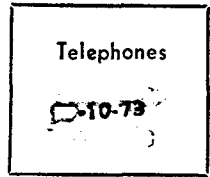
As the participant preparing this paper represents ANGKASA, most of the contents of the paper are derived from the situation of the National Magazine Publication Unit, PELANCAR. However, situation of other cooperatives dealing with cooperative press and publicity in this country are almost similar between one and the other.



COOPERATIVE UNION OF THE PHILIPPINES, INC.

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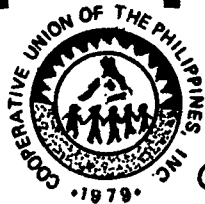
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PHILIPPINE CO-OP NEWSLETTER

¹
Volumes, Nos. 1 - 5

philippine CO-OP NEWSLETTER 70



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CO-OP
depends on
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Volume I • No. 1

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This landmark in the Cooperative Movement involved seven decades of cooperative work initiated by cooperative pioneers at the beginning of the century and carried on by volunteer cooperative workers with the eventual support of the State as part of its Economic Development Program.

There was a brief attempt to organize a National Union in 1970. But it took another ten years efforts to organize the Cooperative Union, starting with the formation of an interim CUP in 1973 at the Tagaytay Cooperative Conference and the subsequent election of a CUP Board of Directors in 1979. The Cooperative Movement has finally achieved national unity thus establishing a new era in the Cooperative Movement in the country.

The CUP symbolizes the dream and aspirations of millions of urban and rural co-operators for better economic, social, cultural and political life through the cooperative idea. It is the institutional manifestation of the unity of the Cooperative Movement in the Philippines.

Special mention should be made of the supportive role of the Bureau of Cooperatives Development (BCOD) and the Cooperative Consultative and Coordinating Committee (CCCC), which co-sponsored the organization of Regional Cooperative Unions and subsequently the CUP. The BCOD policy of active assistance and non-interference in the international affairs of cooperatives and their Federations and Unions was a forceful incentive for the unionization of the Cooperative Movement. This should be acknowledged with deep appreciation because this is a manifestation of respect for the autonomous and independent character of cooperatives.

The CUP is strongly confident of the continuing support and patronage of all sectors of Philippine Society. CUP is now more determined to discharge its function and perform its role effectively in the task of nation-building.

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One of the major activities of the CUP this year is the hosting of the Asian Conference of Cooperative Leaders on the general theme "STRENGTHENING CO-OPERATIVES," to be held from November 5 to 11, 1981 at the Midtown Ramada Hotel in Manila, with the solid support of the Bureau of Cooperatives Development of the Ministry of Agriculture.

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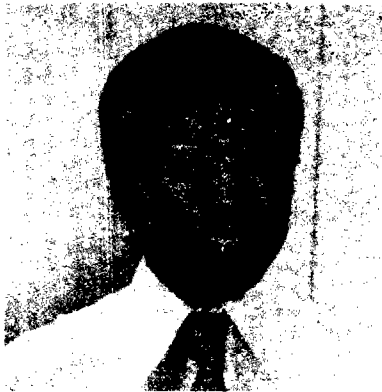
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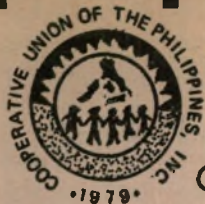
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M E S S A G E



This maiden issue of the monthly Philippine Cooperative Newsletter comes at a precise time when leaders of the Philippine Cooperative Movement in both the Government and the private sectors have arrived at a consensus that it is high time that the private sector takes an active role in cooperatives development as a partner of the Government.

While the terms of such an agreement are now being spelled out in definite terms, the COOPERATIVE UNION OF THE PHILIPPINES, now finds itself the central figure in the Cooperative Movement in the Philippines.

In the discharge of its responsibilities, the CUP realizes the need for communicating with the Filipino nation in general and all those involved in cooperative work in particular, developments on ideas, events and people. The Philippine Cooperative Newsletter is meant to satisfy such a need.

Likewise, the Philippine Cooperative Newsletter is designed to be a forum of information between the Government, on one hand, and the private sector on the other hand, thus enhancing better coordination and closer cooperation in the attainment of common objectives in cooperative development.

On the whole, we expect the Philippine Cooperative Newsletter monthly to contribute its fair share in building up a dynamic, responsive Cooperative Movement in our country.

*Brig. Gen. ARCADIO S. LOZADA
President*

NEW AMENDMENTS . . .

(Continued from page 2)

to all Regional Unions, National Cooperative Federations, and other National Cooperative Organizations/Societies, registered under Philippine Laws.

2. Section 6. NUMBER OF VOTES AND MANNER OF VOTING — Every Regional Cooperative Union (RCU) shall have two (2) basic voting delegates, one for the agricultural sector and one for the non-agricultural sector, provided that in the interim, in RCU's where there are no agricultural or non-agricultural cooperatives affiliated to the RCU, the RCU concerned shall still have two basic voting delegates plus one (1) additional vote for every Twenty Thousand (20,000) individual members of cooperatives in good standing directly or indirectly affiliated to the RCU provided further that individual members may be accredited only once for the purpose.

Every National Cooperative Federation and such other National Cooperative Organizations/Societies registered under Philippine Laws shall be entitled to two (2) voting delegates.

The foregoing amendment shall take effect beginning in 1982 in the election of directors and committee members to succeed those whose terms of Office will expire in 1982.

The Board of Directors is empowered to promulgate the mechanics for the implementation of these amendments.

The Regional Cooperative Unions are urged to immediately call for a Special General Assembly of their affiliates to amend their By-Laws to conform to the idea for a more democratic control as envisioned in the amendment of Section 6 of the CUP By-Laws.

NATIONAL CAPITAL REGION UNION ACTIVITIES

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Being a non-stock and non-profit organization, the National Capital Region Union of Cooperatives, Inc. (NCRUCI) has been extending different services to its affiliates in terms of education and training, liaison and documentation, public relations and information, auditing, consultation, legal and technical assistance.

Since January 1st of this current year, the NCRUCI has conducted a series of Cooperative Management Seminars and accreditation of trainers with a total of 150 graduates. Pre-Membership Seminars were held at the request of different primaries benefitting 500 individual members. Out of 10 organized, 9 cooperatives were registered and now operating in their own localities and institutions. The Union's Audit and Management Services was able to audit 9 affiliates for their 1980 operations.

The NCRUCI has increased its membership with 10 additional affiliates giving a total of 67 primaries with 34,930 individual members. Most of these affiliates are Credit Unions/Cooperatives (49); Consumers Coopers (15) and other types like Service and Multi-Purpose (3).

For the 4th quarter of 1981, the Union is contemplating to release the maiden issue of the NCRUCI's Metro-Manila Coop News Bulletin come December. This will include, not only of the local news on primaries and CUP but also on the government front and foreign news of the different progressive countries wherein cooperatives are being successful. Another Management Course shall be held by the Education and Training Committee of the NCRUCI this November 28-29 and December 5 at the La Ignaciana Apostolic Center, Sta. Ana, Manila on "Business Approach to Cooperative Operation."

In line with the KKK project of the Philippine Government, the NCRUCI is scheduling a series of Pre-Membership Seminars for the organization of Producers and Industrial Cooperatives in Metro-Manila.

The NCRUCI is indeed blazing the trail for a dynamic Regional Cooperative Union!

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NEWSLETTER**

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CO-OP REFLECTIONS

By
S. C. MANONGDO

In this crucial stage of our economic development, there is a need to have a second look on what is happening in our midst today.

Like all developing countries, if we are to hasten our economic development, we need CAPITAL to increase and improve our agricultural production. But capital is even more urgently needed in the industrial development of our country.

The Capital we need in the Philippines, as much as possible, should come from International Banking and Financing Institutions. This will enable us to have more freedom in determining the direction of our economic development, giving priorities to economic enterprises which can lead to balanced economic development.

Some of our nationalist in the economic field are a little concerned with the Multi-National combines that have recently invaded our economic shores. They have some reasons for their fears, for how can a small Filipino entrepreneur compete with multi-million international combine? Moreover, will they not export most of their profits, after exploiting our vast natural resources?

But these are economic imperatives that we must accept, if we want to hasten our economic development. We, however, have to resort to some economic remedial measures to protect our future economic development.

CO-OPERATION, properly understood and rightly implemented by dedicated and competent leaders, can be one of such remedial measures. The people of Germany and the Scandinavian countries have dramatically demonstrated during the earlier and later part of the 19th Century that CO-OPERATION is the most effective instrument in making the people MASTERS of their own economic destiny. We can emulate the example of these countries and we do not have to involve ourselves in experimental co-op projects which can be very costly and thus hamper the cooperative development in the Philippines. We have had our share of this very expensive mistakes because the implementors of the earlier attempts of the Philippine Government to promote co-operatives were not committed to the Cooperative Movement.

CO-OPERATION is basically a people's movement. In order to succeed, it must be properly understood and accepted by the people themselves. It must not be imposed on them as we have vainly tried. The people must be persuaded to accept the system as the most practical and viable remedy to meet an urgent need. Let us see how Co-operation developed in Europe.

As early as the 1840's because of a long drought, there was famine all over Germany. William Raiffeisen, an Evangelical Christian, Mayor of Flammersfeld, had a compassion for the sad flight of his parishioners. The money lenders took advantage of the predicament of the farmers to further impoverish them by grabbing their work animals and implements due to their failure to pay their debts as a result of the long drought.

Raiffeisen knew that unless the farmers were provided with fresh capital to engage anew in their agricultural pursuits, they cannot resume their only means of livelihood - farming. So Raiffeisen introduced the Credit Union idea. Raiffeisen started his Credit Union Program with the organization of the Flammersfeld Self-Help Union on December 1, 1849. It will be worthwhile to record here the conversations of Pastor Muller and Mayor Raiffeisen, that gave birth to this world-wide movement that has captivated the imagination of the entire world.

"We must get to the root of these tragic events," Pastor Muller said, *"Let us get together the facts which lead to indebtedness and ultimate sale of the farms."* Later Pastor Muller added: *"So trading in cattle is the surest way to suck the country-folk dry. It is the root of poverty among our people."*

Raiffeisen unfolded his plan and said: *"Our first step must be to see that no moneylender can force the peasant to take cattle on credit. We must form a union through which the poor man can purchase an animal against repayment over several years at low interest, and above all, without forcing a man to buy more and more cattle on credit. By means of small judiciously spaced payments, each peasant will gradually be able - through his own industry - to acquire ownership of the beasts. In the event of misfortune, the period of repayment would be suitably extended."*

(Please turn to page 5)

Pastor Muller immediately retorted: "We only need one thing - MONEY - a lot of money." "That we must get somehow" was Raiffeisen's eager rejoinder. But Pastor Muller remonstrated "Who has enough money to be of real use? In Flammersfeld only one or another of the usurers whom you are seeking to put out of business." Raiffeisen immediately retorted: "Then we must raise a loan from somewhere else."

When Christmas Day came in Flammersfeld that year, the Self-Help Union was already a reality and there was great rejoicing in the hearts of the peasant folks of Flammersfeld because Raiffeisen had done just what Jesus Christ meant when he said "Inasmuch as you have done it to one of the least of these my brothers, yet have done it to me."

Because the farmers cannot go to the commercial banks for the cash they needed, as they had no hard collateral to offer, Raiffeisen organized the farmers into an unlimited liability cooperative enterprise. He resorted to this system of holding the farmers jointly and severally liable for loans extended to their society, so that he can get loans from the more affluent members of the community. At the beginning, loans to farmer-members were exclusively for productive purposes - purchase of work animals and implements, selected needs, fertilizers, etc. And because they involved themselves in efficient supervised credit, they succeeded. Soon the farmer-members provided the capital they needed from their own savings.

Professor Hans Gebhard of the State University of Finland had the opportunity of observing the Raiffeisen Credit Unions in Germany. In 1902, the farmers of Finland were in same predicament that our farmers in the barrios are in today. They were the merciless victims of usurers. So Professor Gebhard convinced some civic spirited leaders and the Finnish Government to put up a Bank for Cooperatives. The Bank for Cooperatives was organized even before any primary co-operative rural credit society was established, because at that time, the farmers were too poor to start their own credit society. But the Bank for Cooperatives started right by employing dedicated and competent fieldmen. They went out to the rural areas to organize the rural credit societies that were to serve as the outlets of the funds of the Bank for Cooperatives. Right at the very start, they resorted to adequate bookkeeping system and effective supervised credit. Because they emulated the example of the Raiffeisen Credit Unions, their success is marvelous. In 1925, when the Bank for Cooperatives could not meet the credit demands of the farmers, the Finnish Government gave them a loan of twenty-five million Finnish marks, without interest. On top of this, all the aid which the Finnish Government extended to the rural areas, were channeled through the Bank for Cooperatives.

The unique feature of the Finnish Cooperative Banking is while the Finnish Government provided most of the initial capital for the Bank, the Government allowed the Co-op Bank to be run by the cooperative leaders themselves with only technical assistance from the Government. Today, the entire capital of the Bank for Cooperatives of Finland is owned by the farmers themselves.

The Credit Union Movement crossed the Atlantic Ocean and found foothold in Canada under the inspired leadership of a Catholic journalist, Alphonse DesJardins. DesJardins organized the first Credit Union in North America at Levis, Quebec in 1900. He was also responsible for the organization of the first Credit Union in the United States in 1908 at St. Marie Parish in Manchester.

The development of the Credit Union Movement in the United States is largely due to Edward Filene, a Boston Merchant, who provided the money that enabled Roy Bergengren to travel all over the United States, working for the approval of State Laws to permit the organization and operation of Credit Unions. The efforts of Filene and Bergengren culminated in the organization in 1935 of the Credit Union National Association (CUNA) at Estes Park Colorado. It was the same CUNA that pioneered in the establishment of the World Council of Credit Unions in 1970.

Today, we have credit unions of the Raiffeisen type, all over the world. We have them in the dark recesses of Africa, in Latin America, in the Caribbean countries, in Australia and New Zealand and in Asia. These credit unions succeeded because they adhered strictly to the Raiffeisen Principles of:

1. Limiting membership to individuals who have a common bond of interest - the Credit Union is a character based enterprise;
2. Money borrowed from the credit union is wisely used for productive and providential purposes only;

A. Policy Statements:

1. The International Cooperative Alliance Declaration:

"The role of government in relation to cooperative societies should be one of active helpfulness, intended to stimulate cooperative enterprise, to guide it and keep it on sound lives without either attempting to compel or to replace local initiative or self help. Government should in addition promote conditions under which cooperatives will thrive and develop."

2. The International Labor Organization . . . "governments should formulate and carry out a policy under which cooperatives receive aid and encouragement without effect on their independence . . . and . . . each aid should not entail any obligations contrary to the independence or interests of cooperatives and should be designed to encourage rather than replace the initiative and efforts of the members."

B. Pronouncements of President Marcos, President of the Republic of the Philippines Five Year Development Plan, 1978-1982:

" . . . First, there is the matter of the roles of the private and the public sectors. In line with the Five-year Philippine Development Plan, the public sector will continue to engage in activities which are capital-intensive pioneering, high-risk and vital to the national interest. This is of critical importance because various areas of enterprise will not move without the vigorous activity of government.

"But while this is imperative in certain areas, the private sector will continue to be the prime mover of development activities. It must and will remain the backbone of our economic life . . ."

**"SEEK YE FIRST THE KINGDOM
OF GOD AND HIS
RIGHTEOUSNESS AND
ALL THESE THINGS
SHALL BE ADDED
UNTO YOU"**

SUCCESS STORY – THE SAN DIONISIO COOPERATIVE CREDIT UNION

By S. C. Manongdo

SAN DIONISIO . . .

In barrio San Dionisio, Paranaque, Metro Manila stands today a living monument of what people can accomplish under inspired, dedicated and competent leadership. If the San Dionisio Cooperative Credit Union continues in its noble task of making SERVICE as its primordial goal in the operation of the people's "bank," instead of PROFIT, then it can some day make this little barrio the ROCHDALE of the Philippine Cooperative Movement.

This marvelous success started with very humble beginnings, with the usual spiritual fervor that has characterized the world-wide development of the credit union movement, started by a Protestant layman, William Raiffeison of Flammersfeld, Germany and Catholic Journalist Alphones DesJardins of Canada. The San Dionisio Cooperative Credit Union started in 1961 with only 28 members, and a paid up capital of P380.00 in the form of Fixed Deposit.

The history of this particular credit union, the secret of its growth and the tremendous good it has done for the people of San Dionisio in Paranaque, serves as an inspiration for what people of small means can accomplish under competent and dedicated leadership.

The idea of the credit union started in a camping trip of the Rover Scouts in Corregidor when Fr. Walter S. Hogan first talked to them about the credit union, its history, philosophy and the marvelous achievements attained by people of small means all over the world.

The idea caught fire. But they wanted to start right. So they sought the assistance of Fr. Gaston Duchesneau, who at the time was Director of the Institute of Social Order. Fr. Duchesneau suggested that a seminar be held among the prospective organizers. To this, they willingly agreed and seven weekly sessions were held. When Fr. Duchesneau was satisfied that the organizers were ready for their ambitious venture to put up a little "bank" in the barrio of San Dionisio, he assisted them in the registration of their credit union with the then Cooperatives Administration Office. The memorable date is September 8, 1961.

They were not satisfied with the Seminar they had among the organizers. They wanted to insure the success of their project, so some of their leaders attended the Seminars then being conducted by the Institute of Social Order at Nueva St.,

Manila under the inspired leadership of Fr. Duchosnau. It was in these Seminars that I met Ben Allanigue and Dr. Angel Mendoza. I was very much impressed with their enthusiastic participation in the open forums. Evidently, the spiritual fervor of their early leaders has greatly contributed to the success of this particular credit union and this has continued to be so even now.

Another reason for the strength of this credit union is their absolute requirement that all new members must have completed a pre-membership course offered by the credit union for all applicants for membership. On top of this, they also conducted specialized courses for their members so that they can easily fit in for any opening in the leadership of their cooperative "bank." They are indeed implementing successfully one of the Principles of Cooperation as approved by the International Cooperative Alliance in the Congress held in Vienna in 1966 – that of continuous education for members, officers and the public.

In their 20th General Assembly held recently they submitted to their members a very well documented report, and I quote hereunder some very interesting success stories in figures, and to realize that they started in 1961 with only 28 members and a paid-up capital of P380.00.

As of December 31, 1980, they now have more than four thousand adult members and 4,500 children depositors. Their total paid-up capital is P5,376,859 in the form of Fixed and Savings Deposit.

In 1980 they loaned out to their members the amount of P3,757,120.00 and the total loans granted since 1961 is now P26,877,478.00.

The present leadership of the San Dionisio Cooperative Credit Union is entrusted in a group of dedicated leaders composed of the following:

Board of Directors:

Mariano Noriel	President
Lucio C. Francisco	Vice-President
Alberto M. Rodriguez	Secretary
Servando Garcia	Member
Willie A. Descalzo, Sr.	Member
Carlos S. Macabuag	Member
Victor M. Rodriguez, Sr.	Member
Ernesto Garcia	Member
Jose Pascual	Member

Supervisory Committee

Angelo A. Cardeno	Chairman
Adeltrudes L. Bernardo	Secretary
Antonio Zabala	Member

Education Committee

Lucio C. Francisco	Chairman
Dr. Angel A. Mendoza	Co-Chairman
Arsenio Santiago	Member
Willie A. Descalzo, Sr.	Member
Mariano Noriel	Member

Mr. Benedicto Allanigue, Chairman of the Advisory Council, is an ex-officio Board Member. Mr. Herminio C. Hernandez is the Treasurer and General Manager.

The officers are assisted by a Staff of nineteen (19) young and dedicated co-operators.



SAN DIONISIO CREDIT UNION STAFF

THE PHILIPPINE FEDERATION OF WOMEN FOR COOPERATIVES STORY

By Josefina E. Gaerlan

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In 1975, in conjunction with the United Nations celebration of the "International Women's Year," the International Cooperative Alliance, a UN Agency composed of more or less 150 member countries sponsored a conference on "The Role of Woman in Cooperatives in Southeast Asia" at Kuala Lumpur. The Philippines was represented by five (5) delegates and one resource speaker.

One of the resolutions passed in the conference was one that called for a survey on the nature and extent of women participation in cooperatives to be conducted by the National Women's Committee for Cooperatives of each participating country. The purpose is to define women's role in cooperatives, and if necessary, to make possible providing education and training to women so as to enable them to render maximum participation in cooperatives, as the latter are believed to be effective means to socio-economic upliftment.

Immediately after the conference in Kuala Lumpur, organizational efforts were started in the Philippines by the Filipino Cooperative Wholesale Society's Women's Committee. It was only in the latter part of 1977 that the Filipina co-operators conceived of converting the FCWS's Women's Committee into the Steering Committee of the Philippine Federation of Women for Cooperatives. After several meetings, the PFWCI was formally organized and registered at the Securities and Exchange Commission, with the following officers:

Chairman — Ms. Josefina E. Gaerlan
Vice-Chairman, — Atty. Rosario C. Lazaro
Secretary — Ms. Patrocinio R. Estacio
Treasurer — Ms. Ampario R. Alvarez
Press Relations Officer — Sister Leontina Castillo
Business Manager — Ms. Consorcia A. Reyes
Auditor — Ms. Constanca J. Cabalero

The Philippine Federation of Women for Cooperatives, Inc. deemed it imperative to fully harness the potentials of women so that they may be able to assist their male counterparts in their socio-economic life. Its general objective is: To achieve maximum involvement of the Filipino women in cooperative development.

The Specific objectives are:

1. To determine the nature and extent of the participation of women in the various cooperatives so as to plan their further involvement in the movement.
2. To inculcate in Filipino women the values and benefits of cooperativism in the economy of the home and the country.
3. To implement a continuing program of education for women.
4. To increase the extent of women's participation in the cooperative development program of the government and in international cooperative organization's activities.
5. To relate other women's organizations in cooperative development, particularly that of consumerism.
6. To enlist the support of the government and private agencies in the achievement of the goals of the federation.

With these goals in mind, the federation gradually implemented them. In May of 1979, the ICA Study Team composed of Mrs. Margaret D. Cruz, Education Direction for Women and Youth, ICA Regional Office and Education Center for Southeast Asia, Miss Josefina E. Gaerlan and Mrs. Consolacion C. Valmonte, Chairman and Consultant of the PFWCI, respectively, went around the Philippines to conduct survey to (a) ascertain the present position of women in cooperatives in the Philippines and (b) suggest ways and means for increasing women's participation in cooperatives. The team was ably assisted by the Ministry of Local Government and Community Development Regional Staff and the Bureau of Cooperatives Development key personnel.

As a result of the survey, the PFWCI then decided to hold a seminar-workshop on "National Training Course for Women Leadership in Cooperatives" in Baguio City from October 22-30, 1979. Several agencies were tapped for financial support, namely:

- (a) The International Cooperative Alliance,
- (b) The Bureau of Cooperatives Development,
- (c) The Cooperative Consultative and Coordinating Committee,

- (d) The Advisory Board of the Cooperative Education and Training Fund, and
- (e) The Filipino Cooperative Wholesale Society.

Specifically, the seminar-workshop aimed to:

- (a) Provide training for leadership of women in cooperatives,
- (b) Study problems of consumers, credit and rural cooperative societies,
- (c) Discuss possible solutions to the problems, and
- (d) Accelerate/increase active women participation in their cooperatives.

The seminar-workshop discussed the problems of consumers, credit and rural cooperatives and offered possible solutions to these problems. The role of women in cooperatives are fully reviewed and the acceleration and increase of active participation in cooperation was emphatically stressed.

Several recommendations were presented and some were adopted by the seminar for immediate action. Significant recommendations that are being carried out are those that concern education programs and projects that are income-generating in nature, beautification, those that have relevance to the objectives of PFWCI and the national development programs. The PFWCI coordinate with other agencies, both national and international to assist in the implementation of their programs in all areas in the country.

In order to provide members and leaders with more opportunities of learning about the working of other cooperatives and other organizations, some are sent to attend seminars, workshops, and conferences here and abroad. Upon invitation of international organizations, like the International Cooperative Alliance, International Labor Organization, Swedish Cooperative Center, SIDA, DANIDA, PFWCI have sent delegates to attend to places like Japan, Korea, Sweden, Malaysia, India, Thailand, Sri Lanka, and other places.

(Please turn to page 8)

CO-OP REFLECTIONS ... 77

(Continued from page 5)

3. There was efficient bookkeeping system;
4. Gratuitous services were provided, except for the Treasurer who handled most of the work; and
5. The credit union primordial purpose is SERVICE and not PROFIT.

What is our experience in the Philippines? This is the interesting sequel in the second Instalment of CO-OP Reflections.

PFWC STORY ...

(Continued from page 7)

At present, the PFWCI is continuously campaigning for more women membership in cooperatives, and if possible, employment of women members in their consumer, credit, and service cooperatives. Programs are being readied for enhancing home-life through food-processing projects, recycling, cottage industries, and other various ways and means for better living. The activities are geared towards the needs of the members in the different regions and places in the country.

While the general objective of PFWCI is the maximum involvement of women in cooperatives as institutions for national development, the foremost concern of each member is the upliftment of her family — her husband and children for better life, better future, and better Philippines.

ASIAN OPEN CONFERENCE ...

(Continued from page 1)

between and among participating countries and the different international organizations, both governmental and non-governmental, which are involved in the cooperative development program. At the same time, it shall serve as a forum for discussions of possible assistance coming from advanced movements targeted towards developing cooperative movements.

This conference has a timely relevance to the recent thrust of the Government to stimulate production and other related activities as announced by President Ferdinand E. Marcos under the KKK Program.

Assisting the CUP in this big venture are the National Association of Cooperative Training Centers (NATCCO) the Philippine Federation of Credit Cooperatives (PHILCUL) and the Sugar Cooperative Development Institute of the Philippines (SGDIP).

3 SNSP SITES MADE FIRST REPAYMENTS

Three SNSP pilot Samahang Nayons have made a breakthrough by remitting the first amortization payment to the loan granted them a year ago under the SNSP Loaning Scheme, ahead of schedule.

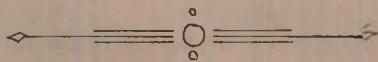
These SNs are the Bintog SN and the Culianin SN both of Plaridel, Bulacan under the supervision of Ms Precy Pascual Dayao which remitted a total of P5,100 for thresher project and Sta. Monica SN of Concepcion, Tarlac under the supervision of Miss Marilou Ortiz-Luis which remitted P4,023 for a thresher.

The amortization came from the savings of their respective farm implements which have been in operation since 1980. Based on the loan agreement, such loan is payable in 5-year amortization with two year grace period, at 3% interest rate.

Technicians Dayao and Ortiz-Luis reported that with the volume of operations generated by the farm implements, loans under the farm mechanization category may be fully paid within a 2-year period.

Other SNs have signified to remit their amortizations within the next 3 months.

Remittances were transmitted to the PNB West Avenue, Branch, Quezon City which serves as the central depository. It will finally be remitted to the NEDA.



Compliments of the:

**SAN DIONISIO CREDIT
COOPERATIVE, INC.**

DR. JOB SAVAGE ...

(Continued from page 1)

Dr. Savage served as Assistant Administrator of Farmer Cooperative Services of the United States Department of Agriculture. He holds a Doctor's degree in Agricultural Economics from the University of Wisconsin.

After his retirement from his Government job and before he came to the Philippines, Dr. Savage advised Cooperatives and Government Agencies in Ethiopia, Liberia, Malaysia, Egypt, Brazil, Columbia, Paragua, Ghana, Dominican Republic, Jordan, Thailand and Somalia. He therefore came to us with the wealth of experiences gained in his study tour of cooperatives in developing countries.

Dr. Savage was accompanied in his study tour in the Provinces of Cavite, Laguna, Batangas and Nueva Ecija by the Editor. He was also assisted by Mrs. Abigail Lily Reyes, Treasurer of the Philippine Coop Consultants and Mrs. Leonila Chavez, President of the Cooperative Rural Bank of Nueva Ecija and General Manager of the AMC for Central Nueva Ecija.

Before Dr. Savage left, he submitted his very valuable recommendations to further strengthen the CUP. These recommendations will be printed in full in the subsequent issues of this Newsletter. So subscribe now to be sure to read and benefit from his observations.

LAUGHING TOGETHER

It occurred to a young girl that maybe the young man sitting next to her might change seat with her fiance, so she leaned towards him and whispered "Pardon me, are you alone?"

He ignored her, so she raised her voice a little and tried again. Still no answer.

Then more loudly she asked again. At that the man spoke, keeping his eyes on the screen, "Cut it out, you, my whole darn family are here.

* * * * *

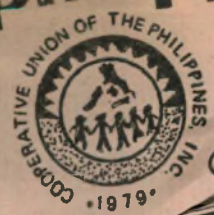
Did you know of the story of a local mother about to leave the maternity hospital with her latest arrival — her 12th child — who was confronted by her doctor with a chuckle and "Well, I'll be seeing you again in another year or so."

"Oh no," said the mother "not any more!"

"What?" the doctor exclaimed surprised. "How can you be so sure."

"Well," she said, "my old man and I just found out what's causing them."

PHILIPPINE CO-OP NEWSLETTER



Official Organ of the
**COOPERATIVE UNION
OF THE PHILIPPINES, INC.**

*CO-OP
depends on
Self-Reliance
and Freedom*

December, 1981

CONFERENCE ON CO-OP MANAGEMENT A SUCCESS

Volume 2
OPEN A...
...en Conference on
...agement jointly spon-
...operative Union of the
...d the ICA Regional Office
...tion Center based in Delhi,
...th the full support of the Minis-
... Agriculture, through Mrs. Nelia
...nzalez, Assistant Secretary for Co-
...operatives and concurrently Officer-in-
...Charge of the Bureau of Cooperatives De-
...velopment, was indeed a rousing success.
The Conference was held at the Manila
Mid-town Ramada Hotel from November
8-10, 1981.

The Conference was attended by 178 official delegates. Malaysia had the biggest contingent of foreign delegates numbering 64. Singapore had 15 delegates; India 10 delegates; South Korea 3 delegates; and one each from Sri Lanka, Japan and Thailand. The Philippines, the host country, had 83 delegates. In addition to the local 83 delegates, the following members of the Board of Directors of the CUP also attended the Conference; President Arcadio Lozada, Vice-President Gaudencio Hernandez; Vice-President Manuel P. Alonzo, Jr. Treasurer Ms. Leonila V. Chavez, Francisco Caballero, Santiago C. Manongdo, Teodoro E. Nazareno, Constantino Rabara, Julio Vivares and Bernardo Rodel, Secretary-General Manuel F. Verzosa also attended the Conference.

The opening day was highlighted by the Keynote Address of Hon. Arturo Tanco, Jr. Minister of Agriculture. The last day was fittingly closed with an Inspirational Message from Hon. Manuel Manahan, Chairman of the Co-operative Foundation of the Philippines.

The afternoon of the first day and the whole of the second day were devoted to the presentation of the papers of the following resource persons:

1. COOPERATIVES AMONG MEMBERS OF THE LOCAL LEVEL
 - J. M. Sunadasa
 - Sri Lanka
 - Molohiro Kameda
 - Japan

2. COOPERATION AMONG COOPERATIVES WITHIN A COUNTRY
 - Mrs. Nelia Gonzales
 - Philippines
 - P. R. Dubhasi
 - India
 3. COOPERATION AMONG COOPERATIVES ON THE REGIONAL GLOBAL LEVEL
 - Dr. S. K. Saxena
 - Senior Consultant
 - Swedish Coop. Center
- During the third day, the delegates were divided into three Commissions.

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BATASANG PAMBANSA SUB-COMMITTEE ON COOPERATIVES CONVENED CO-OP LEADERS

The Batasang Pambansa Sub-Committee on Cooperatives, chaired by Assemblyman Jesus Amparo (KBL of Central Mindanao), invited cooperative leaders from Mindanao, Visayas and Luzon to a meeting at the Batasang Pambansa last December 2, 1981, in an effort to find ways and means of mobilizing the country's organized cooperatives in the implementation of the KKK projects.

The leaders of the co-operative movement took the opportunity to unburden themselves of the problems confronting the movement that may affect the ability of viable cooperatives to effectively assist in the implementation of the laudable program of President and Mrs. Imelda Marcos as envisioned in the KKK Program. They requested the members of the Batasang Pambansa to assist them so that they can withdraw their savings amounting to more than sixty million pesos deposited in the Rural Banks in their respective localities so that they can invest said amounts in their own Area Marketing

(Please turn to page 5)



DYNAMIC LADY BUSINESS EXECUTIVE

The most recent convert to the Co-operative Movement is a dynamic Lady Business Executive, Mrs. Nelia Teodoro-Gonzalez. She brings to the Co-operative Movement the wealth of her experiences gained as a successful agri-business executive of several enterprises. She has impressed us with her willingness to listen and learn the basics of Co-operation which is an essential ingredient for real and sincere leadership in the Co-operative Movement. With proper understanding of the tenets of Co-operation and her desire to infuse into the movement the fine refinements of success in economic ventures, Mrs. Gonzalez will indeed be an ASSET to the Co-operative Movement of the country.

The designation of Mrs. Gonzalez as Officer-in-Charge of the Bureau of Cooperatives Development, concurrently with her position as Assistant Secretary of the Ministry of Agriculture, has served as an inspiration to lady co-operators of the Government service like Ida Banaira, Mila Macaranas, Tessie Jamias and Saling Banguis. Likewise, the private sector, women leaders who have given freely of their time and talents like Nellie Chavez, Danny Inciong, Lily Abigail Reyes, Josie Gaerlan, Ampe Alvarez, Portia Mapanao, and many more, strongly indorsed the appointment of Mrs. Gonzalez and they have promised their solid support to the new leader of the Co-operative Movement.

(Please turn to page 2)

COOPERATIVE ACTIVITIES AT ACCI

CONSUMER COOPERATIVE MANAGEMENT COURSE

Twenty-seven cooperators — 10 managers/staff of selected consumer cooperatives and 17 coop trainers of the MA and ACCI received their certificates of completion at the closing ceremonies of the Seminar-Workshop on Management of Consumer Cooperatives held December 4 at the ACCI Auditorium. Guest speaker for the program was Asst. Secretary Nelia T. Gonzalez of the MA who is concurrently Officer-in-Charge of the BCOD.

The one-month course was divided into 2 parts — the first was an intensive course on retailing on the "basic level" for both managers and trainers; the second was specially intended for trainers to help them design training courses for adaptation to local conditions with the help of the experienced managers.

Participants from the coop sector were recruited from viable consumer coops in Metro Manila and the nearby provinces. The trainers group from the MA represented 10 out of the 12 regions while ACCI had 3 delegates.

The course was jointly sponsored by the BCOD/MA and the ACCI in collaboration with the Material and Techniques for Cooperative Management Training (MATCOM) Project of the ILO. Funding was provided by the BCOD and the Cooperative Education and Training Fund (CETF).

Mr. John Roland, ILO consultant, Dr. Rodolfo M. Matienzo, ACCI director, Mr. Jacinto R. Batoon, consumer coop specialist of ACCI, Mr. Geert Muijsers, ILO-MATCOM liaison officer, and Mr. Alonso I. Pinlac, Chief ETD, BCOD directed the program.

2nd FOLLOW-UP PROGRAMME ON TRAINING METHODOLOGY AND TECHNIQUES FOR TEACHERS OF COOPERATIVES

Nineteen participants from Nepal, Sri Lanka, Thailand, Malaysia, India, Korea, Philippines have attended in the ACCI a one-month course on training methodology and techniques for Teachers of cooperatives.

The course, the second of its kind held in the ACCI, is a follow-up of a basic courses given in 1979 and 1980 in Vaikunth Metha Institute of Cooperative Management in Poona, India.

Sponsored by the International Cooperative Alliance Regional Office and Education Centre, the Cooperative Union of the Philippines, and the ACCI, the course includes visits with different institutions involved in education and training and primary cooperatives.

Closing ceremonies for the course was held on December 15, 1981 with former Senator Manuel Manahan, Chairman of Board of Trustees of the Cooperative Foundation as the Guest Speaker.

MARGARET D'CRUZ VISITS THE PHILIPPINES

Margaret D'Cruz, Education Director for Women and Youth, ICA Regional Office and based in Bangkok, Thailand, visited the Philippines last November 8-11, 1981. Coming from Tokyo, Japan after a two-week study tour on fisheries cooperatives, she passed by the country to confer with the Steering Committee of the Philippine Federation of Women for Cooperatives, the Education Committee of the Cooperative Union of the Philippines, and Mrs. Nelia T. Gonzalez, Assistant Secretary of the Ministry of Agriculture, concurrently Officer-in-Charge of the Bureau of Cooperators Development.

During her stay in the country, she had meetings with Brigadier-General Arcadio Lozada, Mr. Santiago Manongdo, Chairman and Director of the CUP Board respectively; with Mrs. Nelia T. Gonzalez of MA; Atty. Clemente E. Terso, Jr. of the Ministry of Human Settlements; and the Steering Committee of the PFWC. Her meetings with the said officials had something to do with the arrangement of the seminar-workshop which will be held in the Philippines next April 24, 1982. The seminar-workshop, a part of the continuing education project of the PFWC, is geared towards better life and is in line with the KKK objectives. This objective will be co-sponsored by ICA, CUP and MA.

Mrs. Margaret D'Cruz was tendered a luncheon by PFWC, together with Mr. R.B. Rajaguro; ICA Regional Director, Mr. J.M. Rana, ICA Education Director, on November 11, 1981 at the Aberdeen Court at Quezon City. In the afternoon, Mrs. M. D'Cruz and Mr. Rajaguro inaugurated the "Bucket of Water" project (Artesian Well) of the Village Women cooperators in barrio Camarin II in Novaliches, Caloocan City.

A frequent visitor of the Philippines, Mrs. Margaret D'Cruz was responsible for the national survey conducted in our country in connection with the role of women in cooperatives in May, 1978. In October 22-30, 1979, she came back as co-sponsor of the "Leadership Training for Women in Cooperatives" held in Baguio City.

With her untiring effort and zeal, Mrs. D'Cruz has instilled in Filipino women, as well as other women in Southeast Asia, their active participation in cooperatives to assist men to a better life and to help the country in its economic development.

DYNAMIC LADY . . .

(Cont. from page 1)

1982 may yet be the LADIES YEAR in the Co-operative Movement! May their tribe increase.

Mrs. Nelia Teodoro-Gonzalez is a graduate in Bachelor of Science in Agriculture, majoring in Plant Pathology of the University of the Philippines, College of Agriculture at Los Banos, Laguna. After graduation in 1944, Mrs. Gonzalez was immediately assigned as then Director Ricarlanang, in addition to work between Agronomist. She also took activities as Director of the new School of Fisheries her for various Chemistry and Botany. the said bureaus Villadolid also tapped subjects in the

In 1946, Mrs. Gonzalez worked for Pototan, Iloilo. In Araneta Institute of Agriculture, now the Araneta University School in in various capacities, starting in the High School Department as Instructor in the Department of Agronomy. She subsequently became the manager of the Products Division of the University. This Division during her management pioneered in the following activities which helped boost agriculture, particularly the animal industry in the country, thereby contributing to the over-all economic progress:

1. Introduction and importation of the first White Leghorn strains from the United States;
2. Establishments of local foodmills. This replaced imported feeds and gave rise to utilization of local products like corn, rice bran, feed-grains, soybeans, ipil-ipil, fishmeal, meat scraps;
3. Establishment of the first private biological laboratory which produced supplements, medicines and vaccines for the local animal industry;
4. Establishment of woodworking shop which produced incubators, poultry and livestock equipment for the local animal industry; and
5. Actively engaged in the organization of poultry and piggery producers all over the country in order to build an industry which would provide food for our people.

In 1961-1962, when the feedmill production became an expanded unit and was absorbed by the Republic Flour Mills, Inc., which was the first flour mill in the country, Mrs. Gonzalez was promoted to manage the by-products department of the Republic Flour Mills. In 1962, further expansion of the feedmill brought forth

(Please turn to page 2)

PURPOSE OF REVIEW

The CUP has its objective the sound development of the Cooperative Movement in the Philippines. The purpose of this review is to help improve the operations and structure of CUP in order that it may achieve its objective. This organization is the apex organization of all cooperatives in the Philippines registered under P.D. No. 175, as amended and LOI No. 23, as amended and it began operating August 1, 1980.

METHOD OF REVIEW

To make this review an outside Consultant from the Volunteer Development Corps (VDC) was invited in by CUP. The VDC provides technical help to Cooperatives of all types in developing countries around the world. It was organized by Cooperatives in the U.S.A. Its board of directors is appointed by these Cooperatives and they provide some of its operating capital. The bulk of its funds, are, however, provided by the United States Agency for International Development (USAID) Washington. The VDC Consultants are, as the name implies, volunteers who receive no pay. All are experts in one or more aspects of Cooperative Development such as training, research, credit, management, and etc. The Consultant responsible for this review is an agricultural Economist with a Ph.D. from the University of Wisconsin with over thirty years of experience in working with Cooperatives in the U.S.A. and in numerous Countries abroad.

The Consultant was in the Philippines for approximately two months beginning July 10, 1981. During the period he had complete access to the files of CUP. He met with the board of directors of CUP on two occasions and consulted with several of them from time to time during his stay. In addition he contacted a cross section of Cooperatives in Metro Manila, sometimes meeting with the executives of several organizations engaged in Cooperative development in the Philippines such as the Agricultural Credit and Cooperative Institute (ACCI), the Cooperative Foundation of the Philippines (CFPI), the International Institute for Rural Reconstruction (IIRR), Federation of Free Farmers Cooperative, Inc. (FFCI), and the National Association of Training Centers for Cooperatives (NATCCO). A limited number of rural-based cooperatives were also contacted. Two meetings with the Assistant Secretary of Agriculture in charge of BCOD were held. Numerous published documents on Cooperatives in the Philippines were read. Several discussion meetings were held with the President, Secretary-General, Legal Counsel, and Co-Chairman of the Education and Training Committee of CUP. Information and ideas from these

sources support the contents of this review.

In all problem solving situations it is necessary to define and understand the problem or problems. This is true for CUP, a relatively new organization with a mission to consolidate and strengthen the Cooperative Movement in the Philippines. Accordingly in the following section of this Review, Cooperative development problems in the Philippines are discussed. This serves as a background for the remaining sections of the Review.

COOPERATIVE DEVELOPMENT PROBLEMS IN PHILIPPINES

There have been numerous well-intentioned National Government sponsored and supported programs to develop rural-based cooperatives in the Philippines since the early 1950's. Most, if not all, have failed. Many reasons have been cited for these failures such as "a top down" rather than "bottom to top" approach, too much Government interference, inadequate financing, lack of training at all levels, members not loyal, cooperative laws inadequate, mismanagement at cooperative level, misappropriation of funds, poor record-keeping, insufficient audits, insufficient technical help, and lack of adequate Cooperative facilities. This is just a brief summary of reasons. Others can be added.

The causes for failure given are valid, but even if all could be corrected in present and future programs, cooperative development on a successful basis is not likely to take place. This is because the reasons for failure cited do not go to the heart of the problem. The real cause is a failure of those in authority to understand the nature of a cooperative, that is to say, the purpose of such an institution: what it can reasonably be expected to accomplish and how it has to be organized if it is to succeed. Too often, cooperatives have been viewed as handy tools whereby State programs can be quickly implemented. A crash campaign is mounted to organize cooperatives and, a few years later, another failure is chalked up. This approach has been tried in Country after Country in the Third World with almost no successes.

To understand the nature of a Cooperative is to understand that this is an institution organized by people on a volunteer basis to provide them, on a group basis, services they could not receive working as individuals. In doing this they subjugate some individual decision-making rights to the group. They are willing to do this in order to receive some services that they value. This must be done on a volunteer basis and not forced upon individuals as is so often the case with Government programs to develop Cooperatives. Man will voluntarily give up something of less value in order to gain something he values more because of his

inherent motivations. One of the most powerful of these being the acquisitive nature of man or, put in another way, man is self-oriented. This is not to say that man is motivated by self-orientedness alone, but the motivation is a powerful one. Ideally it is tempered by traits such as generosity and love.

In the haste to get massive cooperative development programs underway this self-interest aspect is most often overlooked. The prospective member does not actually feel the need for a Cooperative. If he is required to invest in it, the amount is usually not sufficient to convince him that the cooperative belongs to him and his fellow members. Quite often, he makes the investment because this will entitle him to buy farm supplies from the Cooperative at subsidized prices. It may be a condition for him to acquire land on favorable basis. He is, in a sense, bribed to become a member. Under these circumstances membership disloyalty is assured. The member does not view the cooperative as his. It is just another place to do business. The minute the cooperative competition offers the members even a slightly better price for his product he will take it. He does not understand that the cooperative is his economic protector. As soon as it is put out of business and there are no more competitive prices offered, producers are likely to decline drastically in their patronage of the services of the Cooperative.

It is difficult to get members to understand this basic idea upon which successful cooperatives are built. Certainly member education will help, but this usually has to be backed up by operating experience that demonstrates to members its practicality. The relatively successful development of cooperatives in the non-agricultural sector of the Philippines supports this position. These cooperatives have not been provided with Government subsidies to aid in their development. While they are far from reaching their full potential and certainly have experienced set backs, they are at a far more viable stage than are the agricultural cooperatives. There are surely other contributing factors, but much of the progress of cooperatives in the non-agricultural sector is that they had to be financed in large part by their members. This type of support does not emerge unless members truly feel the need for such institutions, and understand how they must operate. Both requirements call for effective member education.

Sound cooperatives are also based on democratic control by members who own them. This principle is often violated in government-sponsored cooperative development programs. The violation is not malicious, but results from a paternalistic desire to see the cooperative suc-

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EDITORIAL

PHILIPPINE COOPERATIVE NEWSLETTER

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The month of December is one looked up to with great anticipation not only by children but even adults. For it was in this month of the year some two thousand years ago that the baby Jesus was born in Bethlehem. A host of angels, within the hearing of the shepherds who were watching their flock by night, proclaimed "A Saviour is Born, Glory to God in the Highest, and Peace on Earth, Goodwill to Men." This is the same message which present day world leaders are seeking for in a world torn by hate and turmoil.

Jesus Christ's coming to the world opened the way for mankind to have a more abundant and fruitful life, under a regime of peace and order. To achieve this goal, the Master sought the assistance of ordinary people like fishermen. These Disciples proved to the world that ordinary people can lead man's struggle for a more abundant life, if they have the dedication and the compassionate concern for the welfare of their fellowmen.

The co-operative leaders have every right in joining in the celebration of this Great Event, for the goals of the Co-operative Movement are the same as those which Jesus proclaimed. To quote the Policy Statement of Presidential Decree No. 175, "It is hereby declared the policy of the State to foster the creation and growth of co-operatives as a means of increasing income and purchasing power of the low-income sector of the population in order to attain a more equitable distribution of income and wealth."

The goals of the Co-operative Movement can be achieved, even by ordinary people like the Disciples of Jesus, if they are also possessed with the highest quality of leadership – selfless coupled with missionary zeal. This is the crying need of the hour if we want Co-operatives to be effective instruments in the attainment of the laudable objectives of President and Mrs. Marcos as envisioned in the KKK Program.

CO-OP REFLECTIONS

S. C. Manongdo

In the first issue of our Philippine Co-op Newsletter, I discussed the early beginnings of the world-wide Credit Union Movement. The inspired efforts of Protestant layman William Raiffeisen in the drought and poverty stricken farmlands of Flammersfeld, Germany, in waging a successful campaign to crash the ugly tentacles of usury; followed by the dedicated efforts of Dr. Hans Gebhard of Finland, whose farmers in 1902 were practically in the same predicament as our farmers are now in today in the remote barrios of our country, deserves to be remembered. The pioneers of Finland solved the need for small credit of the farmers with the establishment of an apex Cooperative Bank, even before a primary credit union was organized. Then the pioneers went to the rural areas to organize their cooperative credit societies to serve as outlets of the funds of their apex Cooperative Bank. They were so successful that the Finnish Government coursed through the apex Cooperative Bank all the aid that they extended to the farmers.

Then our history brings us to the marvelous success attained in the Americans ushered in by a Catholic journalist, Alphonse Desjardins of Levis, Quebec, Canada and the very successful teamwork of a rich Boston Merchant, Edward Filene and a young lawyer, Rey Bergengren who have blazed the trail for the world-wide Credit Union Movement that now encircles the Globe with the organization in 1970 of the World Council of Credit Unions in Madison, Wisconsin.

I am a little partial in insisting in the use of CREDIT UNION as the name to be retained for our cooperative credit societies in the Philippines. The name CREDIT UNION, which was first used in Belgium during the earlier part of the eighteenth century, has been retained in the United States and now all over the world to described the society which ordinary people have organized to successfully combat usury and to usher in a new hope for our people of small means for a brighter and richer tomorrow. The organization and successful operation of a Credit Union certainly is the first step up the ladder to economic freedom for ordinary people.

We now come to our Philippine experience in this type of cooperative endeavor. The early attempts in rural credit cooperative was inspired by the visit of Edward Filene in 1907 to the Philippines, coming as he did from India where he got the inspiration that motivated Filene to spend a sizeable portion of his fortune to the promotion of the Credit Union Movement in the United States. "Deacon" Prutch also wrote extensively in the local papers of his observations in India about their rural credit cooperatives.

But the real pioneer of cooperative credit is Governor Teodoro Sandiko of Bulacan who had the privilege of observing the Raiffeisen Credit Unions in Germany during the later part of the Nineteenth Century. Governor Sandiko prepared the draft of the first Rural Credit Cooperative Bill that was introduced in 1907 in the Philippine Legislature by Representative Alberto Barreto of Zambales. While this Bill was passed in the lower Chamber of our Legislature, it was defeated in the Philippine Commission, the upper Chamber of our Legislature. The same bill was reintroduced in 1915 by another Representative from Zambales, Rafael Corpuz, and this time it passed both Chambers of our Legislature because of the support given by Singson Encarnacion and Rafael Palma, both of the Philippine Commission.

The first Rural Credit Cooperative Association was organized in Cabanatuan in 1916 and it soon flourished because of the financial assistance of the Philippine Government through the Rice and Corn Fund. But our first attempt on cooperative credit failed because we did not have at that time the trained leadership, both in the Government and private sectors. We did not emulate the example set by cooperative leaders in Europe and the United States, because their experiences in running a successful Credit Union were not available to us in the Philippines at the time.

The Credit Union of the Raiffeisen type was introduced in the Philippines in 1938 by the Rev. Allen R. Huber, an American Missionary. When he was first assigned in the Philippines, he was bothered by rampant usury specially in the rural areas among our farmers. When he returned to the United States on his furlough, he had the unique experience of organizing the first Protestant Credit Union in the United States, registered under the Federal Credit Union Law, in Frankfort, Indiana where he was assigned as Pastor. It is interesting to note that the first Credit Union in the United States was organized in a Catholic parish at St. Marie, Manchester, New Hampshire, in 1908.

When Rev. Huber returned to the Philippines in 1938, he was assigned to Vigan, Ilocos Sur. He immediately asked for permission from the local Church Council, for him to form a study club to prepare the members of the Church in the organization of a Credit Union. After several sessions and when Rev. Huber was satisfied that the members were prepared to organize their Credit Union, he assisted them in registering the first Credit Union. He encountered difficulty in registering the Credit Union with the Securities and Exchange Commission because the Corporation Law provided for voting according to the shares which a stockholder has in a Corporation, contrary to the one-man one-vote principle in cooperatives. The Corporation Law also allows proxy voting, which is not permitted in a cooperative society. But Rev. Huber finally convinced the SEC officials to register the first Credit Union, when he informed them that under the U.S. Federal Credit Union Law, Credit Unions can be organized in any of the States and territories of the United States.

The Editor had the rare privilege of associating with Rev. Huber in the promotion of the Credit Union Movement as early as 1938, when Huber and Helen Topping, the English voice of the great Japanese Cooperative Leader Tohiyoko Kagawa, conducted study clubs in the Office of former Director Cornelio Balmaceda of the Bureau of Commerce and Industry.

When the Editor joined the National Cooperatives Administration in 1946 on the invitation of Dr. Pablo Mabbun, one of the early pioneers of the Cooperative Movement, Huber and he convinced the NCA Board of Governors to include the organization of Credit Unions as a major activity of the NCA. On the request of the NCA Board of Governors, Huber and the Editor prepared the first Handbook on Credit Unions, which included the simple bookkeeping system as practiced in the United States. This Handbook became a handy guide for the NCA organizers.

The organization of Credit Unions was greatly aided by the Cooperative Seminars conducted by the Cooperatives Administration Office which started in 1956 and continued up to 1972 when the Martial Law was promulgated. The Editor, who was in charge of the nation-wide Cooperative Seminars, which included the simple bookkeeping system of Credit Unions, was very much encouraged by the response of the participants in those Seminars, which included public school teachers, labor leaders, government officials and religious leaders. We had Seminars among the public school teachers of Negros Occidental, Zamboanga, Bohol and Leyte. We also had cooperative seminars among religious groups in Bohol, Antique, Pampanga and Mountain Province where we now have two Credit Unions among the natives of Bontoc having more than one million pesos in Fixed Deposits. We also had seminars among labor leaders in cooperation with the Asian Labor Education Center of the University of the Philippines.

Another milestone in the Credit Union Development in the Philippines was the courageous step taken by the Catholic Church when in the National Rural Congress held in 1967, the Congress indorsed the organization of Credit Unions in the rural areas as a means of giving to our barrio people access to easy credit facilities to meet their small credit needs on the basis of self-help and mutual assistance. The Catholic Missionaries and Priests in Tagum, Davao, Antique, Bohol, Southern Leyte, pioneered in the promotion of Credit Unions in their respective localities.

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Cooperatives and Cooperative Rural Banks. President Arcadio Lozada of the CUP also pleaded with the members of Batasang Pambansa for the restoration of the tax exemptions and other privileges as contained in the Old Cooperative Law Republic Act No. 2023. General Lozada invited the attention of the leaders of Batasang Pambansa that the cooperatives organized among farmers and the rank and file of Government employees and industrial workers should also be given the same privileges as are now accorded to the Sugar Marketing Cooperatives and the Rural Electrification Cooperatives.

Practically all the members of the Board of Directors of the CUP were present in the said gathering, Deputy Minister Orlando Sacay and Assistant Secretary Ms. Nelia T. Gonzalez, both of the Ministry of Agriculture were also present. The conference enabled the members of the Sub-Committee on Cooperatives present, which included Chairman Jesus Amparo, Assemblyman Benjamin Bautista, and Assemblyman Medardo Tumagay, to learn of the problems confronting the co-operative movement.

When the meeting was adjourned in the afternoon, the Conference decided to form a Committee to prepare adequate legislation to further strengthen the Co-operative Movement and to take such other remedial measures that may be necessary so that organized co-operatives can effectively help in the effective implementation of the KKK Program. They Committee is composed of the following:

- I. BATASANG PAMBANSA:
 - Hon. Jesus Amparo, Chairman of the Sub-Committee on Cooperatives;
 - Hon. Benjamin Bautista, Vice Chairman of the Committee on Agriculture; and
 - Hon. Medardo Tumagay, Member, Sub-Committee on Cooperatives.
- II. MINISTRY OF AGRICULTURE:
 - Hon. o
 - Hon. Orlando J. Sacay, Deputy Minister; and
 - Hon. Nelia T. Gonzalez, Director of the Bureau of Cooperatives Development.
- III. COOPERATIVE UNION OF THE PHILIPPINES:
 - Brg. Gen. Arcadio Lozada, President, Representing Non-Agricultural Cooperatives; and
 - Mrs. Leonila Chavez, Treasurer, Representing Agricultural Cooperatives.

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ed. Members are not considered capable of directing the operations of their cooperatives and government employees are brought in to run the cooperative for them. The intent is to phase out this outside management as soon as the members are capable of directing their operations and hiring a capable manager and staff. In too many cases, however, the change-over never takes place.

Another weakness in cooperatives either managed or closely monitored by government employees is that, members look upon such organizations as State-owned and controlled. The principle of control is thus seriously weakened if not destroyed. It will make no difference that the rule of "one man-one vote" is strictly adhered to when board members are elected. Members know that democratic control does not exist where the hand of government is too heavy. Non-agricultural cooperatives in the Philippines have not suffered from this defect. This is another reason they are further advanced than agricultural cooperatives.

Another weakness in the development of Cooperatives in the Philippines is that there has been confusion relative to the economic and social aspects of a cooperative organization. This has resulted in a failure to recognize that the first priority of a cooperative is to succeed as a business organization. It must generate some above expenses if it is to be of genuine service to its members. If the members decide to use the net margins for social purpose this is their choice, but before they can make this choice, there must be the net.

There are many ways that an economically viable cooperative can provide members with social benefits. For example, in the process of forming and operating a cooperative, members and particularly board members receive training and experience that can be carried over to their role in community affairs. Some of them will emerge as leaders whereas in the absence of cooperatives they would not do so.

Cooperatives have not cooperated with each other to the extent they should have. An example of this is the Credit Union situation. Only about twenty percent of those in the Philippines are members of the national federation of Credit Unions, known as PHILCUL. Greater pooling of financial and management resources would strengthen credit unions. It is only just recently that the Federation has attained sufficient strength to begin an inter-lending program.

Another example is the failure, thus far, of the national Cooperative Marketing System of the Philippines, Inc. to work effectively. In part this has been due to a lack of trust and cooperation between the national organization (CMSP) and the Area Marketing Cooperatives (AMCs). In several instances the CMSP has been able to secure profitable market outlets for agricultural produce collected by AMCs from their farmer-members. In some cases CMSP's arrangements with market outlets broke down because the AMCs failed to deliver volumes and quality of products promised. In other cases, managers of AMCs complain that CMSP has not delivered as promised.

Other evidence of the failure of cooperatives to work together is the absence or near absence of cooperative wholesale buying of farm supplies, machinery and equipment. There are no cooperative fertilizer plants, and no feed mills producing for a consortium of cooperatives. Cooperative rice mills compete with each other.

(To be continued)

in the next issue

BATASANG PAMBANSA . . .

(Cont. from page 5)

IV. PAMBANSANG KATIPUNAN NG MGA SAMAHANG NAYON

Mr. Benjamin Cruz, Secretary General.
Pambansang Katipunan Ng Mga Samahang Nayon.

In the first meeting of the Committee held at the Ministry of Agriculture on December 9, 1981, the group decided to concentrate their efforts in the preparation of the draft of a Bill that will give immediate relief to existing cooperatives, particularly the restoration of tax exemption privileges. The Committee agreed to work for the codification of Cooperative Laws as a long range program.

The Story of Toad Lane

By STUART CHASE

IN 1844, Toad Lane in the city of Rochdale, England, was just about as unappetizing as its name. It was dark, grimy and lined with warehouses. But from this black soil was to spring a plan that has since flowered all around the world. On the ground floor of one of these cotton warehouses were the modest "premises" of a certain Mr. Dunlop. For the magnificent sum of ten pounds a year, the Rochdale Society of Equitable Pioneers had rented these premises for the purpose of setting up a cooperative store. But this is slightly inaccurate. The canny Mr. Dunlop refused flatly to rent his quarters to any such wild cat venture, and could only be persuaded to sign a lease when the redoubtable Charles Howarth, the leader of the pioneers, "sprang to the front and said: 'Will you take me for a tenant, and I will pay you a quarter's rent in advance?' 'Yes,' said the landlord, 'I will do that.' So it was agreed that the new society should have the place for three years, Howarth being the tenant, and paying the rent each quarter in advance."

The total capital of the society was 28

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Dr. & Mrs. Job Savage and Mr. & Mrs. S.C. Manongdo taken during the reception given Dr. & Mrs. Savage by the Board of Directors of the Sadirit' Caba Co-op Credit Union.

CO-OP REFLECTIONS . . .

(Cont. from page 5)

Mention must also be made of the contribution of the Southern Philippines Educational Center under the leadership of Atty. Mordino Cua and Atty. Aquilino Pimentel Sr. of Cagayan de Oro City for the training they gave to the early leaders of the Credit Union Movement in Mindanao. Likewise, credit must also be given to Fr. Duchesneau who pioneered in the inclusion of Credit Unions in the Seminars conducted by the Institute of Social Order.

We now have all over the Philippines successful Credit Unions. What is unique in the achievement of these Credit Unions is that the Government has not given a single centavo in the capitalization of these poor man's "banks." The members relied on their own resources — the hard earned savings among the members themselves. This is an ample demonstration of what people of small means can do under inspired, dedicated, and competent leadership.

The success of Credit Unions in the Philippines, as it is true in other countries, may be attributed to the following factors:

1. Spiritual under-girding — pioneers of the credit union movement were possessed with missionary zeal;
2. Pre-membership education for all prospective members;
3. Simple and adequate bookkeeping system;
4. Self-reliance as manifested in the members depending on their own resources, small as they may be;
5. Wise use of money borrowed exclusively for provident and production purposes;
6. Continuous education for Credit Union leaders by their own Cooperative Training Centers; and
7. Presence of volunteer workers, giving their services gratuitously for a cause.

TOAD LANE . . .

(Cont. from page 6)

pounds. Half of it was spent in trying to make something that faintly resembled a store out of Mr. Dunlop's gloomy space. The other half went for stock—a pathetically scanty supply of flour, butter, sugar and oatmeal. And on the evening of the 21st of December 1844, Mr. Samuel Ashworth, another hardy pioneer who had agreed to work for nothing if the venture collapsed, or three pence an hour if it showed a profit at the end of the quarter, swung back the great folding warehouse doors, and announced the store open for business.

The occasion was even more inauspicious, if such a thing is possible, than the lane in which it was situated. Certainly in the animal kingdom, laughing hyenas are a greater pest than toads. The tradesmen of the town had got wind of the fact that a competitor was about to appear among them, and they clustered in Toad Lane to have a look at the inauguration ceremonies. Nor was their mood one of hearty and uncritical acclaim. But far more than the tradesmen were the doffer boys—lads of 10 to 15 who earned their few pence a week taking off full bobbins from the spindles and putting on empty ones, in the steamy sweat of the Lancashire cotton mills. After a day in that disciplined inferno, they were ready to begin any sort of riot anywhere. Toad Lane was full of

them, running, screaming, jeering, and holding their sides as they pointed at Sam Ashworth, standing white-faced, but plucky, beside his attenuated piles of "flour, butter, sugar and oatmeal." Meanwhile one of the tradesmen roared that if he had brought his wheelbarrow, he could have taken the whole stock away in it. It was a ghastly few minutes. A handful of the Pioneers stood trembling in the warehouse, uncertain whether to buy or make a bolt for it. History does not record that the doffers pelted them, but laughter is often a keener weapon than paving stones. But they knew what it was to be laughed at—these weavers of Rochdale, who had dreamed dreams before—they gave their caps another pull over their eyes, they held their ground, and in the end they bought. . . . And since that raw December night, three generations of doffer boys have purchased their butter and oatmeal, aye and their caps and their boots and their jackets, at the "owd weaver's shop" that 28 pounds, and 27 men and one woman, started in Toad Lane.

Rochdale is in the heart of the Lancashire cotton belt. England built her Victorian supremacy on her coal, her shipping and her manufactured cotton, but she paid a bitter price in human life and happiness for that supremacy. Nowhere were conditions

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DYNAMIC LADY . . .

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a corporation distinct and separate from the Republic Flour Mills, Inc. Mrs. Gonzalez was picked by the RFM Board of Directors to head the new expanded feed plant — AIA Feedmills, Inc.

In 1969, AIA Feed Mills was merged with the Republic Flour Mills. The RFM Board of Directors again vested upon this woman aggie the responsibility of managing this multi-million project. During that period, Mrs. Gonzalez established one of the biggest poultry, piggery and cattle dispersal projects in the country which covered a livestock and poultry population as follows:

- a. 1,100 sows turning out 10,000 weanlings and market pigs a year;
- b. 170,000 poultry breeders at a 37-hectare P12 million chicken breeding farm producing annually 12 to 15 million chicks;
- c. 20 hectare P10 million broiler farm;
- d. One of the largest hatcheries hatching 1.5 million birds at a time;
- e. 500 heads of cattle farm;
- f. Commercial Egg Farm producing 30 million eggs per year; and
- g. Ultra-modern Animal Health and Diagnostic Center.

Mrs. Nelia T. Gonzalez is widely-travelled, having attended many technical and business conferences, either as participant or resource person in Asia, Europe and the United States. Her world-trips alone in 1981 included:

1. Observation of the Animal Industry, Dairy and Cooperatives of the Netherlands as guest of Netherlands Council of Trade in Europe from April 20 to May 2, 1981;
2. International Agribusiness Seminar on bringing the Developed and Developing Food Systems Together at Harvard Business School at Boston, Massachusetts from May 3-6, 1981;
3. Australian Poultry and Stock Feed Convention in Perth, Australia from October 12 to 15, 1981; and
4. Asian/South East Asia World's Poultry Science Association Conference held in Singapore.

Mrs. Gonzalez is the first alumna to receive the UP College of Agriculture

"DISTINGUISHED ALUMNI AWARD" for 1968. To cap it all, she is presently the President of the UP College of Agriculture Alumni Association.

This is the enviable record of this Lady Business Executive who is the new head of the Bureau of Cooperatives Development. It indeed augurs well for the future of the Co-operative Movement in the Philippines.

orse than in these early Lancashire mills. ze hours were as long as the wages were ort. Men, women, and children worked om six in the morning to eight at night for penny or two an hour. It was not life it a living death that they led. No group as more badly off than the flannel weavers. here were 1500 people in Rochdale existg on forty-five cents a week in 1841, acrding to a Parliamentary report.

In the fall of 1843 the mills were doing a ir business in Rochdale. The weavers cordingly determined to ask for a wage crease. They appointed a delegation to and cap in hand before the masters and ead their case. They had no union, only united desire to move the wolf one small ep further from the door. The masters ld them as usual that a wage increase would e the ruin of the industry; that it would ive capital out of the country; that it ould raise prices and leave the weavers orse off than ever—in brief the same old ga which masters have chanted for one ndred years. (A world-wide depression as broken that chant to focus attention n the simple fact that only if purchasing ower is put into many workers' hands will dustry's wheels keep turning. — Editor.) he deputation listened respectfully, sighed, id withdrew. It would be an awful thing eed if capital should leave the country. ut a few of them, instead of relinquishing l hope of moving the wolf, began to specu- te as to the possibilities of accomplishing e same results by accepting the old wages, t lowering the cost of living—in short by aking a penny go farther. And so, "at e close of the year 1843, on one of those mp, dark, dense, dismal days which no enchman can be got to admire, a few poor eavers nearly out of food and quite out of art with the social state, met together to scover what they could do, to better their dustrial condition. . . . What should they ? They would commence the battle of e on their own account. They would (as e eloquence grew warmer) supercede adesmen, mill owners, and capitalists; with- t experience, or knowledge, or funds, they ould turn merchants and manufacturers.

To be continued

the next issue

Commission I on COOPERATION AMONG MEMBERS OF THE LOCAL LEVEL was chaired by Prof. Kahad Bador of Malaysia with Ms. Amparo Alvarez of the Philippines as Raporteur. The Resource Persons were Mr. Motohiro Kameda of Japan; Dr. H.A. Ganadasa of Sri Lanka Dr. D. Vir of ICA ROEC, and Mr. Severino Mendoza of the Philippines. Commission I had 76 participants.

Commission II on COOPERATION AMONG COOPERATIVES WITHIN A COUNTRY, was chaired by Mr. Teerwati Koonsap of Thailand with Ms. Rosa Niduaa of the Philippines as Raporteur. The Resource Person was Mr. P.R. Dubashi of India. Commission II had 22 participants.

Commission III on COOPERATION AMONG COOPERATIVES OF THE REGIONAL OR GLOBAL LEVEL was chaired by Dr. Duevedi of India, with Mr. Bonifacio Marcos of the Philippines as Raporteur. The following served as Resource Persons — Atty. Vicente Martinez of the Philippines, Mr. M.K. Puri of ICA ROEC; and Dr. Saxena, Senior Consultant of the Swedish Cooperative Center. There were 40 participants in this Commission.

The Seventh Open Asian Conference on Cooperative Management was jointly managed by the ICA ROEC Staff based in New Delhi, India, composed of the following: Mr. R.B. Rajaguru, Regional Director; Mr. J.M. Rana Director for Education; Mr. M.K. Puri, Joint Director of TAA; Dr. Vir, Joint Director for Education and Mr. Leonell Gunawardana, Joint Director for PRR; and the Management Committee of the Cooperative Union of the Philippines, composed of Gen. Arcadio S. Lozada, Ms. Leonila V. Chavez and Mr. Santiago C. Manongdo. Atty. Bienvenido P. Faustino served as Conference Director.

The Conference Secretariat Staff was headed by Mr. Prem Kumar of the ICA-ROEC and ably assisted by Mrs. Rosalinda Giron, Ms. Nelia Hernandez, Prof. Josie Gaerlan, Ms. Cecille F. Carlos, Ms. Carmen dela Rosa and Ms. Nancy Marquez.

The findings and recommendations of the three Commissions will be published in the January 1982 issue of the Philippine Co-op Newsletter.

LAUGHING TOGETHER

A politician burst angrily into the newspaper editor's office. You've got the nerve!" he roared. "What is the big idea of printing lies about me in your paper?"

"Humph!" grunted the editor, unperturbed. "You should complain! What would you do if we printed the truth about you?"

* * *

In the club lounge after a sumptuous dinner, a surgeon, an engineer, and a politician were arguing as to whose profession was the oldest. "The first woman was made from Adam's rib," maintained the surgeon, "and that was surely a surgical operation."

"But before that," insisted the engineer, "order was made out of chaos, and that was an engineering job."

The politician puffed smugly at his cigar, "And who do you think gentlemen," he demanded, "created the chaos first?"

* * *

The politician returned from his big campaign speech looking a little sad. "Well, how'd it go?" inquired his campaign manager. "How did the audience receive your statement that you'd never bought a vote?"

"Well, a few of them cheered," was the response, "but the majority seemed to lose interest, and some even got up and walked out."

* * *

Father was busy reading the latest political news in the evening paper. His son come over to him and pleaded, "Please, daddy, tell me the story about the Forty Thieves."

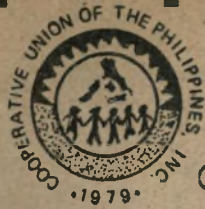
Father, his mind still on what he was reading, shook his head and said, "No, son, maybe when you're a little older. You're still too young to understand politics."

* * *

"Be not deceived; God is not mocked; for whatsoever a man soweth, that shall he also reap. For he that soweth to his flesh shall of the flesh reap corruption; but he that soweth to the Spirit shall of the Spirit read life everlasting. And let us not be weary in well doing; for in due season we shall reap, if we faint not." Galatians 6:7-9.

PHILIPPINE CO-OP NEWSLETTER

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Official Organ of the
COOPERATIVE UNION
OF THE PHILIPPINES, INC.

CO-OP
depends on
Self-Reliance
and Freedom

Volume I No. 3

January, 1982

TOP LEVEL PROMOTIONAL SEMINAR ON COOPERATIVES

The Bureau of Cooperatives Development and the Office of the President are jointly sponsoring a top level Promotional Seminar on Co-operatives from January 30 to February 4, 1982. The venue of the Seminar is the Pavilion of the Army and Navy Club at the Rizal Memorial Park, Luneta, Manila. Sessions will be held daily from 1:30 to 6:30 o'clock in the afternoons.

This Promotional Seminar will give an opportunity for our leaders in the higher echelon of the Government Service to have a working knowledge of the Cooperative Movement and the role it can play in the more effective implementation of the KKK Program.

The daily program is as follows:

January 30 – HUMAN SETTLEMENT DAY (1:30-6:30 p.m.)

Opening Ceremonies

Welcome Address –

Hon. Leonedis C. de Leon
Assemblyman,
Batasang Pambansa

Inspirational Talk –

Hon. Adelina S. Rodriguez
Mayor, Quezon City

Theme – “The Cooperative Movement, the KKK National Movement and the Barangay.”

Brief Remarks –

Hon. Nelia T. Gonzalez
Acting Director, Bureau of Cooperatives Development.

Theme – “P.D. 175 LOI 23 Highlights, Amendments and Modifications.”

Introduction of the Guest of Honor

– Mr. P. Villegas, Jr.

Chairman, Ways and Means Committee, CAPPWA

ADDRESS OF THE GUEST OF HONOR –

MADAME IMELDA ROMUALDEZ MARCOS
Minister of Human Settlements and Governor of Metro Manila

(Please turn to page 2)

PFWC SEMINAR ON “BETTER LIVING THROUGH COOPERATIVES”

The Philippine Federation of Women for Cooperatives, Inc., in coordination with the Ministry of Agriculture and the International Cooperative Alliance based at Delhi, India, will conduct a seminar on “Better Living Through Cooperatives” from April 2-4, 1982 at the La Consolacion Convent, Santolan Road, San Juan, Metro Manila. This is in line with the KKK program of the Philippine Government.

Topics of the seminar will include income-generating subjects, like processing of food, recycling of articles, raising herbs and ornamental plants for retail and wholesale marketing. Demonstration on these courses and con-

sumer education will be part of the program.

Participants are women cooperators who are members of the Philippine Federation of Women on Cooperatives, Inc., coming from the 13 regions of the country. Mrs. Nelia T. Gonzales, Acting Director of the Bureau of Cooperatives Development and Assistant Secretary of the Ministry of Agriculture will give the keynote address during the opening ceremonies. Mr. J. Rana and Mrs. Margaret D' Cruz, Directors for Education of the ICA Regional Office for Southeast Asia are Co-Chairmen with Ms. Josie E. Gaerlan, Chairman of the Philippine Federation of Women for Cooperatives.

SAMAHANG NAYON-KKK PROMOTIONAL ACTIVITIES

Mr. Gerardo Tumaneng, a tried and tested Rural Worker and Cooperative leader has been commanded by Minister Tanco to serve as the Coordinator for the Samahang Nayon Action Program (SNAP)-KKK Program of the Ministry of Agriculture.

Pursuant to Special Order No. 447 of October 26, 1981, Mr. Tumaneng, in addition to his duties as Project Director, Regional Cooperatives Development Program – Cagayan Valley (RCDP-CV) shall perform the following additional duties:

1. Work with the Regional Directors in the identification and submission of the project proposals of the KKK projects of the 953 Samahang Nayons previously identified and endorsed for KKK funding;
2. Work for the identification and completion of the KKK projects modules of the 5,162 Samahang Nayons which are endorsed for KKK funding;
3. Prepare programs/projects for foreign financing; and

(Please turn to page 2)

RE-STRUCTURING CO-OP INSURANCE SYSTEM

The Amendment Committee created in the last General Assembly of the Cooperative Insurance System of the Philippines, composed of Mr. Santiago C. Manongdo, as Chairman and with the following as members: Mr. Benedicto Allanigue, Col. Severo Castulo, Mr. Faustino Olaguera and Mr. Florencio Tamargo, which was commissioned by the General Assembly to prepare amendments to the By-Laws of the System to make it more acceptable to the voluntary sector of the Cooperative Movement, had their first meeting last January 12, 1982 held at the Board Room of the CISP.

(Please turn to page 2)

TOP LEVEL PROMOTIONAL ... (Continued from page 1)

Open Forum —

Mr. Rex D. Lopez,
Master of Ceremonies
Chairman, Steering Committee,
CAPPWA

January 31 — CO-OP EDUCATION
AND WELFARE DAY
(1:30-6:30 p.m.)

Resource Speaker —

Dr. Juan Edralin Marcos
Consultant on Cooperatives
Office of the President,
Malacanang

Theme — "The Problems and
Prospects of the Cooperative
Movement"

Resource Speaker —

Prof. Salvador Garbanzos
Vice-President, Development
Academy of the Philippines
(DAP)

Theme — "The Cooperative
Movement in Other
Countries"

Introduction of the Guest Speaker

— Mrs. Ines Quetolio Payoyo
Assistant Consultant on
Cooperatives
Office of the President,
Malacanang

GUEST SPEAKER —

Hon. Sylvia Montes
Minister of Social Services and
Development
Theme — "Social Services and
Welfare Programs as Applied
to Cooperatives."

GUEST SPEAKER —

Hon. Herminigildo Dumlaog
Deputy Minister of Education
and Culture
Theme — "Cooperatives in the
School Curriculum."

Open Forum —

Ms. Nora G. Balbin,
Master of Ceremonies
Secretary-General, CAPPWA

February 1, 1982 — BANKING AND
FINANCE DAY (1:30-6:30 p.m.)

Resource Speaker —

Mr. Santiago C. Manongdo,
Managing Director, Philippine
Cooperative Consultants, Inc.

Theme — "Cooperative Financing:
Sources and Strategies"

Resource Speaker —

Atty. Clemente Terso, Jr.
Deputy General Manager,
Human Settlement Develop-
ment Corporation.

Theme — "A Cooperative Case
Study."

Introduction of the Guest Speaker

— Mr. Gregorio Trinidad, Jr.
Chairman, Membership
Committee CAPPWA

GUEST SPEAKER —

Dr. Bernardo Malvar Villegas
Deputy Executive Director,
Center for Research and
Communications

Theme — "Role of Private
Corporations in the Develop-
ment of the Cooperative
Movement."

Introduction of Principal Speaker —

Col. Simeon C. Medalla (Ret.)
Chairman, Committee on the
Coop Banking Organization,
CAPPWA

PRINCIPAL SPEAKER —

Hon. Jaime C. Laya
Governor, Central Bank of the
Philippines
Theme — "Public Policy and
Support of Cooperatives."

Open Forum —

Atty. Benjamin Martinez,
Master of Ceremonies
Founding Member, CAPPWA

February 2, 1982 — INFORMATION
AND TOURISM DAY (1:30-
6:30 p.m.)

Resource Speaker —

Engr. Cesar G. Rubio
General Manager, Malacanang
Employees Cooperative, Inc.
Theme — "Operation and Man-
agement of Cooperatives."

Resource Speaker —

Director Crescencio Siddayao
Director, National Seaman's Board
Theme — "The Cooperative and
Its Benefits to Our Seamen."

Introduction of Guest Speaker —

Hon. George C. Misa
Chairman, PR, Information &
Promotions Committee,
CAPPWA

GUEST SPEAKER —

Hon. Gregorio S. Cendana
Minister of Public Information
Theme — "Proposed Promotions
Strategy for Cooperatives."

Introduction of the Principal
Speaker —

Mr. Dante Par Pasia
Founding Member, CAPPWA

PRINCIPAL SPEAKER —

Hon. Jose D. Aspiras
Minister of Tourism
Theme — "The Cooperative
Movement in the Develop-
ment of Tourism."

(Please turn to page 7)

SAMAHANG NAYON-KKK ...

(Continued from page 1)

4. Collate and submit to the Ministry all data/materials related to the implementation of the SNAP-KKK program.

Mr. Tumaneng is well equipped to perform the task assigned to him by Minister Tanco. Previous to his detail to the Ministry of Agriculture, Mr. Tumaneng was one of the ranking officials of the Philippine Rural Reconstruction Movement (PRRM). He joined the PRRM in 1958 as a Rural Reconstruction Worker. Through sheer merit and industry he rose to the position of Field Director of this prestigious pioneer institution of Rural Reconstruction in the Philippines.

Mr. Tumaneng has also served as Head Cooperative Specialist of the Economic Development Foundation and Project Director of the Ministry of Local Government and Community Development.

Mr. Tumaneng's work in rural and cooperative development has been enriched by his participation in Seminars as follows: (a) Operational Seminar (1969) conducted by the International Institute of Rural Reconstruction (IIRR); (b) Marketing Seminar (1970) conducted by the Executive Academy (EDA); (c) Management of Man (1973) by Sycip, Gorres and Velayo (SGV); (d) Banking Special Training Course (1974) conducted by the Central Bank of the Philippines; (e) General Management (1978) conducted by the Ateneo Small Business; (f) Management on Post Harvest, Milling and Warehousing (1978) at Sri Lanka; and (g) Advance Management on Agricultural Cooperatives (1980) held in Turin, Italy.

RE-STRUCTURING CO-OP..

(Continued from page 1)

The Committee members in their first meeting agreed to reconstitute the Board of Directors and to have the voting rights conform with the Principles and Practices for Apex Cooperative Organizations as approved in the Congress in Vienna in 1936 of the International Cooperative Alliance.

The Committee will have two more sessions before it finalizes the draft of the proposed amendments which will be submitted through the Board of Directors, to the General Assembly Meeting to be held in March, 1982.

REPORT OF DR. JOB SAVAGE, CUP CONSULTANT

(Second Installment)

DOCTOR JOB SAVAGE . . .

FUNCTIONS OF THE CUP

The CUP is registered as a non-stock, without share capital and non-profit organization, with the Bureau of Cooperatives Development (BCOD) under Certificate of Registration No. KAL-052. The purposes for which it was formed are as stated in its Articles of Incorporation as follows:

- a) To represent all the Cooperatives in the Philippines at home and abroad;
- b) To acquire, analyze and disseminate economic, statistical and other information regarding cooperatives;
- c) To conduct studies in the economic, legal, financial, social and other phases of cooperation and publish the results thereof;
- d) To promote the knowledge of cooperative principles and practices as a way of life;
- e) To accelerate the development of the Cooperative movement in the Philippines within the framework of the national policies of the government;
- f) To make available audit, legal, and other professional and technical services to all Cooperatives;
- g) To plan and implement a program of Cooperative education and training;
- h) To advise the appropriate authorities on all matters relating to Cooperatives;
- i) To coordinate, monitor and evaluate all Cooperative development programs; and
- j) To work for the unification of all Cooperatives including even those organized under different laws.

It should be noted that functions as contained in the Articles of Incorporation are based on Regulation No. 52 of Letter Implementation No. 23, as amended, having as its basis Presidential Decree No. 175, as amended. The language in Regulation No. 52 is permissive in that it says that CUP may perform these functions. Also it is further noted that items i) and j) are not mentioned in Regulation No. 52.

The CUP has developed its Corporate Profile and incorporated in it the functions listed in the Articles of Incorporation. Included in the profile is an outline of Corporate philosophy, objectives, strategy, services, and a development plan for 1981. In addition CUP has prepared a working paper titled "Suggested Guideline for Regional Cooperative Unions (RCUs)."

These materials indicate that the CUP has begun to organize its activities on a business-like basis. CUP's Annual Report for 1980 lists a number of worthy achievements, and further progress has taken place in 1981. The Review indicates that some changes in operating policies and staffing will be needed, but these should not require any additional by-laws or changes in present by-laws. The recommendations in this Review do not call for CUP to perform new functions or to eliminate any of present ones. Rather, it is the intent of the Review to indicate how present functions may be carried out more effectively to enable CUP to achieve its objectives.

EDUCATION AND TRAINING

Cooperative education and training is one of the important functions of CUP. The major source of its funds at present time is from the Cooperative Education and Training Fund collected from the net margins of Cooperatives in the Philippines (5% of net margin). There can be no question as to the need for sound cooperative education and training in this country. There are, however, strong indications that there may be too many education and training programs that are not effective because of Content or improper execution; or they are just not designed to deal with real problems of operating cooperatives.

Before going further, it is necessary to clarify or distinguish between the terms "education" and "training." As discussed hereon, education will be thought of more as classroom training in cooperative history, philosophy, general principles and practices, theories, legal aspects and the like. Classes may take place in all types of institutions such as schools, colleges, universities, training centers, or under the shade of trees. Training on the other hand places emphasis on learning skills necessary to organize and operate a cooperative. The training may take place in a classroom or it may be "on the job." These distinctions between the terms "education" and "training" are not to be thought of as formal definition of the terms.

It would appear advisable for the CUP to make a careful study of the Cooperative training now underway or planned in the Philippines. The study should, initially, focus on the day to day operations of a small sample of cooperatives by types to determine what the priorities for training are. One way to do this is to make a management audit of the cooperatives selected. This will uncover those areas where training is needed. These areas

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may include record-keeping, financing, planning and budgeting, buying and selling practices, machinery operations, transportation, storing products, or any other activities associated with the Cooperatives.

The result of the management analysis should indicate the design of the type of training needed to upgrade the skills of those operating the Cooperatives. In the management study the needs of the boards of directors should not be overlooked. In this same study, an attempt should be made to ascertain cooperative educational needs of employees, boards of directors and members. With this information it will then be possible to design a proper educational program for the cooperatives.

Once the CUP has determined what the training and education needs of cooperatives are it can establish priorities and standards. It is then in a position to seek out training and education institutions to carry out its priorities. Once the training and education programs are underway CUP should monitor and evaluate them on a continuing basis. This will enable CUP to continue to improve the training and education programs.

The CUP should not release any training and education funds to the Regions until the aforementioned priorities have been established and has satisfied itself that the trainers selected are capable of performing the task specified. If funds are allocated in the absence of these safeguards it is likely that the desired results will not be obtained and CUP will receive the blame.

It is expected that those responsible for developing the guidelines for training programs will emphasize the importance of "learning by doing." This requires frequent evaluation of the trainees at their place of work by the trainers and should be provided for in the CUP training specifications.

The CUP should endeavor at all levels, i.e., provincial, regional, and national, to get cooperative education courses included in the curricula of schools, colleges, and universities.

AUDITING

Before discussing CUP's role in auditing it is necessary to explain that auditing as dealt with in this section of the Review refers to financial audits and to management audits.

Financial Audits — Regular financial audits by properly accredited auditors of all cooperatives that are members of the CUP should have a high priority in CUP's program. Since the CUP has no legal

(Please turn to page 5)

**PHILIPPINE COOPERATIVE
NEWSLETTER**

Monthly Organ of the
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ROLE OF WOMEN IN COOPERATIVES

In the Philippines, unlike in other developing countries, women's role in all fields of works is accepted and resulting merits acknowledged. In the field of education, Filipino women attain equal if not more education than men. Women's participation in law, medicine and the physical sciences is considered a common event. In the political area, women participate actively in elections not only as voters but also as candidates for election even for national positions. The Filipino women have continually increased and improved their participation in the labor force here and abroad.

In the domestic scene, husband-wife interaction appears to be shared. Women who are able to successfully combine domestic roles with work outside the home do not seem to be a rarity. That the wife is the traditional holder of the family purse has never been questioned.

However, it is felt that the Cooperatives Development Program has not fully explored and defined the role of women in the cooperative movement. Although a good number of cooperatives have already been organized and registered, yet the potentials of women cooperators have not been fully harnessed.

It is of paramount significance that women should be afforded greater opportunities for further involvement in cooperatives. While it is true that there are active Filipino women leaders in cooperatives, the fact is that the activities of women in cooperatives have not been adequately recognized, much less coordinated. Moreover, most likely for want of training, the potential of women in rural areas has not been fully harnessed so that they would be able to assist their male counterparts in the Samahang Nayon. Women are hardly involved, so far, in the Samahang Nayon activities.

With the increasing prices of commodities every-where, there is an urgent need for more income-generating projects, especially for wives of small farmers so that they can supplement the family income. With the cooperatives as institutions for socio-economic development, the maximum participation of women in cooperative programs would be an immense source of strength and power. If the women power in the country would be fully tapped, the quality of life would be definitely improved through cooperatives.

CO-OP REFLECTIONS

S. C. Manongdo

FARMERS COOPERATIVES

Denmark is known all over the world as the paradise of farmers. This is rightly so because the Danish farmers have embraced cooperative as their system of business.

It is interesting to note that while in other countries the town people are responsible for the rapid growth of the co-op movement, in Denmark co-operation is primarily a rural movement. The first successful attempt in co-operation was among the workers in a little town in Thisted in 1866, twenty-two years after the 28 Rochdale weavers of England started their own co-op store at Toad Lane. It soon spread out and found fertile grounds, not among the workers in urban centers, but among farmers in the countryside.

Why have the farmers of Denmark developed cooperatives to a larger degree than the farmers of other countries? Students of Danish co-operation have discovered a link between the famous bacon and butter with the Danish Folk High School, founded by Bishop Gruntvig. Horace Plunket, the Irish land reformer, when he visited Denmark to study agricultural conditions and methods in Denmark, found out to his surprise that the success of co-ops among the farmers was intimately related to a purely cultural institution, the Folk High School. Dr. Stampa of Yugoslavia had the same experience when he visited a little Jutland village.

Foreigners found it difficult to understand why for generations these schools have attracted from 1/4 to 1/3 of the entire rural population of Denmark, in the prime of their youth, on their own initiative and at their own expense, even without the benefit of a diploma or degree. The secret of the resounding success of this type of adult education is the fact that they train their students for life and not merely to gain a living. These schools made the Danish farmers exemplary citizens in a Democracy.

But it is interesting to note that the influence of the Danish Folk High School upon the growth of the cooperative movement in the country is indirect. Cooperatives as a subject is not taught in these schools. The Folk High Schools, however, have made of the Danes intelligent farmers and model citizens. They are taught that the individual is a member of the community, thus developing in him a sense of confidence in others and a will to make sacrifices for the common good. It was not therefore difficult for the Danish farmer to understand the advantages of cooperatives.

Another factor which has practically forced the Danish farmer to embrace cooperatives was his dependence on the foreign market for his products. He had no alternative. He either joined a big commercial firm to reduce the cost of marketing or a cooperative society thus eliminating the profits of the middlemen. The choice was indeed easy to make. Danish farming will continue to be a model in the world because the Danish farmer has embraced the best system in a Democracy — the cooperative way.

It is also noteworthy to observe that cooperatives in Denmark are not the result of a theory or a planned economy but spontaneous and natural development due to the needs of the times.

During the first half of the 19th Century, Denmark was mainly engaged in the production of grains. But sooner, it found out that it could not compete with the United States, Argentina and Siberia in the European markets because of the efficiency of large-scale farming. The Danish farmer, clever as he is, immediately switched to the production of bacon and butter and today the main source of the country's income comes from the famous Landrace pig and the Danish Red cow.

The first real cooperative dairy was not started until 1882, at Hjedding, in the west coast of Jutland. One day in the winter of 1882, a young man went to the small inn named "The Beergood Inn" and issued an invitation to the farmers in the villages nearby to discuss with him the problems of efficient dairying. A number of farmers responded and he outlined to them his plan to engage an expert to teach the farmers the right way to churn butter and to establish a central sales room where the butter was to be brought after it had been churned in the homes of the farmers.

The farmers took interest in the matter and they called another meeting to discuss further the idea of common market. The farmers, after extensive discussions, and through the initiative of Stilling Andersen, a young dairyman, finally decided that instead of making butter and marketing it together, they built a creamery to which they would send their raw milk. All the members were to own the dairy plant in common. They were to obtain the necessary capital to construct the building and buy the equipment through a loan based on the security of the real property of the members who were jointly responsible, known as unlimited liability co-op. They agreed to adopt the democratic principle of one man one vote and also decided to return the surplus to the members in proportion to the amount of milk delivered. Another very important feature was the requirement that the farmer-member should deliver all his milk, except what he needed in his home, to the cooperative dairy. Their first experiment in cooperative dairy proved a success. Others followed until the whole country was blanketed with cooperative dairies. Today, 90% of the total milk production of Denmark are processed in these co-op dairies. Private dairies have also been established, but their number is gradually decreasing every year.

In Denmark there is always a cooperative society where a farmer can get what he needs. A farmer buys his goods at a cooperative store; he borrows money from a cooperative credit association; he obtains his seeds from a cooperative seed supply, his fertilizers from the Danish Cooperative Fodder Association, his cement from the Cooperative Cement Works, his electricity from an electrical company established on a cooperative basis; and when he wants to sell his produce, he sends his milk to the Cooperative Dairy, his pigs to the cooperative slaughterhouse, his eggs to the Danish Cooperative Egg Export, his cattle to the Cooperative Agency for Cattle Export. He places his savings in a Cooperative Savings Bank and from the different cooperative breeding associations he is able to get information about the best breeding stock; he gains his knowledge regarding the amount of milk each cow should yield from the Control Unions, and he has at his service the best and most up-to-date theories of agriculture brought to him through the comprehensive system of co-operation he brings to his farm all the advantages of large-scale farming.

It is no wonder therefore that a Danish farmer is a member of some ten or more cooperatives, all based on a crop or industry.

To sum it all up, we can attribute the success of Danish Farmers Cooperatives to the following:

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authority to audit its members it must mount a campaign to convince them of the necessity for regular audits. This campaign must be backed by the availability of properly trained auditors to audit the cooperatives.

The CUP has outlined in its "working paper" a plan to make auditors available. This plan would have CUP establish a Corps of Auditors who would be on call. The CUP would provide its member-cooperatives with a list of those accredited and available. Contractual arrangements would be between the Cooperatives and individual Audit firms.

CUP's role would be to identify auditors, and accredit them in record with standards established by CUP. It may be necessary for CUP to provide training courses on the Cooperative aspects of auditing. Such a plan would have several advantages for the member cooperatives such as obtaining the services of reliable auditors at lower prices because of CUP's bargaining power with the Audit firms. Another advantage would be that audits would be more uniform. This would facilitate comparison of operating results among the cooperatives. It is noted that CUP has already worked out an arrangement along these lines with PHILCUL, the credit union federation.

Management Audits — A most effective method of improving the operations of cooperatives, or for that matter, any corporate enterprise, is the management audit. This type of audit was mentioned earlier in this Review in the section on "Education and Training." Such an audit is usually conducted by a management expert accompanied by one or more experts in specific phases of management such as financing, plant operations, record-keeping, buying or selling operations. The size of the audit team will depend upon the size and complexity of the cooperative being audited. Usually a team of two or three experts should be sufficient to make the Audit. Generally, the audit is comprehensive in that all phases of a firm's operations are examined. It may, however, be restricted to an examination of specific phases of the operations. Both subjective and objective methods of analysis are used. The end result of such an audit is that the strengths and weaknesses of the cooperative and ways to correct the weaknesses are recommended. Also, suggestions will likely be made as to how strengths can be used to further advantage.

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THE STORY OF THE NATIONAL ASSOCIATION OF TRAINING CENTERS FOR COOPERATIVES

THE BACKGROUNDS

In their comparatively short history of cooperative work, the National Association of Training Centers for Cooperatives (NATCCO) and the affiliate training centers have lived in the belief that there can be no true cooperative development without membership education.

This belief itself originated from the early experience in credit union promotion in the Philippines, which saw some cooperatives fail almost immediately after they were organized. It was realized soon enough that the information campaign to promote the cooperative led to initial enthusiasm but not to the sustained support by members needed for its success. The solution, as analyzed by the cooperative leaders, lay in integrating an educational program in the cooperative organization itself, especially one that would prepare prospective members for responsible participation. Translated into a system, this meant a pre-membership education program comprising a series of lessons in cooperative philosophy, principles and practices, history and the different forms of cooperation, the rights and obligations of membership, and the duties of leadership — all designed to motivate and prepare the members to accept responsibility.

The first attempts at cooperative development based on an educational program began at the primary level and, initially, with individual cooperatives. At this time also, credit union leaders were drawing inspiration from the adult education program of the Antigonish Movement in Canada. Leaders in Mindanao tried the Antigonish approach, and their efforts extended to the Visayas about the same time that cooperative development was taking place under the direction of Canadian missionary priests, most of whom were graduates of Xavier University in Antigonish, Canada.

Meanwhile, as the pre-membership education program was being developed — both in content and in form — through practice in some credit unions, there began a demand by other cooperatives for assistance in developing their own education program. Conducting pre-membership education seminars became a pre-occupation of the leaders of these initiating credit unions, even as the systematization and institutionalization of such activity became a logical necessity. And so the idea of a training organization was conceived, taking the form of a primary-supported training center that would not only sustain the educational programs of the primary cooperatives but also provide technical training for officers and staff — a need now felt and which

none of the individual cooperatives could provide.

THE TRAINING CENTERS

1. THE SOUTHERN PHILIPPINES EDUCATIONAL COOPERATIVE CENTER (SPECC)

The first training center so organized was the Southern Philippines Educational Cooperative Center in Mindanao. Cooperatives in Misamis Oriental and Bukidnon came together to incorporate it in August 1966. SPECC's initial task was to systematize the pre-membership education program, developing and standardizing the lessons for use by cooperatives. In 1970, it started conducting its training courses, including the 90-day cooperative leadership course, the 40-day credit union management course, and the 40-day consumers cooperative management course. Aside from these regular courses, the center filled its training calendar with short seminars and conferences, thus bringing the cooperative leaders into constant dialogue. SPECC, inevitably, was responsible for the organization of provincial federations in Mindanao and their eventual unification under the Mindanao Alliance of Self-Help Societies, Inc.

2. THE VISAYAS COOPERATIVE TRAINING CENTER (VICTO)

The Visayas Cooperative Training Center followed in 1970 for the Visayas region, largely in response to the same impulse that brought SPECC into being. As mentioned earlier, Canadian missionaries were actively involved in cooperative promotion activities in the Visayas, particularly in Southern Leyte, and it was through their efforts that the training center took form. Like its counterpart in the south, VICTO started with motivational seminars for cooperative members, through the pre-membership seminar, and for leaders, through leadership training. In 1972, it started giving technical assistance to cooperatives through the skills training program it designed for both volunteer leaders and paid staff. Now, the center conducts a series of technical training for its affiliates, involving managers, paid staff and the working committees.

3. THE BICOL COOPERATIVE TRAINING CENTER (BCTC)

In Luzon, the formation of the training centers came sometime later and represented the realization that cooperative education and training was a specialized function. Started by organizations engaged partly in cooperative education and training and limited geographically in their scope of operation, it was also realized that this function were better

spread to a larger area of operation.

The Bicol Cooperative Training Center in the Bicol region, for instance, started as a sub-unit of the municipal-based Buhi Rural Social Development Center (BRSDC), run by Good Shepherd Sisters whose field of social involvement included the promotion of cooperatives. Its basically motivational seminars were meeting the early needs of the cooperatives, but as these were growing in size, the demand obviously was for more technical training. It was at this point that BCTC was turned over to the beneficiary cooperatives—the center now is becoming veritably a regional center and managed by its affiliate cooperatives. From its incorporation in 1976, BCTC has been conducting training courses designed to improve the technical capabilities of office-bearers in the primaries.

4. THE TAGALOG COOPERATIVE TRAINING AND EDUCATION CENTER (TAGCOTEC)

The Tagalog Cooperative Training and Education Center was itself an outgrowth of the activities of the Rizal-Metro Manila Union of Cooperatives. As early as 1970, the Union was already involved in training cooperative leaders not only from the Metro Manila area but also from other parts of Luzon. The demand for training inevitably increased and in 1975, the Union convened a conference of leaders in Luzon for the purpose of drawing up plans for the establishment of training centers in the three ethno-linguistic regions of the island — Bicol, Tagalog and Northern Luzon. The conference gave way to the organization of the training centers in Luzon, on the one hand, and enabled the Union to concentrate on its affiliates, on the other. Cooperatives in the Tagalog provinces, including Quezon, Laguna, Batangas, Bulacan and Metro Manila, finally incorporated TAGCOTEC in 1976 and gave it the task of developing training programs for primaries on a region-wide basis.

5. NORTHERN LUZON COOPERATIVE EDUCATION AND DEVELOPMENT CENTER (NORLUCEDEC)

In the Northern Luzon area, the groundwork for the establishment of the training center was already laid by the conferences among cooperative leaders in Luzon, calling for regional cooperation as a basis for further development. In 1975, the Benguet Union of Cooperatives organized a series of such conferences that finally led to the incorporation of the Northern Luzon Cooperative Education and Development Center. As a regional center covering the 14 provinces of Northern Luzon, NORLUCEDEC now fulfills the task that individual primaries,

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CO-OP REFLECTIONS . . . (Continued from page 5)

1. Dynamic Land Reform Program instituted by the Government in breaking the big Land Estates into small farms sold to the actual tillers;
2. The leadership in the co-op movement provided by the Danish Folk High Schools. Graduates in these institutions became members of the Board of Directors and other key officials in the co-op movement;
3. The use of the UNLIMITED LIABILITY TYPE OF CO-OPS. This system, where the members hold themselves jointly and severally liable for loans extended to their co-op, forced the members to take active part in their membership meetings and to elect only reliable and responsible officials;
4. The organization of their Federations that went into intensive experimental activities to provide the most economical feed for their cows, pigs, and poultry and in maintaining the highest quality of their produce;
5. The farmers cooperatives were organized not on the basis of a territory or geographical location, but on the basis of a crop or industry;
6. They have a Cooperative College, where promising cooperative employees are sent for further training and to gain skills in their respective lines of endeavor; and
7. The NATIONAL DISCIPLINE of the Danish people. To illustrate this, the writer desires to share with the readers his experience in 1956 when a team of International Co-op Leaders visited Aale, a little village in Denmark. The members of the team visited a young couple engaged in dairying. They were milking their cows with electrical gadgets and the milk flowed to the pail. When the pail was filled, the young farmer brought the pail to the gate of their yard to be picked up by the co-op wagon. The young farmer did not weigh the contents of the pail. The weighing and testing of the fat content of the milk was to be done by the Manager of the Dairy Plant. The young farmer had complete confidence in the honesty of their Manager.

When the writer asked for a glass of milk of the famous Danish contented cow, the young wife courteously refused the request as according to her they have a regulation, contained in their co-op by-laws, that they can only retain that portion of their milk production which the immediate members of the family needs. The rest was to be turned over to their Cooperative Dairy Plant. Anyway, according to the young lady, we can have all the milk we want when the Team goes to their Dairy Plant. This NATIONAL DISCIPLINE, observed strictly by the Danish farmer, is indeed the secret of the success of the Danish Co-operation.

TOP LEVEL PROMOTIONAL (Continued from page 2)

- Open Forum --
Mr. Francisco E. Pasion,
Master of Ceremonies,
Founding Member, CAPPWA
- February 3, 1982 -- NATURAL RESOURCES, AGRICULTURE AND AGRARIAN DAY (1:30-6:30 p.m.)
Resource Speaker --
Brig. Gen. Arcadio S. Lozada
President, Cooperative Union of the Philippines
Theme -- "Federation of Cooperatives."
Introduction of the Guest Speaker --
Mr. Ted C. Sanial, Jr.
Deputy Secretary General, CAPPWA
GUEST SPEAKER --
Hon. Teodoro Z. Pena
Minister of Natural Resources
Theme -- "Development of Natural Resources in the Cooperative Way."
Introduction of Guest Speaker --
- Ms. Maria Teresa D. Corona
Founding Member, CAPPWA
GUEST SPEAKER --
Hon. Arturo Tanco
Theme -- "Development of Agricultural and Non-Agricultural Cooperatives."
Introduction of Guest Speaker --
Atty. Pacifico C. Lejano
Chairman, Corporate Planning Committee, CAPPWA
GUEST SPEAKER --
Hon. Conrado Estrella
Minister of Agrarian Reform
Theme -- "The Contribution of the Cooperative Movement to the Agrarian Reform Program."
Open Forum --
Hon. George C. Misa,
Master of Ceremonies
Deputy Administrator, NACIDA
- February 4, 1982 -- TRADE, INDUSTRY AND LABOR DAY (1:30-6:30 p.m.)

DR. SAVAGE REPORT . .

(Continued from page 5)

The CUP should develop a management audit system. Technical organizations, such as CFPI and ACCI should be encouraged to employ this system in their work to improve cooperatives. To facilitate this it would be advisable for CUP, CFPI, and ACCI to jointly develop this management technique.

Once the management Audit system is developed and ready for use, the CUP should initiate a campaign to arouse the interest of cooperative management, particularly boards of directors, to submit their organizations to this Audit System. This will require an effective campaign to achieve. Usually, the major objectors to the Audit are the hired managers and other employees.

Resource Speaker --

Hon. Jonathan de la Cruz
Director, Bureau of Employment Services, Ministry of Labor and Employment
Theme -- "The Importance of the Cooperative Movement in the Development and Expansion of the Manpower Placement Industry."

Resource Speaker --

Hon. Salvador P. Bigay
Director, Overseas Employment Development Board, Ministry of Labor and Employment
Theme -- "The Cooperative as a Vehicle for the Protection of Professionals & Workers Abroad."

Introduction of the Guest Speaker

Mr. Wilson C. Wy Tiu
Vice-Chairman, Special & Impact Programs, CAPPWA

GUEST SPEAKER --

Hon. Roberto V. Ongpin
Minister of Trade and Industry
Theme -- "Stabilizing of Trade and Industry through the Cooperative Way."

Introduction of Principal and Commencement Speaker --

Mr. Rex D. Lores
Chairman, Steering Committee, CAPPWA

COMMENCEMENT ADDRESS --

Hon. Blas Ople
Minister of Labor and Employment
Theme -- "Cooperatives, Labor and Social Justice."

COMMENCEMENT EXERCISE --

Mr. Pelagio B. Villegas, Jr.
Chairman, Ways and Means Committee, CAPPWA

or even provincial unions could not have fulfilled — namely: developing specialized training courses to meet the growing organizational needs of cooperatives.

6. THE NATIONAL ASSOCIATION OF TRAINING CENTERS FOR COOPERATIVES (NATCCO)

The brief history of the five training centers outlined above shows them going through almost the same pattern of experience and, to a certain extent, following similar orientation. The fact that their development grew out of private initiative and outside of government inspiration strengthened, moreover, their belief that the private sector should determine its own development — and the better for the cooperative movement.

The formation of the National Association of Training Centers for Cooperatives was precisely facilitated by this similarity in experience and orientation, and encouraged by this faith in private sector commitment. To the five training center which incorporated it in June 1977, in fact, NATCCO was thought as a natural catalyst for the formation of a national cooperative movement and one that the private-sector can truly call its own.

For its immediate tasks, NATCCO is working on the following objectives:

1. To coordinate the activities of its affiliate training centers, especially in the field of education and training.
2. To represent the centers with government and non-government entities, whether local or foreign.
3. To assist the centers in the conduct of training programs and in such areas as staff development and development of training materials.
4. To gather data on cooperatives and conduct research on subjects of interest to the cooperative movement.
5. To share literatures, manuals, techniques and materials among the centers and with other institution.

6. To print, publish, import, circulate and distribute manuals and other publications to promote the cooperative idea.
7. To promote working relationship with organizations engaged in cooperative work and allied involvement.

For the past three years, NATCCO has organized national discussions among cooperative leaders on current questions and issues affecting the cooperative movement in the Philippines. Among these were the symposia on integrated cooperative system in 1977 and on cooperative legislation in 1978. As a result of these discussions, the association has made representations with government for appropriate action on these questions, including a proposal for a new legislation for cooperatives in the country.

NATCCO has also conducted national seminars for the staff of the five training centers. This training program will be a continuing activity of the association and is part of its objective of staff development.

The symposium on cooperative education and training in 1980 is the first international forum organized by the association, bringing it into contact with other national cooperative organizations belonging to the international cooperative community of which it is a part.

NATCCO is a member of the International Cooperative Alliance (ICA).

And Jesus came and spoke unto them, saying "All power is ven unto me in heaven and in earth.

Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost;

Teaching them to observe all things whatsoever I have commanded you; and, lo, I am with you always, even unto the end of the world."

Matthew 28: 18-22

METRO-MANILA CO-OP DIALOGUE

On January 14, 1982, Atty. Casiano Flores, President of the Philippine Cooperative Services, Inc. hosted a gathering of five cooperative leaders held at the U.P. Law Center of the University of the Philippines in Diliman, Quezon City. Atty. Flores stressed the need for the leaders of the Cooperative Movement in Metro-Manila to meet regularly so that they may know each other more intimately and thus map out a program to further strengthen the Cooperative Movement in the country.

After brief deliberations, the group agreed to hold a monthly meeting of cooperative leaders and for this purpose they constituted themselves into a loose working committee of the Concerned Cooperative Workers to achieve the desired goals. The members of this Committee are: Atty. Casiano O. Flores, Messrs. Francisco Caballero, James Roberson, Hermigiro Hernandez and Santiago C. Manongdo.

The first meeting of the group of Concerned Cooperative Workers will be sponsored by the Philippine Cooperative Services, Inc. and will be held on February 6, 1982 at 8:00 a.m. at the Asian Labor Education Center (ALEC) of the University of the Philippines at Diliman, Quezon City. Twenty-five cooperative leaders have been invited to this Breakfast Conference.

COOPERATIVE LAUGHS

It is about time we stop co-op business and get into the sunny side lane for some healthful pranks.

PRE CO-OP MONTH FEVER

Here goes . . .

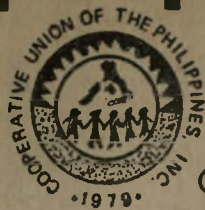
Ever heard of the co-op member who was taking a stroll in the woods? A sudden shower sent him scurrying for shelter. He found a hollow tree and crawled into it.

It was so comfortable and cozy that he fell asleep. When he woke up he found himself hopelessly imprisoned, since the opening in the tree had swollen almost shut.

Terrified, he began thinking of his past sins. Suddenly it occurred to him how few times he had patronized his co-op lately. Then he became so small that he crawled out of the tree with ease.

That incident reminds me of the old saying by Co-op Zeb I read years ago in a co-op magazine:

PHILIPPINE CO-OP NEWSLETTER



Official Organ of the
COOPERATIVE UNION
OF THE PHILIPPINES, INC.

CO-OP
depends on
Self-Reliance
and Freedom

Vol. 1 • No. 4

February, 1982

EDITORIAL

The issuance on February 2, 1982 by the Hon. Arturo Tanco, Jr., Minister of Agriculture, of Circular No. 1, series of 1982, is indeed the most welcomed news to all the dedicated leaders of the Cooperative Movement of the country, for now they can have the means to effectively conduct their crusade for CO-OPERATION, the people's movement to emancipate themselves from economic bondage.

The turning over of the Cooperative Education and Training Fund (CETF) to the Cooperative Union of the Philippines (CUP) is a new challenge to the Board of Directors of the CUP and the other leaders of the cooperative movement. The CETF comes from the 5% of the hard earned net savings of all cooperatives registered under Presidential Decree No. 175 and the Letter of Implementation No. 23. This Fund was created primarily to support a more effective educational campaign so that our people may have a better understanding of the true mission of the Cooperative Movement. This also calls for a training program to give the present and future leaders of the cooperative movement skills and competence with a certain amount of dedication in this crusade to give to the common man an opportunity to improve his lot in life on the basis of SELF-HELP and MUTUAL ASSISTANCE.

The CETF Fund, for all intents and purposes, is a TRUST FUND. The CUP must then review their program to allocate more of the CETF Fund to achieve the goals set when this Fund was created. It is always wise to think of the need for the Board of Directors of CUP to review their existing policy on administration and overhead expenses.

Roy Bergengren, the greatest Credit Union leader of the United States, in his book CRUSADE cited the definition of a Credit Union formulated by Alphonse Desjardins, an equally eminent Credit Union leader of Canada, and we quote;

"A Credit Union is not an ordinary financial concern, seeking to enrich its members at the expense of the general public. Neither is it a loan company, seeking to make profit at the expense of unfortunates. The Credit Union is nothing of this kind; it is an expression in the field of economics of a high social ideal."

This to us, is the embodiment of the true concept of Co-operation.

The Cooperative movement demands of us the highest quality of leadership — selfless and dedicated with a certain amount of missionary zeal. Are we ready to accept the challenge!

ICA REGIONAL SEMINAR ON AGRICULTURAL CREDIT

The International Cooperative Alliance Regional Office & Education Centre, New Delhi, India is sponsoring a Regional Seminar on Agricultural Cooperative Credit to be held at Manila Midtown Ramada Hotel and at Chiangmai, Thailand from March 23 to April 17, 1982, in collaboration with the Cooperative Union of the Philippines.

This seminar will bring together 25 participants, cooperative leaders in the field of agricultural credit from all over Asia.

The program of activities are shown hereunder:

22nd March — Arrival of participants in Manila

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FLASH

The good news we have all been waiting for has at last come. Through the kind assistance of Hon. Nelia T. Gonzalez, Assistant Secretary of the Ministry of Agriculture and concurrently Officer-in-Charge of the Bureau of Cooperatives Development, Hon. Arturo Tanco, Jr. issued CIRCULAR No. 1, Series of 1982 on February 2, 1982, transferring the administration of the CETF Fund to the Cooperative Union of the Philippines, pursuant to Regulation 45 of the Letter of Implementation No. 23, quoted hereunder:

"Cooperative Education and Training Fund — There is hereby created a Cooperative Education and Training Fund.

The funds, assets and properties of whatever name or nature of the defunct Central Cooperative Educational Board are hereby constituted to form part of the above mentioned fund.

Proceeds from sale of printed materials provided by the Bureau of the samahang nayon, registration fees and audit fees shall likewise form part of this Fund.

This Fund shall be transferred to an appropriate pambansang kalipunan ng mga kilusang bayan (national cooperative union) as soon as one is organized and registered. In the interim, such Fund shall be administered by the Advisory Board created under Presidential Decree 175."

The jubilation of the cooperative movement was manifested in the CITY-GRAMS sent by CUP President Arcadio Lozada to President Ferdinand E. Marcos, Minister Arturo Tanco, Jr. and Assistant Secretary Nelia T. Gonzalez which are reproduced in this issue.

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Hon. Nelia Gonzalez handing to Brig. General Arcadio Lozada, Circular No. 1 Series of 1982 in the presence of the Staffs of CUP and the Advisory Council Board.

RESOLUTION OF GRATITUDE

WHEREAS, the framers of Presidential Decree No. 175 has the wisdom of adopting the program envisioned in Republic Act 2023 of giving to the voluntary sector of the Cooperative Movement greater participation in the development of the Cooperative Movement in the Philippines by setting aside 5% of the net savings of cooperatives registered under the said Presidential Decree, known as the Cooperative Education and Training Fund, (CETF) and to transfer the said Fund to the apex organization of the Cooperative Movement if and when it is organized and registered;

WHEREAS, under the sponsorship of the Bureau of Cooperatives Development (BCOD), the apex organization was organized in December 19, 1979 now known as the Cooperative Union of the Philippines and duly registered with the BCOD on February 1, 1980;

WHEREAS, with the recent appointment of the Hon. NELIA T. GONZALEZ as Officer in Charge of the BCOD, concurrently with her position as Assistant Secretary of the Ministry of Agriculture, bringing to the Cooperative Movement the wealth of her experience as a successful Business Executive of Agri-Business;

WHEREAS, immediately after assumption of Office of the Hon. NELIA T. GONZALEZ, in her desire to familiarize herself with the nature and mechanics of the Cooperative Movement and the problems that have hindered its progress, she immediately sought the assistance of friends, experienced cooperative leaders like Mrs. Leonila V. Chavez, Chairman of the Nueva Ecija Cooperative Rural Bank and Treasurer of the CUP; Mr. Santiago C. Manongdo, General Manager of the Philippine Cooperative Services, Inc. and Director of CUP and Brigider General Arcadio S. Lozada, President of the Cooperative Union of the Philippines among others;

WHEREAS, now that she knows of the importance of the wholehearted cooperation of the leaders of the voluntary Cooperative Movement under the CUP to effectively implement the cooperative development of the Government, and that the CUP cannot effectively contribute its share in the healthy development of the Cooperative Movement without proper funding, she brought to the attention of the Hon. Arturo Tanco, Minister of Agriculture the provision of Presidential Decree No. 175 relative to the CETF Fund, culminating in the issuance of Circular No. 1, Series of 1982 signed by the Hon. Arturo Tanco, Minister of Agriculture, transferring the CETF Fund to the Cooperative Union of the Philippines.

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DELEGATE TO JAKARTA

Mrs. Iraida A. Banaira, Executive Director of the Cooperative Development Loan Fund of the Ministry of Agriculture and Accountant of the Philippine Cooperative Services, is leaving on March 2, 1982 to attend a one-month Seminar on the ROLE OF VILLAGE UNIT COOPERATIVES IN DEVELOPMENT PROGRAMS, at Jakarta, Indonesia. The Government of the Republic of Indonesia is sponsoring the Seminar in collaboration with UNDP.

The objectives of the Seminar are:

1. To enhance the participants knowledge and skill on cooperative development, particularly that of the village unit cooperatives in Indonesia;
2. To exchange information and experience on the technique of cooperative development prevailing in the countries of the participants;
3. To develop cooperation among cooperatives in the participating countries;
4. To stimulate the growth of cooperatives in the developing countries in the framework of achieving progress and prosperity; and
5. To expose the participants to Indonesian cooperatives in general and to the village unit cooperatives in particular.

Mrs. Banaira is an old hand in the Cooperative Movement in the country. She joined the Cooperatives Administration Office in 1961 as Commercial Cooperatives Officer, then as Auditing Examiner in 1963 and as Senior Auditing Examiner in 1972.

Mrs. Banaira also served as Officer-in-Charge of the Cooperative Education and Training Fund from January 1, 1976 to March 31, 1979. She was subsequently promoted as Executive Director of the Cooperative Development Fund on July 1, 1978.

Dr. JOB SAVAGE REPORT

(3rd Installment)

CO-OP RESEARCH...

For purposes of clarity this Review divides research into two types namely, basic and problem-solving. The basic research is concerned with such aspects as the economic and social nature of cooperatives, and legal aspects. Problem-solving or operations research is concerned with on-going organizational and operational situations. For example, a group of farmers wish to organize a new cooperative. But before doing so, they would like an assessment of their chances for success and how to proceed with the organization of the Cooperative. They need technical help to conduct a feasibility study. The same type of help is often needed by an established cooperative considering an expansion of its operations.

The term "service" as used in this Review may range from making a feasibility study to the simple act of consulting with cooperative management on one or more of its minor problems.

One of CUP's major objective is to make certain that the Cooperative Movement receives research and service support. Technicians to provide this type of support are available in such organizations as the ACCI, CFPI, IIRR, and BCOD. The role of CUP must be to work with these and similar organizations to develop an effective delivery system. In addition CUP staff at National and Regional levels should participate more in providing service to cooperatives.

Three actual situations uncovered during the course of this Review are mentioned to emphasize the importance of this research and service role of the CUP. Three cooperatives were contacted in the Batangas Province in order to see at first hand how cooperatives in the Philippines are organized and operated. One was an industrial cooperative engaged in weaving mosquito netting from nylon pellets. It was located in Lipa City. The second was an AMC that primarily marketed meat and some fruits and vegetables. It also operated a mini consumers cooperative, and was headquartered in Batangas City. The third operated a sizeable feed mill, with over 1,000 bags per day capacity. It was located in Lipa City. Each of these cooperatives had critical operating problems at time of contact and all needed service type help.

The weaver's cooperative was operating "around the clock" with sixteen Japanese-produced looms about three (3) years old. All appeared to be in good working order. To obtain the looms the cooperative had borrowed heavily from the Central Bank. According to the manager of the Cooperative, the output at full capacity did not generate sufficient margin to cover all costs. The manager complained in particular about the amount of interest that had to be paid on the loan for the looms. At this time, the Bank had foreclosed on the looms and, through some arrangement, was renting the looms to the cooperative. The management of this Cooperative needed advice and guidance. A qualified CUP field man could be of great service to this struggling cooperative. In this example, a team effort on the part of CUP's field representative and staff in the National headquarters is called for. The field man would gather the facts, relay them to CUP headquarters and the technical staff there would work out the problem and relay the proper course of action back to the field man who would then work with the Cooperative to implement it.

The situation with the AMC was that it was obtaining funds from CMSP to pay members for meat delivered to the AMC in the province and subsequently marketing it through CMSP. At time of contact CMSP was no longer providing funds and the cooperative, except for the consumer store, appeared non-operational. Of interest were balance sheet items indicating that the AMC had invested P50,000 in CMSP. Here again is a situation where a team effort by CUP could help this cooperative to become operational again.

The feed mill cooperative at Lipa had an annual volume of business in 1980 of over P57,000.00 and realized a sizeable net margin. At time of contact, it had on hand only about a 2-3 day supply of soyabeans, the most important ingredient in the feed it produces. The soyabeans are imported by the Philippine Government, and the Cooperative's President and Manager were busy trying to determine who in the Government could help get the additional soyabeans needed. This is again a situation that CUP could help with.

In addition to CUP providing the services described and others it should document such activities and use this

information in solving similar problems of other cooperatives. This is also an excellent means of advertising the services that CUP and other technical organizations can provide its cooperative constituency.

The CUP should bring to the attention of the ACCI cooperative problems that require basic research.

COOPERATIVE STATISTICS

The CUP should work with the BCOD to establish an effective system of producing on an annual or bi-annual basis, reliable statistics on all types of Cooperatives in the Philippines. At present time, no up-to-date statistics are available. This is a serious limitation to cooperative research and service work. For example, without these statistics it is not possible to select a scientific sample for research purposes. It is most difficult to measure cooperative progress or lack of progress without statistics.

There is a legal requirement that all cooperatives should have an annual financial audit and that a copy be filed with BCOD. If this were done it would provide the basis for an excellent statistical series on cooperatives. BCOD is charged with the registration of cooperatives and, as a condition of registration, cooperatives must file considerable information with their application. This information should be compiled and published by BCOD. The CUP should encourage its constituency to provide required audits and other information to BCOD. It should also work with BCOD to develop a useful statistical series.

COOPERATIVE PROMOTION

The CUP should take a leadership role in promoting additional cooperatives. This would include some types of cooperatives that appear to have been largely overlooked in the Philippines. Fishing cooperatives is one such type, handicraft cooperatives is another. There are very few cooperative processing plants for fertilizer, fruits and vegetables and livestock. Consumer cooperatives have not established any cooperative wholesales. Farm supply wholesales seem not to exist at this time. More credit unions are needed. The CUP promotion effort should rely heavily on research to provide the necessary guidelines.

(Please turn to page 5)

February 2, 1982

**PHILIPPINE COOPERATIVE
 NEWSLETTER**

Monthly Organ of the
**COOPERATIVE UNION OF THE
 PHILIPPINES, INC.**
 4th Floor, Delta Bldg., West Ave.
 Quezon City

Annual Subscription – P15.00

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CIRCULAR
 NO. 1
 Series of 1982

T O : The Advisory Board
 The Bureau of Cooperatives Development
 All Regional Directors
 All Provincial Executive Officers
 All Municipal Agricultural Officers
 The Cooperative Union of the Philippines, Inc.
 All Regional, Provincial, City Cooperative Unions
 All National, Regional, Provincial and City Federations
 All Cooperatives and Pre-Cooperatives.

SUBJECT : TRANSFER OF THE ADMINISTRATION OF THE COOPERATIVE
 EDUCATION AND TRAINING FUND FROM THE ADVISORY
 BOARD TO THE COOPERATIVE UNION OF THE PHILIPPINES,
 INC.

Pursuant to the provisions of Section 8 of Presidential Decree No. 175, as amended, and Regulation No. 45 of Letter of Implementation No. 23, as amended, and Executive Order No. 595, dated May 22, 1980, the administration of the Cooperative Education and Training Fund is hereby transferred to the Cooperative Union of the Philippines, Inc. in accordance with following rules and regulations.

**I
 PRELIMINARY PROVISIONS**

Section 1. Coverage – This Circular shall cover all existing assets represented by the Fund and outstanding liabilities as well as future remittances to the Fund, and the personnel, records, of the said fund.

Section 2. Definition of Terms – Unless the context of this Circular provides otherwise, the following terms shall mean:

- a) *Ministry* – The Ministry of Agriculture and all regional, provincial, city and municipal level offices thereof;
- b) *BCOD* – The Bureau of Cooperatives Development under the Ministry;
- c) *Board* – The Advisory Board of the Management Training and Assistance Program of the Ministry;
- d) *CUP* – The Cooperative Union of the Philippines, Inc.
- e) *FUND* – The Cooperative Education and Training Fund.
- f) *Contributors* – All pre-cooperatives, cooperatives, federations, and unions duly registered under Presidential Decree No. 175, as amended, and LOI No. 23, required to remit to the Fund one-half of their Cooperative Education and Training Fund set aside from their annual net income;
- g) *Remittances* – proceeds of sales of printed SN materials, registration fees and audit fees.

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II
ADMINISTRATION

Section 1. **Transfer of Administration.** The Administration of the Cooperative Education Training Fund (CETF), is hereby transferred to the Cooperative Union of the Philippines, Inc. subject to the following rules:

- a) All existing assets and outstanding liabilities as of the date of transfer shall be transferred to the CUP;
- b) The amounts corresponding to one-half of the Cooperative Education and Training Fund set aside from the contributors annual net income after the date of transfer, shall accrue and be remitted to the CUP;
- c) All the personnel of the Advisory Board whose functions are directly related to the administration of the Fund shall be transferred to the CUP;
- d) The Advisory Board shall submit to the Ministry, as soon as possible, a terminal report on its administration of the Funds together with duly audited financial statements copies of which shall be likewise submitted to the CUP and BCOD; and
- e) The CUP shall submit to the Ministry, as soon as possible, copy furnished the BCOD and the Advisory Board, audited financial statements accompanied by a certified list of contributors which remitted their contributions to the CUP/RCUs/Federations with their corresponding payments prior to the date of transfer.

Section 2. **Contributions and Remittances to CUP.**

- a) The contributions of duly registered, re-registered pre-cooperatives, cooperatives, federations, and unions, corresponding to one-half of the Cooperative Education and Training Fund set aside from their annual net income shall be remitted to the CUP. The said contributions shall be credited to the Fund under the administration of CUP;
- b) The proceeds of sales of printed Samahang Nasyon materials, registration fees, and audit fees shall be remitted to the CETF under the administration of the CUP; and
- c) All contributions and remittances to CETF shall be made only in the form of Treasury Warrants, Postal Money Orders, Bank Money Orders, Cashier's Manager's Check, payable to the CETF under the administration of the CUP. In no case shall contributions or remittances be made or collected in cash.

Section 3. **Utilization of the Fund.** The Fund shall be utilized for the purposes enumerated in Regulation 52 of LOI No. 23, as amended, and such other related purposes as may be approved by the Ministry through the BCOD.

- a) The Board of Directors of the CUP shall prepare an annual budget for its programs, projects, activities, and administrative expenses based on the actual CETF collections of the previous year or estimated collections for the succeeding year whichever is lower in accordance with the following allocation:

1. Programs, Projects, Activities in accordance with the provisions of Regulation 52 of Letter of Implementation No. 23.....	60%
2. Administrative Expenses.....	30%
3. Reserve CUP Trust Fund, at least.....	10%
Total.....	100%
	vvvvv

(Please turn to page 7)

PUBLIC AND MEMBER RELATIONS

Public Relations – Public relations as discussed here is the CUP task of favorably influencing public opinion relative to all types of cooperatives. It also includes establishing and maintaining a close working relationship with the head of government and with key representatives of government ministries, departments and bureaus at all levels, national, regional, and provincial. The purpose for this is to influence favorably the decisions they make concerning cooperatives.

The CUP should take the lead in proposing new cooperative legislation when required, and to get it introduced and passed in the Parliament. This will require the establishment and maintenance of a close working relationship with all types of cooperatives, and particularly the national organizations. It will require cooperation among cooperatives. If these institutions are to improve, they must learn to work together. The CUP has an important role to bring this about.

Member Relations – The CUP is a relatively new organization and not well known at this time by its cooperative members. It has an image to create among its members. As it creates this image, it should keep in mind not only the various tasks it is to undertake, but to remember some of its basic premises. One of the more important of these is that the Union was formed to provide services to its members that they could not provide themselves. In so doing the Union must operate as the servant of those who created it. Its mandate is permissive and this is clearly pointed out in the Cooperative laws. The language says the CUP may perform certain functions for its members. It cannot and should not attempt to force any of its services on its members.

Another premise is that if it is to succeed it must develop a reputation for reliable service to its members. To a major extent this will depend upon the success of CUP's field staff in working with member cooperatives. It is the field staff that will be in closest touch with the management of these organizations at regional and provincial levels.

There is a premise that CUP seeks to get government out of cooperative management. It wants cooperatives to be thought of as private sector organizations.

(Please turn to page 7)

TELEGRAMS SENT BY CUP PRESIDENT ARCADIO LOZADA

HIS EXCELLENCY
PRESIDENT FERDINAND E. MARCOS
MALACANANG MANILA

THE COOPERATIVE UNION OF THE PHILIPPINES, INC. AS THE APEX NATIONAL ORGANIZATION OF 24,000 COOPERATIVES WITH 2 MILLION INDIVIDUAL MEMBERS REGISTERED UNDER PD NO. 175 AS AMENDED WISHES TO EXPRESS ITS DEEPEST APPRECIATION FOR THE IMPLEMENTATION BY THE MINISTRY OF AGRICULTURE AND THE BUREAU OF COOPS DEVELOPMENT OF THE TRANSFER OF THE ADMINISTRATION OF THE COOPERATIVE EDUCATIONAL AND TRAINING FUND TO CUP BY VIRTUE OF MINISTRY CIRCULAR NO. 1 S 1982.

IN THE SPIRIT OF THIS DEVELOPMENT WHICH CONSTITUTES A MILESTONE IN OUR COOPERATIVE HISTORY AND CONTINUING EFFORTS TO PROMOTE COOPERATIVES AS INSTRUMENTS IN HELPING ACHIEVE A MORE EQUITABLE DISTRIBUTION OF INCOME AND WEALTH, WE HEREBY PLEDGE OUR WHOLEHEARTED SUPPORT AND COOPERATION FOR THE STRENGTHENING OF CUP AND COOPERATIVES AMELIORATION AND NATIONAL DEVELOPMENT UNDER THE NEW REPUBLIC.

WE HEREBY ALSO WISH TO EXPRESS APPRECIATION TO MINISTER ARTURO R. TANCO, JR. AND ASST. SECRETARY AND BUREAU OF COOPERATIVES DEVELOPMENT OFFICER IN CHARGE NELIA T. GONZALEZ FOR THEIR ENLIGHTENED LEADERSHIP AND SINCERITY OF PURPOSE IN BRINGING ABOUT THE REALIZATION OF THIS SIGNIFICANT AND LONGDREAMED OF DEVELOPMENT.

HON. ARTURO R. TANCO, JR.
MINISTRY OF AGRICULTURE
QUEZON CITY

THE COOPERATIVE UNION OF THE PHILIPPINES ON BEHALF OF THE COOPERATIVE MOVEMENT WISHES TO EXPRESS ITS SINCEREST APPRECIATION AND GRATITUDE FOR THE PROMULGATION OF MINISTRY CIRCULAR NO. 1 IMPLEMENTING THE TRANSFER OF THE CETF FROM THE ADVISORY BOARD TO THE CUP.

IN THE SPIRIT OF THIS DEVELOPMENT WE PLEDGE THE STRENGTHENING OF CUP AND COOPERATIVES AND OUR CONTINUING SUPPORT FOR THE MINISTRY OF AGRICULTURE AND ITS COOPERATIVE DEVELOPMENT PROGRAM.

FURTHERMORE WE WISH TO EXPRESS OUR PROFOUND APPRECIATION FOR ASSISTANT SEC AND BCOD OFFICER IN CHARGE NELIA T. GONZALEZ FOR HER GOOD OFFICES ZEAL AND FORESIGHT WE WILL BE HAPPY TO BE OF CONTINUOUS SERVICE TO THE MINISTRY OF AGRICULTURE IN ITS PROGRAMS.

HON. ASST. SECRETARY
NELIA T. GONZALEZ
MINISTRY OF AGRICULTURE
QUEZON CITY

THE COOPERATIVE UNION OF THE PHILIPPINES, INC. ON BEHALF OF ITS CONSTITUENTS WISHES TO ACKNOWLEDGE WITH PROFOUND GRATITUDE THE PROMULGATION OF MINISTRY CIRCULAR NO. 1, S. 1982 IMPLEMENTING THE TRANSFER OF THE COOPERATIVE EDUCATION TRAINING FUND TO CUP.

THIS IS A TRIBUTE TO YOUR ENLIGHTENED LEADERSHIP DEEP INSIGHT AND SINCERITY OF PURPOSE IN PROVIDING THE MOVEMENT WITH THE EFFECTIVE MEANS OF DEVELOPING AND STRENGTHENING THE COOPERATIVE MOVEMENT AND ITS INSTITUTIONS.

IN THE SPIRIT OF THIS DEVELOPMENT WE PLEDGE THE STRENGTHENING OF CUP AND COOPERATIVES AND OUR CONTINUING SUPPORT FOR THE MINISTRY OF AGRICULTURE AND BUREAU OF COOPERATIVES DEVELOPMENT.

PLEASE BE INFORMED THAT WE HAVE COMMUNICATED OVER TO HIS EXCELLENCY PRESIDENT FERDINAND E. MARCOS, PRIME MINISTER CESAR E.A. VIRATA AND MINISTER ARTURO R. TANCO, JR. THE FOREGOING SENTIMENTS.

ICA REGIONAL SEMINAR

23rd March

- 1000-1100 – Inauguration
- 1130-1230 – Review of present state of agricultural credit cooperatives in the region and their contribution to agricultural development – presentation of background papers by participants.
- 1400-1630 – Presentation of background papers (contd.)

24th March

- 0900-1030 – Presentation of background papers (contd.)
- 1100-1230 – Presentation of background papers (contd.)
- 1400-1530 – Lecture No. 1: Introduction to the agricultural cooperative movement of the Philippines.
- 1600-1730 – Lecture No. 2: Agricultural cooperative credit in the Philippines – problems and prospects.

25th March

- 0900-1030 – Lecture No. 3: Cooperative Credit Planning for agricultural development.
- 1100-1230 – Lecture No. 3: (Contd)
- 1400-1630 – Group work – 1.

26th March

- 0900-1030 – Lecture No. 4: Resource mobilization by agricultural credit cooperatives (including savings promotion).
- 1100-1230 – Lecture No. 5: Long term credit in agricultural development – role of cooperative land mortgage banks.
- 1400-1630 – Group work – 2.

27th March

- 0900-1030 – Lecture No. 8: Effective methods of loan recoveries.
- 1100-1230 – Plenary on group work – 1.

28th March – F R E E

29th March

- 0900-1030 – Lecture No. 7: Farm guidance services and their role in ensuring effective use of credit.
- 1100-1230 – Lecture No. 6: Production oriented loaning policies, procedures and problems.
- 1400-1630 – Group work – 3.

30th March

- 0900-1030 – Lecture No. 9: Provision of credit to small farmers – need for special attention.
- 1100-1230 – Plenary on group work 2 & 3
- 1400-1630 – Group work – 4.

31st March – Visit to Los Banos

- 1st April – Study visits to cooperative outside Manila – AMCs – CRBs.

(Please turn to page 8)

CIRCULAR NO. 1 SERIES OF 1982 . . . (Continued from page 5)

- b) The CUP annual budget shall be subject to the approval of the general assembly and the Ministry through the BCOD;
- c) Supplementary budgets may be prepared by the CUP management subject to the approval of the board of directors and the Ministry through the BCOD for additional programs, projects, and activities based on revenue realized from services rendered and activities conducted by CUP as well as donations and/or grants received from Local and/or foreign sources and income derived from the investment of the CUP Trust Fund.
- d) The CUP may contract for the services of other organizations registered with BCOD such as primary cooperatives, unions, federations, and such other corporate entities and persons authorized by the Ministry to engage in cooperative activities for the implementation of its programs and projects.

III

MISCELLANEOUS PROVISIONS

Section 1. Establishment of the Reserve CUP Trust Fund. The Reserve CUP Trust Fund shall be established upon the transfer of the Cooperative Education and Training Fund to the CUP. For this purpose, P600,000 of the P1,000,000 advanced by the Advisory Board to CUP shall be credited to the said Reserve CUP Trust Fund.

The said Trust Fund shall be invested in government securities or time deposits of government owned banks only.

Section 2. Acquisition and Disposal of Real Property. The acquisition and disposal of real property by the CUP shall be subject to the approval of the general assembly and the Ministry through the BCOD.

Section 3. Ex-Officio Board Member and Resident Auditor. The Ministry, through the BCOD, shall designate a non-voting ex-officio member of the CUP Board of Directors and a resident Auditor.

Section 4. Annual Report. The CUP shall submit to the Ministry, through the BCOD, an annual report on its administration of the CETF together with the duly audited financial statements thereon, copies of which shall be furnished to all contributors and remitters of record.

IV

EFFECTIVITY

Section 1. Effectivity. This Circular shall take effect immediately.


ARTURO R. TANCO, JR.
 Minister

**IN THE NATIONAL LIVELIHOOD MOVEMENT
 ROLE OF THE MINISTRY OF AGRICULTURE**

Some 500 technicians from the Ministry of Agriculture will be fielded proportionately to the number of Samahang Nayons KKK projects per region to provide the SNs the necessary incentives and assistance. For 1982 the Ministry has planned the initial activation of 1,534 SNs spread all over the country into production KKK projects.

This was the gist of the speech of MA Assistant Secretary Gonzalez who was

one of the main speakers in the Seminar-Workshop on Integrated Planning and Budgeting and Reporting and Monitoring recently held at the Agricultural Credit and Cooperatives Institute (ACCI), UPLB, Los Banos, Laguna. Mrs. Gonzalez who is concurrently the Officer-in-Charge of the Bureau of Cooperatives Development (BCOD) exhorted the key personnel in planning, budgeting, operations and cooperatives of the Ministry of Agriculture

DR. SAVAGE REPORT

(Continued from page 5)

It believes that, in the past, well meaning government programs have retarded rather than helped cooperative development. It will seek government help to develop cooperatives, but on the basis of minimum interference by government in the management of cooperatives.

The CUP desires to promote the principles of democratic control of Cooperatives. It is aware that this principle is often violated and that it is a primary cause for lack of member support when Cooperatives need it the most.

The CUP has a duty and an obligation to inform its members as to its activities on their behalf. CUP can perform this task by means of a newsletter, newspaper or magazine. It can employ radio and television in this endeavor. The choice among these options will be influenced by the size of CUP's budget. As its resources increase, it can improve its efforts to keep its members informed. Aside from these media methods the CUP should have more staff to attend to annual meetings of its members to inform them of CUP's activities.

FLASH . . .

(Continued from page 1)

The Board of Directors and Management Staff of the Philippine Cooperative Services, Inc. an active member of the CUP, presented to Mrs. Gonzalez a Resolution of Gratitude for her real concern for the success of the CUP. This resolution is also reproduced in this issue.

and the BCOD to lay the groundwork for the integration of the Cooperatives Development Program with the other programs of the Ministry.

"This seminar, more than anything else, can serve as the start of a genuine and more meaningful integration of the BCOD and its program with the Ministry of Agriculture, especially in the regional level," remarked Mrs. Gonzalez who further expounded the role of the MA and the BCOD in the National Livelihood Movement.

With the integration and complementation of all MA programs become fully operational as well as the effectiveness of its reporting and monitoring systems, it is hoped that these efforts will further accelerate the development of cooperatives in the Philippines.

(Please turn to page 8)

RESOLUTION OF GRATITUDE
(Continued from page 2)

NOW, THEREFORE, RESOLVED AS IT IS HEREBY RESOLVED that the Board of Directors and Management Staff of the Philippine Cooperative Services, Inc., one of the most active members of the CUP, desire to express their gratitude to the Hon. NELIA T. GONZALEZ for her deep concern for the healthy development of the LEGITIMATE Cooperative Movement of the country, and to make this more meaningful, to hand to her this RESOLUTION OF GRATITUDE on her Birthday with the fervent prayer that she may have more years of fruitful service to the Cooperative Movement, the ONLY HOPE of the common man for a happier tomorrow.

BE IT FURTHER RESOLVED that a copy each of this Resolution of Gratitude be furnished Hon. ARTURO TANCO, Minister of Agriculture, and the First Lady of the Land, Hon. IMELDA ROMUALDEZ MARCOS, Minister of Human Settlements, the Lady behind the KKK Program of the Administration, for their information.

Done in Quezon City, February 17, 1982.

CASIANO O. FLORES
President

AMADO TORRALBA
Vice President

CAESAR U. QUERUBIN
Secretary

INARDO M. ALLORDE
Treasurer

SEVERO P. PARAS
Director

ROLE OF MINISTRY ...
(Continued from page 7)

The five-day seminar had come out with the following outputs: 1) Synthesized Reports on Areas of Integration; 2) Integrated Workplan and Budget for each region; 3) Revised and/or newly designed cooperatives report forms and the corresponding flow charts for monitoring; and 4) Flor charts for workplan and budget preparation.

Other resource persons during the seminar were as follows: Mr. Lorenzo Frianeza, BPI; Mr. Martiniano dela Cruz, BAI; Mr. Paulino W. Resma, BAEX; Mr. Rufino Santos, Bureau of Soils; Mr. Pacifico Canlas, BAECON; Chief Planning Officer Orlando Mananta, MA; Budget Officer Cenon Gozun, MA; Mr. Norberto Redruco, MA and former BCOD Director Clemente E. Terso, Jr. who is now with the Ministry of Human Settlements.

ICA-REGIONAL SEMINAR ...
(Continued from page 6)

- 2nd April - do -
- 3rd April - do -
- 4th April - F R E E
- 5th April - Visit to Credit Coops in Manila.
- 6th April - Plenary on group work - 4.
- 7th April - Leave Manila for Chiangmai (Thailand)
- 8th April - Arrival in Chiangmai.

"For God so loved the world, that He gave His only begotten Son, that whosoever believeth in Him should not perish, but have an everlasting life."
John 3:16

ICA EVALUATION TEAM VISITS PHILIPPINES

The International Cooperatives Alliance and the Swedish Cooperative Centre is presently conducting a survey to evaluate the Education work of the ICA Regional Offices for South-East Asia and East and Central Africa. The Survey Team is composed of Dr. S. K. Saxena, Consultant of the Swedish Cooperative Centre and former Director of ICA, as Chairman, Mr. Midori Matsuhira, Senior Counselor of the Economic Research Division of the Central Cooperative Bank for Agriculture and Forestry of Japan and Mr. Karl J.M. Fogelstrom, Managing Director of a Consumers Cooperative in Finland, as members.

The ICA Team meet with the Executive Committee of the CUP at Mid-Town Ramada on February 2, 1982. Also present in the said conference were Directors Frank Caballero and Santiago C. Manongdo and James Roberson of the Audit and Inventory Committee of the CUP.

The ICA Team also visited and conferred with the officials of the Agricultural Credit and Cooperative Institute of the University of the Philippines at College, Laguna. They also conferred with the officers of the NATCCO.

The two main task of the ICA Team are:

1. To provide guidelines for future programme planning of ICA Regional Offices, and
2. To identify a strategy and priorities to be followed in formulating programmes oriented to the needs and problems of the region.

President Arcadio Lozada of the CUP submitted the consensus of cooperative leaders of the assistance needed from ICA to strengthen the cooperative movement in the country.

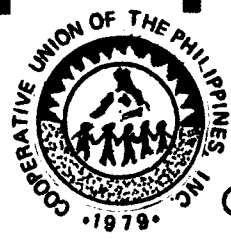
CO-OP LAUGHS!

Come now and share with today's fun some children stories - And to think that children can surely provide us the cutest jokes without their knowing them: For instance -

Susan watching her mother put lotion on her face she asked "Why are you putting that on your face, mother?" "To make me look beautiful," answered the Mommy. When the beauty treatment was finished little Susan look thoroughly at her mother's face a moment and said, "It didn't work, did it."

A three year old tot getting on her party dress backed up to her mother and said "I can't button my dress Ma. The buttons are in the back and I'm in front."

philippine CO-OP NEWSLETTER



Official Organ of the
**COOPERATIVE UNION
OF THE PHILIPPINES, INC.**

CO-OP
*depends on
Self-Reliance
and Freedom*

Volume I No. 5

March, 1982

SAMAHANG NAYON FARMERS DEMONSTRATE

The Quezon City residents witnessed one of the most orderly and peaceful demonstration on March 31, 1982 at the Legislative Circle in front of the Ministry of Agriculture by more than five thousand (5,000) farmers from Cebu, Luzon, Southern Tagalog and as far as Iloilo Valley, all belonging to Samahang Nayons.

The farmers of the country were determined to hold this demonstration because of the said plight of the rice farmers in the country. Notwithstanding the rising prices of all kinds of commodities, the rice farmers claim to have been neglected because the price of palay has become stagnant for some time now, notwithstanding the tremendous increase in the cost of production.

The demonstration held at Aliaga, Iloilo, attended by Ministers Tanco and Anchanco, the farmers were assured that their case will be brought to the attention of President Marcos and assured them that a reasonable increase in the buying price of palay will be made within a month.

The farmers were surprised when the increase in the price of sugar were announced. The farmers were hoping that their case would soon be given favorable consideration. But their waiting is apparently in vain, apparently because of the information given to President Marcos by Assemblyman Jerry Montemayor and Luis Taruc that the farmers will be contented with the present price of palay provided that cost of fertilizers and insecticides will be reduced. The legitimate farmers have denounced this as not the true sentiment of the rice farmers for the simple reason that there are other factors that affects the cost of production. Moreover the price of fertilizers and insecticides have not at all been reduced as proposed by Assemblyman Taruc.

The peaceful and orderly demonstration was held because the farmers feel that their clamor for simple justice has not really been brought to the attention of President Marcos. They felt that the demonstration would move the men close to President Marcos to bring to him their case.

The leaders of the Samahang Nayons fear that if the rice farmers cannot get their just due, some of them will be forced to go to other farming activities, such as vegetable gardening, which will then badly affect the rice production of the country. If this happens, the country will then again go into the importation of rice to meet the ever increasing population of the country. The Government will then again be subsidizing the farmers of other countries like Thailand.

This peaceful and orderly demonstration among members of Samahang Nayons was led by the officers of the KATIPUNAN NG MGA SAMAHANG NAYONS - President Ambrocio Lumibao, Executive Vice-President Alfonso Escalona, Director-Treasurer Florencio Tamargo, Director Rufino Luistro and Secretary-General Eng. Benjamin Cruz, and Mrs. Leonila V. Chavez, President of KAMPI.

CISP TO BE RESTRUCTURED TO MAKE IT ACCEPTABLE TO THE LEADERS OF THE VOLUNTARY SECTOR OF THE COOPERATIVE MOVEMENT

The Amendments Committee elected in the last General Assembly of the Cooperative Insurance System of the Philippines (CISP) composed of Mr. Santiago C. Manongdo, as Chairman and with the following as members - Col. Severo Castulo and Messrs. Bienvenido Allanigue, Florencio Tanargo and Faustino Olaguera, have finalized the draft of the proposed amendments to the By-Laws of the CISP to make it more acceptable to the leaders of the Cooperative Movement from the voluntary sector. This step will insure the solid support of all types of cooperatives to enhance the growth of the only Cooperative Insurance Project in the Philippines.

The special features of the proposed amendments include the following:

1. Restructuring the Board of CISP to consist of eleven members representing the following:
 - a. One Director to be designated by the Government Agency having supervision of the Cooperative System to represent any Gov't agency that has equity investment or loan in the CISP;
 - b. Eight (8) Directors to be elected by the regular members composed of cooperatives, Samahang Nayons, Kihusang Bayan, their Federations and/or Unions; and

(Please turn to page 8)

THREE MAJOR ICA-CUP ACTIVITIES GOING ON!

The International Cooperative Alliance, based in New Delhi, India, in collaboration with the Cooperative Union of the Philippines (CUP) and the Ministry of Agriculture through the Bureau of Cooperatives Development, is conducting three major cooperative projects in the Philippines.

The Regional Seminar on "AGRICULTURAL COOPERATIVE CREDIT," with twenty-one (21) foreign participants and two from the Philippines, is now being held at the Manila Mid-town Ramada from March 23 to April 17, 1982. The second portion of the Seminar/Workshop will be held in Bangkok, Thailand, from April 7 to 17, 1982. Seminar study visits will include trips to ACCI at College, Laguna; the San Dionisio Credit Union

(Please turn to page 2)

NATCCO TO HOLD GENERAL ASSEMBLY AT ANGONO

The National Association of Training Centers for Cooperatives (NATCCO) will hold its 5th general assembly on April 18, 1982. In accordance with practice, the assembly will be preceded by a 1½-day conference of leaders on April 16 and 17, 1982. The conference will discuss various issues affecting the organization in particular and the cooperative movement in general.

NATCCO and its affiliates will have the privilege this year to hear out Mrs. Nelia Gonzalez, Assistant Secretary of the Ministry of Agriculture and concurrently Officer-in-Charge of the Bureau of Cooperatives Development. It will be noted that NATCCO in recent years has endeavored to establish working relationship with the Ministry and BCOD. The presence of Mrs. Gonzalez, who took over

as head of BCOD only last year, is expected to strengthen this relationship.

Also expected to discuss with the assembly are some officers of the Cooperative Union of the Philippines, headed by CUP President Brig. Gen. Arcadio S. Lozada, NATCCO joined CUP as member September last year.

This year's gathering will be hosted by the Tagalog Cooperative Training and Education Center (TAGCOTEC) in Angono, Rizal. Aside from TAGCOTEC, the affiliates of NATCCO include: the Northern Luzon Cooperative Education and Development Center (NORLUCEDEC), the Bicol Cooperative Training Center (BCTC), the Visayas Cooperative Training Center (VICTO) and the Southern Philippines Educational Cooperative Center (SPECC).

CO-OP SYMPOSIUM AT THE U.P. LAW CENTER

The first major project of the Concerned Cooperative Workers of Metro-Manila is the holding of a SYMPOSIUM ON COOPERATIVES DEVELOPMENT jointly sponsored by NCR Cooperative Union and the U.P. Law Center of the University of the Philippines to be held at the U.P. Law Center from April 3 to 4, 1982.

The Welcome Address will be given by Director Florida Ruth P. Romero, Director of the U.P. Law Center, to be followed with the introduction of the participants by Mr. Francisco Caballero, Chairman of the NCR Cooperative Union.

The main address in the morning session of April 3, 1982 will be given by the Hon. Nelia T. Gonzalez, Assistant Secretary of the Ministry of Agriculture and concurrently, BCOD Officer-in-Charge, on the subject "Policy Thrust and Directions in Coops Development under M.A."

The afternoon session will be addressed by a Representative of the B.I.R. to be followed by an address by Hon. Clemente Terso Jr., Deputy General Manager of the Human Settlements Development Corporation on the subject "The Role of Coops in the KKK Program."

The second day, April 4, 1982 will be addressed by the Hon. Jesus Amparo, Assemblyman for Region XII on the subject "Batasang Pambansa Bill on Coop Tax Exemptions." Brig. General Arcadio Lozada, President of the Cooperative Union of the Philippines will talk on "CUP Prospects and Problems."

The evaluation of the Conference will be conducted by Mr. Rolando Jimenez, Member of the Education Committee of the NCR Cooperative Union.

During the closing ceremonies in the afternoon, Atty. Casiano O. Flores, Head of the Division on Continuing Legal Education of the U.P. Law Center will assist in the distribution of the Attendance Certificates.

THREE MAJOR ICA-CUP . . .

(Cont'd. from page 1)

at Paranaque, Metro-Manila; the Cooperative Rural Bank of Bulacan, in Plaridel, Bulacan; the Cooperative Rural Bank for Nueva Ecija, in Cabanatuan City; and FAO assisted project in Llanera, Nueva Ecija and four successful Cooperatives in Tubao, La Union, including a million peso Credit Union, the Tubao Sumatra Wrapper Producers Cooperative, a Consumers Coop Society and an Area Marketing Coop with a town base dealing in cotton. The participants will also spend a day in Baguio City and the Summer Resort of Mrs. Connie Manahan in Caba, La Union, where Senator Manuel Manahan, Chairman of the Cooperative Foundation Philippines, will give them a briefing of the PRRM and IRRI rural programs.

The keynote address in the opening ceremonies at RAMADA Hotel was given by Atty. Bienvenido Faustino, Chairman of the International Committee of CUP,

while Brig. General Arcadio Lozada, President of the CUP gave the welcome address. Mrs. Nelia T. Gonzalez, Assistant Secretary of the Ministry of Agriculture will give a reception for the delegates at the Corral Ballroom of HILTON Hotel on April 5, 1982. Mr. Lionel Ganawardana, Agricultural Specialist of ICA in New Delhi, India is managing the Seminar/Workshop, assisted by Mrs. Nelia Hernandez of the CUP.

The second major cooperative project of ICA is the "BETTER LIFE THROUGH COOPERATIVES" collaboration with the Philippine Federation of Women for Cooperatives, the Ministry of Agriculture, through BCOD, to be held at the La Cons Convent, San Juan, Metro-Manila April 2 to 4, 1982. Lady participants will come from the thirteen (13) regions of the country. Mrs. Nelia T. Gonzalez, Assistant Secretary of the Ministry of Agriculture and concurrently Officer-in-Charge of the BCOD will give the address during the opening ceremony.

Mrs. Margaret D'Cruz of the New Delhi, India and Prof. Gaerlan, Chairman of the Philippine Federation of Women for Cooperatives are jointly managing this activity.

The third major activity of ICA is the "NATIONAL WORKSHOP ON COOP MANAGEMENT" to be conducted at ACCI, College, Laguna from April 24, 1982 for managers, branch managers and/or floor managers of Cooperatives from Luzon and another to be held in Cagayan de Oro City from May 1-3, 1982, for cooperative leaders for Visayas, Mindanao.

Mr. M.K. Puri, Specialist in Consumers Cooperation of ICA in New Delhi, India, is managing these two Seminar/Workshops.

DOCTOR JOB SAVAGE REPORT OVERALL STRUCTURE

To understand CUP's Administration some understanding as to its structure and authority to administer its operations is needed. At the national level is CUP headquarters whose operating policies are determined by a board of 15 directors. This board is elected by an assembly of representatives from most types of cooperatives in the Philippines, agricultural and non-agricultural. Not included at present are representatives from the Sugar,

(Please turn to page 3)

DR. JOB SAVAGE RECOMMENDATIONS

(Cont'd. from page 2)

Rural Electric, and Federation of Free Farmers Cooperatives. Some representatives to the assembly are from the national organization of the Samahang Nayons whose voting structure is Municipal to Provincial to Regional to National. Other CUP assembly representatives are from provincial city and regional cooperative unions and from national, regional and provincial federations. This structure is as shown by Chart No. 1.

It is observed that the linkage between the national level of CUP and its member cooperatives is not yet strong enough. In part, this is due to the relative newness of CUP and in part it is because it would be difficult if not impossible to establish strong linkages between CUP and most of the cooperatives. An important exception should be the RCUs.

There are two primary ways to establish this linkage. One is authority given by the Cooperative law and implementing documents. The other is by members voluntarily giving up power to the CUP, or a combination of the two. Most of CUP's authority as mentioned earlier in this Review must come through the volunteer method, and this is as it should be. To gain enough authority to operate effectively the CUP must use the educational process to convince members of this necessity. In particular this is true in the case of CUP national headquarters and its member regional cooperative unions (RCUs) as discussed hereon:

RCU STRUCTURE AND ADMINISTRATION

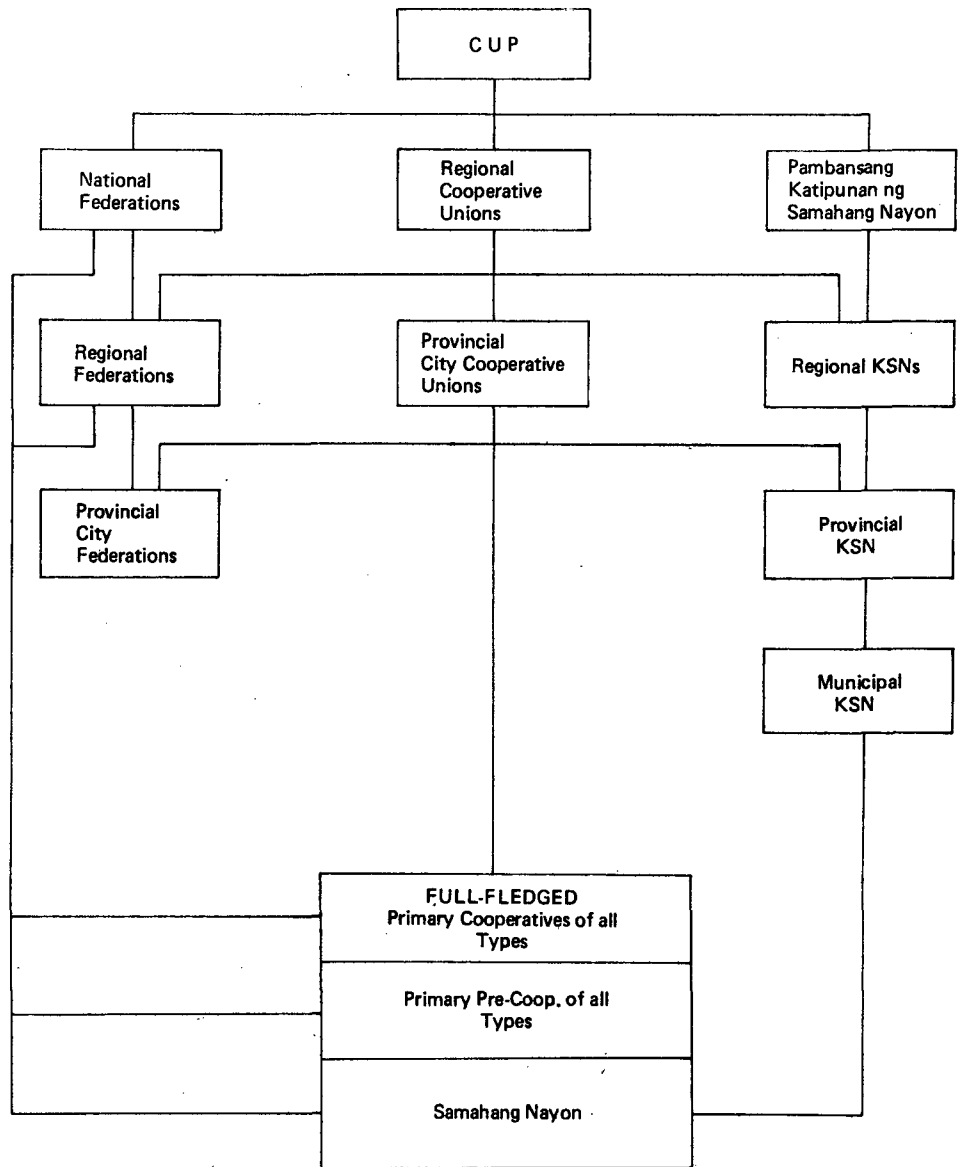
The structure of the RCUs is very similar to that of the headquarters of CUP. Chart No. 2 is a graphic presentation of an RCU. The staff of CUP has prepared a detailed working paper on the organization of RCUs. It must be noted that due to lack of funds only 6-7 RCUs are operational at this time and they are being operated by volunteer staff.

The RCUs are non-business type cooperatives as is the CUP. They have as their objectives virtually the same ones as the CUP. For this reason their working relationship with the CUP should be close. An examination of the files of CUP, including the aforementioned working paper indicates, a need for closer relationship or linkage between the CUP and the RCUs. This is especially true because the RCUs may be viewed as the field staff to implement the CUP program at regional and provincial levels.

Looked at this way, CUP and the RCUs should be thought of as an integrated

(Please turn to page 5)

Chart 1



THE COOPERATIVE UNION OF THE PHILIPPINES, INC.
External Structure

MESSAGE

R. M. Villamin

THE CETF AND CUP

However it is said, the Cooperative Education and Training Fund is the lifeblood of the Cooperative Union of the Philippines. It is the direct contribution coming from cooperatives throughout the country, without which CUP will not be.

From the standpoint of CUP, the CETF is a financial source to which it is entitled by reason of law. From the standpoint of those cooperatives that contribute to it the CETF is a financial resource from which they expect the full benefits of that law.

This distinction may sound arbitrary, but it serves to emphasize one fact that has long been taken for granted — that is, that cooperatives contributing to the Fund have counted every centavo they have given all these years and have summed up their value in terms of the use made of the Fund.

It is well known that cooperatives have been asking how their yearly contributions to the Fund have been utilized. Since nobody cared to explain to *everybody*, most have been content with gathered reports: There were seminars and trainings sponsored, here and abroad; there were general assemblies funded; nay, there were various expenses, including subsidies, paid for. What *everybody* needed to know was why only certain sectors seemed to have benefitted from it all.

With the transfer of the Fund to CUP, the same questions will be asked. And many a cooperator will be thankful if CUP will explain anything at all. It may as well be that the future administration of the Fund will take into account a few important considerations.

First, although PD 175 and LOI 23 do not define the nature and functions of the CETF (except that it is thereby created), the major disposition of the Fund should at least keep close to the realization of its name: cooperative education and training. This means not only seminars and training programs that clearly benefit the contributing cooperatives; it also means research and information dissemination to promote the cause of cooperation in this country. In general, it means conveying the message to all cooperators and the public that the cooperative movement is worthy of its name and their trust.

Second, the Fund is the contribution of the many. Therefore, the benefits accruing from it must be spread to as wide a base as possible.

Finally, the Fund is a public trust. It only follows that its use should be clearly understood by the contributors and therefore properly explained.

This is the real challenge to CUP as administrator of the CETF.

— oOo —

THE CO-OP NEWSLETTER IS YOUR ORGAN

The Philippine Co-op Newsletter is your organ. The Board of Editors desire the active participation of all concerned cooperators. Send in your opinions on major issues affecting the cooperative movement. If you desire for some information that may serve as your guide in the more effective management of your cooperative, please send it your questions. If necessary, we will increase the pages of our Co-op Newsletter, so that it can really be the organ of the Cooperative Union of the Philippines, your own apex organization.

We also desire to publish success stories. If you have one, give us the complete story, how it was organized, the early growing pains encountered and the reasons for its success. The article must be properly documented, with the latest Financial Statement and a picture which can be of interest to our readers.

While the Board of Directors of the CUP have agreed to give each cooperative affiliate a free copy of the Philippine Co-op Newsletter, we are soliciting for individual subscribers. We want all our Board Members, Committee Members and the Staff of all our cooperatives to be kept abreast with the most recent developments in the cooperative movement both here and abroad. The subscription rate is nominal, only P15.00. Send in your subscription now!

Join us in this Economic Crusade so that our people, in the long run can indeed be MASTERS OF THEIR OWN ECONOMIC DESTINY.

IMPORTANT

The next issue will be in June, 1982 in the form of a Journal.

PHILIPPINE COOPERATIVE NEWSLETTER

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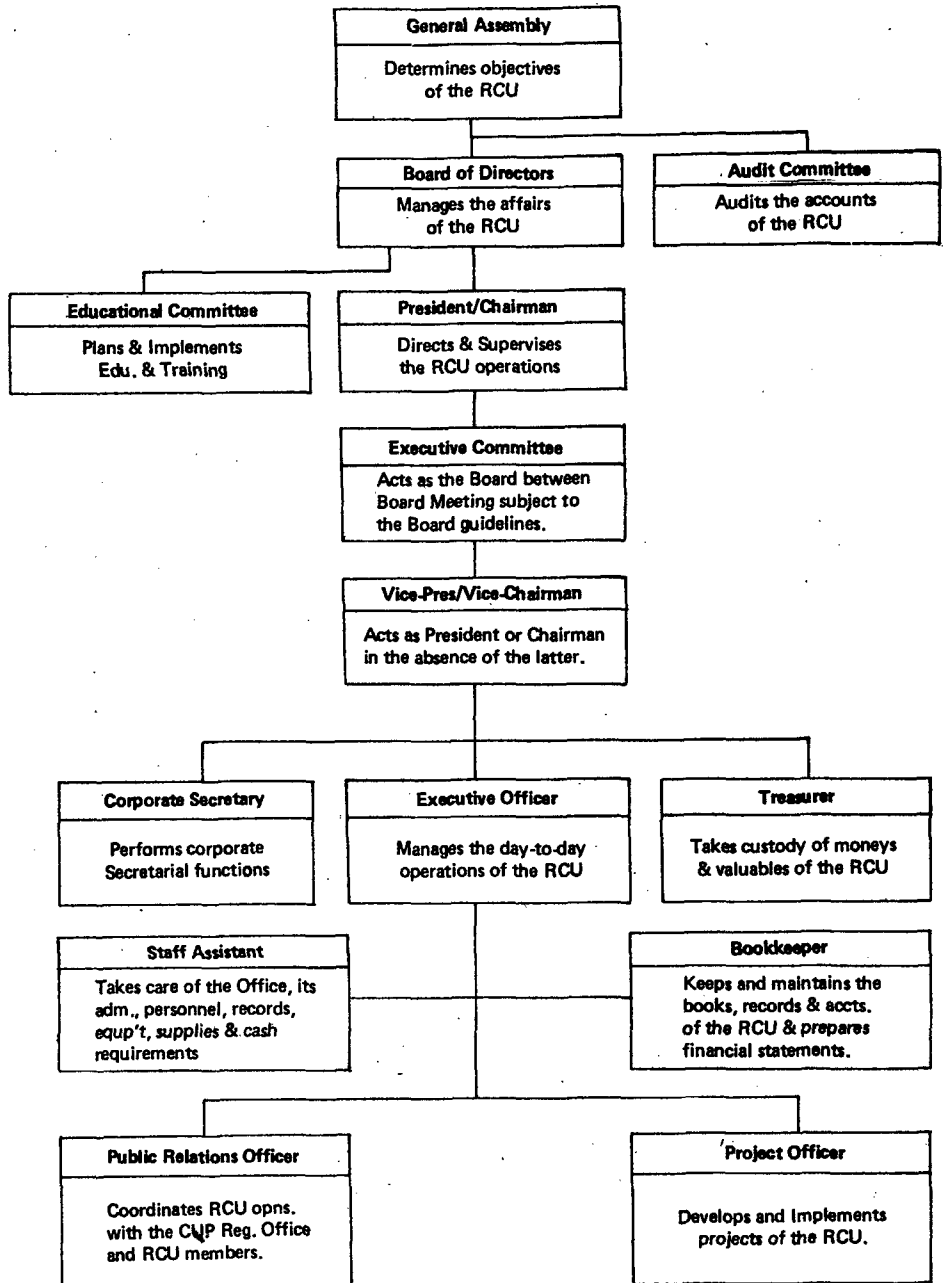
DR. JOB SAVAGE RECOMMENDATIONS

(Cont'd. from page 3)

organization, and operating policies established to bring this about. In doing so the CUP headquarters must not overlook the fact that it was created in part by the RCUs to enable them to function effectively. The RCUs on the other hand, must always remember that for the sake of an orderly and effective system they will have to give CUP certain authority over their individual operations. This is the way any cooperative system must operate if it is to be effective. Some recommendations for policies that would strengthen the system are these:

- a) It should be a policy that each RCU submit annually a work plan and a budget, and these should be approved at the National level of CUP before any funds could be released to an RCU;
- b) It should be a policy that CUP national should have authority to review the operations of individual RCUs from time to time as circumstance demands;
- c) It should be a policy that the RCUs should participate with CUP national in the development of programs to carry out the functions of both organizations. A system of two way communications to implement this should be established. One important way to accomplish this is for the annual meetings and special meetings of the RCUs be held in advance of the CUP national annual meeting. Ideas and information as to programs needed at regional and provincial levels could be generated in this way;
- d) It should be a policy that the CUP national should keep the RCUs informed as to its operations and significant cooperative happenings. This should be accomplished through appropriate cooperative news media;
- e) It should be a policy that the hired staff of the RCUs should meet standards established by CUP national. Key professional staff at RCU level should be jointly approved by CUP national and the individual RCU before being hired;
- f) It should be a policy that each RCU have an annual financial audit and that a copy be sent to CUP national;
- g) It should be a policy that the size of staff of each RCU be jointly determined by the CUP national and the individual RCUs;

Chart No. 2



**SUGGESTED ORGANIZATIONAL CHART
OF THE
REGIONAL COOPERATIVE UNION**

(Please turn to page 8)

THE BARANGAY SCHOLARS DAMAYAN CONSUMER ASSOCIATION, INC.

by Ampy R. Alvarez

Brief Background of Organization

The Barangay Scholars' Damayan Consumers Association, Inc. (BSDCA), in General Trias, Cavite, was organized on February 4, 1977, with 23 Barangay Scholars in lowland rice as original members.

Trained at the People's School in modern agricultural technology by the Rice Specialist of the International Institute of Rural Reconstruction (IIRR) in Silang, Cavite, the Barangay Scholars have demonstrated in their own farms the scientific methods of farming, besides mobilizing other farmers adopt the system.

In 1975, Minister Arturo Tanco of the Ministry of Agriculture witnessed a field day held in Bucandala, Imus. Impressed with what he had seen, he recommended to the International Rice Research Institute (IRRI) in Los Banos, Laguna, that an examination be given to the Barangay Scholars in lowland rice to further evaluate their performance. As a result, 19 out of the 23 Barangay Scholars passed the examination given on April 23, 1975.

To assist the government in the implementation of the Masagana 99 program, each Barangay Scholar was accredited as deputy technician of the National Food and Agricultural Council (NFAC) by the Ministry of Agriculture.

In 1976, a total sum of P7,238.00 was given by the NFAC to the Barangay Scholars as remuneration for discharging their duties as deputy technicians at ONE PESO (P1.00) per farmer per month. Instead of getting the money for themselves, the Barangay Scholars mutually agreed to deposit the money in a bank for future project.

The Barangay Scholars in lowland rice experienced in the past the difficulties in buying on time the right kind and the desired quality of agricultural inputs, such as: fertilizers, pesticides, insecticides etc. at reasonable prices.

For instance, fertilizers were rebagged with a mixture of 50% urea and 50% ammonium sulphate and were sold to farmers at a higher price for 100% urea. The weight of some bags of fertilizer was lesser than the standard 50 kilogram weight. Besides overpricing, the dealers offered the farmers the fertilizer-pesticide

deal at unaffordable interest rates. Because of the aforementioned problems, the Barangay Scholars decided to form an Association.

A two-day Orientation Seminar was conducted jointly by the IIRR and the MLGCD, after which the Barangay Scholars Damayan Consumers Association was formally organized. It started operating on February 15, 1977, and eventually registered with the Bureau of Cooperatives Development on December 22, 1978. *Damayán* is a Tagalog word which means mutual help.

Objectives of the BSDCA

Among the important objectives of the BSDCA are:

1. To increase the production and income of the members by making available *on time, the right kind, quality and quantity* of production inputs at reasonable prices;
2. To institutionalize cooperation as a way of life and venue for improving the economic and social status of the members;
3. To encourage savings and stimulate capital formation for developmental activities;
4. To undertake continuous cooperative education for its members, directors, committeemen, officers and employees.

Field of Membership

While the store is located in the town proper in General Trias, membership is open to all Barangay Scholars, Associates, cooperators, barangay leaders and other sympathetic individuals from the municipality. There are eight (8) Barangay Scholars in lowland rice, however, who as original members, come from the barangays of Imus, Naic and Tanza.

Present Status of the BSDCA

Having started its operation on February 15, 1977 (five years ago), the BSDCA is steadily progressing.

Based on the latest audited financial statements as of December 31, 1981, the BSDCA has 109 members with a total paid-up capital of P33,337.25, part of which came from interests on capital and patronage refund plowed back as stock dividends.

Total Assets amounted to P120,346.71, while total liabilities totalled P82,049.52, with a net savings of P14,809.88 as of December 31, 1981.

Total volume of sales amounted to P425,419.15 and total purchases, to P401,873.13.

To augment its working capital, a loan amounting to P50,000.00 was granted from the Production Loan Fund from the German Freedom from Hunger Campaign (GFHHC), primarily for the procurement of agricultural inputs, specifically fertilizers, insecticides, pesticides etc. needed by the members.

The BSDCA envisions to operate a rice mill. A feasibility study was conducted by the Small-Scale Business Advisory Council under the Ministry of Industry for the operation of a rice mill.

Problems Encountered

1. Inadequate capital to satisfy the needs of the farmers and expansion of services;
2. Limited store space and lack of good storage/warehouse for the fertilizer and other agricultural inputs;
3. Location of the store is far from the members, resulting in the non-patronage of the store by some members;
4. Some Officers and Committee members are inactive.

Strategies of development

1. Holding of management and leadership trainings
2. Massive campaign for increase of membership, capitalization and volume of business
3. Establishment of outlets in selected villages
4. Regular program of audit
5. Horizontal and vertical linkages

Summary and Conclusion

Adequate financing is undoubtedly imperative for any cooperative to be able to provide the agricultural inputs or services needed by the farmers. With adequate capital generated from the members and notable sources of financing, proper management and adequate supervision, the BSDCA will steadily develop and expand its services. Management trainings and membership education are also vital to improve the managerial skills of those running the organization and for the members to understand better their organization and develop loyalty.



Among those appearing in the picture are President C.O. Flores, Vice-President Amado Torralba, Secretary Atty. C.U. Querubin, Treas. Inardo M. Allorde and Members of the Board – Atty. Severo P. Paras, Dr. Leodegario Ilag and Dr. Georgina C. Lisk; and the members of the Audit and Inventory Committee – Mr. Angel Mandac, Miss Imelda Gaurano and Mrs. Estelita Geronimo.

PHILIPPINE COOPERATIVE SERVICES HOLDS 28TH GENERAL ASSEMBLY

The Philippine Cooperative Services, Inc., (PCSI) the oldest apex co-op organization in the country today, held its 28th General Assembly on March 27, 1982 at the Asian Labor Education Center of the University of the Philippines in Diliman, Quezon City.

The PCSI was organized by 17 individuals, mostly from the old Cooperatives Administration Office on December 14, 1953 with an initial capital of P85.00.

Previous to the organization of PCSI in 1953, Rev. Allen R. Huber, the pioneer Credit Union Leader in the Philippines, was importing from the Credit Union National Association (CUNA) in Madison, Wisconsin, the Credit Union accounting forms then in use. So Santiago C. Manongdo, who at the time was closely associated with Rev. Huber, and a group of co-op employees decided to organize the PCSI to undertake the printing and sale of Credit Union Accounting forms. This group of individuals volunteered to pioneer in this work because at the time there were still very few Credit Unions in operation.

In 1969, when the PCSI had already a few Credit Union as members, the assembly decided to convert the PCSI into an apex organization, and thereafter, only cooperatives, were admitted as mem-

bers. The remaining seven of the 17 original incorporators, namely Atty. Severo P. Paras, Atty. Caesar U. Querubin, Atty. Alex Brillantes, Messrs. Inardo Allorde, Doroteo Cabradilla, Angel Mandac and Santiago C. Manongdo, became Chartered members, in recognition of their pioneering work in this phase of co-op development.

In January 13, 1977 the PCSI was re-registered as an apex organization and since then it has broadened its membership and services. Today it serves cooperatives of all types as far as Jolo, Sulu and Davao City in Mindanao, cooperatives in the Visayas, particularly Leyte and Samar and as far North as Claveria, Cagayan.

The PCSI is possibly the only cooperative in the Philippines, which has a total Reserve Fund of P72,694.95 compared to its paid-up capital of P60,633.32 as of December 31, 1981. This is the result of the efficient management of the organization and the dedication of the officials and Staff of the said organization.

The newly elected officers of the PCSI who will be installed on April 21, 1982 by the Hon. Nelia Gonzalez, Officer-in-Charge of the BCOD at Barrio Fiesta are the following: Board Members – Atty. Casiano O. Flores, President; Mr. Amado Torralba, Vice-President; Atty. Caesar U. Querubin, Secretary; Mr. Inardo M.

SWORN STATEMENT (Required by Act No. 2580)

The undersigned, SANTIAGO C. MANONGDO, Chairman, Board of Editors of the Philippine Co-op Newsletter, published monthly, in English at Delta Building, West Avenue, Quezon City, after having been duly sworn to in accordance with law, hereby submits the following statement of ownership, management, and circulation, etc. which is required by Act 2580, as amended by Commonwealth Act No. 201.

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54-D E. Rodriguez Sr. Ave, Quezon City
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Total	200

(Sgd.) SANTIAGO C. MANONGDO
Chairman, Board of Editors

Subscribed and sworn to before me this 7th day of January, 1982 at Manila, Philippines, the affiant exhibiting his Residence Certificate No. 19068815 issued at Quezon City, Philippines on February 9, 1981.

(Sgd.) VALENTIN C. LIQUICIA
Postal Inspector

Allorde, Treasurer and as Board Members – Atty. Severo P. Paras, Dr. Leodegario Ilag and Dr. Georgina C. Lisk.

The members of the Audit and Inventory Committee are Mr. Angel Mandac, Chairman and Mrs. Estelita Geronimo and Miss Imelda Gaurano as members.

Mr. Santiago C. Manongdo is the General Manager and Mrs. Iraidia A. Banaira is the Accountant.

DR. JOB SAVAGE REPORT

(Cont'd. from Page 5)

h) It should be a policy at both national and regional levels that duties and obligations of directors and hired staff be clearly defined and established. The guiding principle in this is that the Board establishes policy and the Secretary-General and his staff carry it out on a day to day basis. The board has oversight authority, but it should not abuse it by interfering with hired management unnecessarily. Too many board meetings and meetings of the executive committee are indicators of this type of interference. The board is responsible for hiring key employees to run the organizations. Mistakes will be made and ineffective employees will be hired. When this happens, get rid of them. Board members should not try to patch up the situation by trying to perform the functions of weak employees.

CUP STAFF

Some suggestions as to type and number of professional staff needed at this time in CUP national headquarters are offered. As CUP grows more staff will of course be required. At this time, a professional staff, to assist the Secretary-General, composed of a Cooperative Education and Training Specialist, a Research and Service Specialist, and a Member/Public Relations Specialist should be considered. The functions of CUP National should be divided among this staff in such manner that their professional skills and experience could be maximized.

Emphasis should be on the employment of capable staff. Preliminary to employment, job descriptions for each position should be prepared and these should be carefully reviewed by the Board of Directors, perhaps through a special committee of the Board.

The Secretary-General should be encouraged by the Board to organize his staff into an executive cabinet to decide major issues and to develop and execute plans for implementation of Board policy.

RCU STAFF

The working paper outlining the organization of RCUs calls for a staff of seven people. These are Executive Officer, Corporate Secretary, Treasurer, Staff Assistant, Bookkeeper, Public Relations Officer and a Project Officer. This is more staff than CUP can afford at this

time and if the suggestions in this review as to how functions at the RCU are followed, it is more than required. The major suggestion is that RCUs serve as catalysts in the regions and provinces thereby making maximum use of organizations operating in these areas to perform their functions. As this time, a maximum of two professional staff members and a stenographer can operate an RCU. These two staff members should be highly qualified in the field of cooperative development. Both should be competent to make management audits. They should be able to appraise the training of cooperatives. This staff should have backup support from CUP national.

CISP TO BE RESTRUCTURED

(Cont'd. from page 1)

- c. Two (2) Directors to be elected by regular members of natural persons who are both policyholders and stockholders.
2. Voting Rights - Each regular member shall be entitled for one basic vote plus one additional vote for every ten (10) fully paid shares in excess of the first ten (10) shares; provided, however, that no member shall have more than twenty (20) votes.
3. Creation of Education and Training Committee to handle the promotional and training programs of the CISP.
4. Creation of an Audit and Inventory Committee to serve as eyes and ears of the policyholders and stockholders of the System.

These amendments will be submitted to the General Assembly, through the Board of Directors, in the meeting to be held on April 23, 1982 for approval.

"Master, which is the great commandment in the law?"

Jesus said unto him "Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind.

"This is the first great commandment.

"And the second is like unto it, Thou shalt love thy neighbor as thyself.

"On these two commandments hang all the Law and the Prophets."

Matthew 23:36-40

CO-OP LAUGHS

Hellow Co-operators! Quite a lull after our first month together. Did we keep you waiting? Now for some muscle-twisting jokes.

I will never forget the first time Mr. N.C. Reyes took Mrs. Reyes to dinner. There was a fly in her soup. She said to the waiter "Waiter, will you please remove this insect?" And what did the waiter do? . . . He threw Mr. Reyes out!

There are times when the words are right but the situation is wrong! That was the reason why Mr. Lorenzo did not last long in his job, as a young bank teller. The treasurer of a local church ladies aid society came in to deposit money they had raised by giving a benefit show at a local theater. But he mistook her for another lady depositor who ran a poultry farm. He counted the money and said "Well, the old hens are doing pretty well lately, aren't they?"

And another crazy thing about words is that they can state a perfect truth and yet tell an awful lie? A London Bishop found that out recently on his first trip to America.

He had been warned by his fellow clergymen in England to be very careful of what he said to American newspapers. As reporters gathered 'round him at the gangplank, the first question asked him was, "Bishop Clark, are you going to visit any night clubs while you are in New York?" . . . Remembering the warning, he hesitated a moment and he answered guardedly, "Are there any good night clubs in New York?" . . . And sure enough, the next day papers reported:

"The first thing Bishop Clark asked upon his arrival in New York was 'Are there any good night clubs in New York?'"

A perfect truth and yet a wrongful lie!

Parting shot: Girls! If you want a husband, don't make the mistake one girl in the City made. She insisted that her boyfriend stop reading comic books and read some good literature before she would marry him. So he began to spend a lot of time at the public library. And he ended up . . . marrying the librarian!



COOPERATIVE UNION OF THE PHILIPPINES, INC.

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COUNTRY REPORT

by

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THE COOPERATIVE MOVEMENT IN THE PHILIPPINES

The Philippines

The Philippines, an archipelago of over seven thousand (7,000) islands and the home of more than forty-seven million (47,000,000) people, is situated in South East Asia.

A colony of Spain for more than three hundred (300) years and a dependency of the United States for forty-six (46) years, the Philippines emerged as a Republic on July 4, 1946.

The Constitution of the Philippines, as adopted on May 13, 1935, amended in 1940 and in 1947, vested the legislative power in the Congress of the Philippines, consisting of two chambers - the Senate of twenty-four members and the House of Representatives of one hundred ten (110) members.

On September 21, 1972, due to the threat of a revolution lead by the communists in the Philippines, supported by outside forces, President Ferdinand E. Marcos, declared Martial Law. The proclamation of Martial Law saved our country from a bloody revolution that could have caused havoc to our country. Democratic process however, was restored in the Philippines, when President Marcos lifted the Martial Law on January 17, 1982. The present Government of the Philippines is quite unique because it is a combination of the Presidential and Parliamentary systems. We have a President elected by the entire people of the country and a Parliament known as the Batasang Pambansa whose members are elected by districts into which the Philippines is divided.

The Philippines being the only Christian nation in Asia is called the Pearl of the Orient Seas. Mayon Volcano, the most perfect cone in the world is found in the Philippines. We also have the famous Banaue Rice Terraces, considered the eighth wonder of the world. We are lucky to have the picturesque City of Pines, Baguio City, also known as the summer capital of the Philippines because of its temperate climate. The Filipino people are famous for their hospitality and one tourist declared that he was happily surprised to meet people smiling all the time. These are our greatest attractions to the tourists of the world.

History of the Cooperative Movement in the Philippines

Historically, the first attempt of the Philippine Government in the promotion and development of the cooperative movement dates back to 1915 when the first Cooperative Law, Act No. 2508, was enacted. This is known as Agricultural Rural Credit Cooperative Law, which permitted the organization of Agricultural Cooperative Credit Associations, wherein the Municipal Treasurer served automatically as the Treasurer of the rural cooperative credit association organized in a town.

The first agricultural credit cooperative association was organized in Cabanatuan, Nueva Ecija only in 1916 because Act No. 2508 had to be amended to designate a Government Office to supervise the operations of the agricultural cooperative credit associations to be organized. The movement flourished but did not last very long, for at the time, our people were not yet ready for this type of cooperative credit, neither did we have in the Government Service enough personnel properly trained to guide the operations of these cooperative credit associations.

The second attempt of the Philippine Government came in 1927, when the Philippine Legislature enacted Act 3425, otherwise known as the Cooperative Marketing Law which was almost a verbatim reproduction of one of the State Laws in the United States. Several cooperative marketing associations were organized specially in the Cagayan Valley among tobacco growers, but these cooperative associations did not prosper, for the simple reason that there was no adequate financing system to back up their operations.

Another landmark in the historical development of the co-op movement in the Philippines was the passage in 1940 of Commonwealth Act No. 565, permitting the organization of any type of cooperative, and this included consumers cooperatives and credit unions. For a more detailed history of the development of these two strongest segments of the cooperative movement in the Philippines, the consumers and the credit cooperatives, appears hereunder.

The Development of Consumers Cooperatives

The development of the consumers cooperative movement is quite unique, for this started the voluntary movement, people helping themselves by pooling their own resources and without the benefit of any financial assistance from the Government. The first consumers cooperative society was organized in 1916 among the faculty members and students of the College of Agriculture of the University of the Philippines at Los Baños, Laguna. This was made possible because of the exposure of some of the faculty members to the operations of Campus Consumers Co-ops, during their post-graduate studies in the United States. This was followed by the organization of a consumers co-op in Dumaguete, Oriental Negros, again made possible by professors in Silliman University who also observed successful consumers coops in the United States. Quite a number of consumers co-ops were soon organized with the passage in 1940 of Commonwealth Act No. 565, which legally permitted the organization of consumers associations as cooperatives. Most of the successful consumers co-ops that we have today are found in compounds, among employees of big private firms, colleges and universities and in government offices.

As of December 31, 1981, 632 Consumers Cooperatives have been registered.

The Development of Credit Unions

The strongest segment of the cooperative movement in the Philippines is the Credit Union Movement. The Credit Union system of the

Raiffeisen type was brought to the Philippines in 1938 by an American Missionary in the person of Rev. Allen R. Huber. Rev. Huber before spending his furlough in 1935, observed the conditions obtaining in the rural areas where farmers depended on usurers for their small credit needs, paying exorbitant rates. He was determined to study how this could be remedied. So when he went to the United States he got exposed to the Credit Union Movement which at the time had a very dynamic champion in the person of Roy Bergengren, the Managing Director of the Credit Union National Association (CUNA). Rev. Huber then organized the first credit union among the members of a Protestant Church at Frankfort, Indiana. In passing, we wish to inform our co-participants that the first credit union in the United States was organized in 1909 in a Catholic Parish at St. Marie, Manchester, New Hampshire with the assistance of Alphonse Desjardine, the pioneer credit union leader of Canada.

When Rev. Huber returned to the Philippines in 1938, he immediately requested permission from the Church Council of the Disciples Church in Vigan, Ilocos Sur to conduct a study club, preparatory to the organization of a Credit Union. Upon completion of the course of study, essential to the successful operation of a credit union, Rev. Huber registered the first credit union of the Raiffeisen type in the Philippines, in 1938. Before the war, Rev. Huber had already organized around thirty credit unions in the Ilocos Provinces and in Southern Tagalog, but because they were not yet registered before the outbreak of the second world war, these credit unions were wiped out by the Japanese invasion.

However, immediately after liberation, Rev. Huber convinced Mr. Santiago C. Manongdo, a Protestant lay leader, to take up the cudgels for the promotion of the credit union movement in the country, as Rev. & Mrs. Huber had to return to the United States due to poor health. When Mr. Manongdo joined the Cooperatives Administration Office in 1946, the organization of credit unions became a major work of the Cooperatives Administration Office.

Another significant event which led to the more intensive promotion of credit unions, specially in the rural areas, was the establishment of the Philippine Rural Reconstruction Movement in 1952, sponsored by Dr. Y. C. James Yen, recognized as an international leader of rural reconstruction, together with such prominent leaders in the Philippines like Secretary Asuncion Perez, Secretary Cornelio Balmaceda and Senator Manuel Manahan. Secretary Balmaceda loaned to the PRRM, Mr. Santiago C. Manongdo, who at the time was Chief of the Credit Union Division of the Cooperatives Administration Office, to assist PRRM in the organization of barrio (village) credit unions in their pilot projects in Nueva Ecija and Rizal Provinces. We are pleased to inform our co-participants that a couple, leaders of one of the barrio credit unions in Nueva Ecija organized by PRRM, won the prestigious MAGSAYSAY AWARD, for community development.

Another milestone in the healthy development of the Credit Union Movement was the indorsement of the Catholic Church in the organization of credit unions in the rural areas in the Rural Congress held in Manila in 1967. We now have several community credit unions that have reached

million peso assets, which originally were parish credit unions.

The total registered credit cooperatives as of December 31, 1981 is 1,298.

The deficiency in Act 3425 was remedied with the passage in 1952 of Republic Act No. 821 which ushered in the Agricultural Cooperative Financing Administration (ACCFA) providing adequate funding for the Farmers Cooperative Marketing Associations (FACOMAS) that were to be organized through which government loans would be channeled. For a time, the FACOMAS prospered until they died a natural death because of two major defects in the Law - the organization of farmers co-ops was on the basis of a territory (town), rather than on a commodity or industry as they have it in the United States and Europe to provide a sufficient volume of business essential to the success of a co-op marketing association. Another main defect of the Law was that the beneficiaries of the system, the farmers, were not involved in the project - the farmers did not have a representative in the Board of Governors of the ACCFA, neither were they permitted to gradually finance the entire program by buying shares of the ACCFA.

To protect and give incentives for the organization of non-agricultural cooperatives, the Philippine Government passed in 1957 Republic Act No. 2023.

In 1963, Republic Act No. 3844, otherwise known as the Agricultural Land Reform Code was signed into law to provide production and marketing incentives to member of farmers cooperatives as a direct support to land reform.

In 1969, the Cooperative Rural Electrification Law, Republic Act No. 6038, was passed by Congress. This is patterned after the Rural Electrification Program in the United States. The Philippine Government, through loans obtained from the United States and other countries, gives complete financing to this type of a cooperative that can in due time provide electricity to all barrios (villages) in the Philippines. This is one of the most effective means of enabling the rural people to have additional source of income for now they can use modern equipment in their agricultural pursuits and in the promotion of small scale cottage industries.

All these previous attempts at fostering the growth of cooperatives in the Philippines however failed to achieve the desired results for a dynamic co-op movement. The different pieces of legislation, uncoordinated as they were, only succeeded in fragmenting the cooperative movement.

Before the advent of the new program it was reported that of a total of 938 registered agricultural cooperatives only 364 were considered active. A large percentage of cooperatives was in the throes of death. The Agricultural Credit Administration (which took the place of the ACCFA in 1963) reported that of 700 FaCoMas affiliated with them, only 120 were operating. In the non-agricultural sector, as of 1971 of the total registered 4,673 cooperatives, only 633 were reporting.

It is against this background that the new cooperative development program was ushered in.

The New Cooperative Development Program

On April 14, 1973, Presidential Decree No. 175 entitled Strengthening the Cooperative Movement was signed by President Ferdinand E. Marcos as an initial effort to consolidate the different cooperative laws into one, to provide a sound basis for a truly systematic cooperative program, and to place the responsibility of initiating, promoting, organizing, supervising and developing the cooperatives under one government agency so as to eliminate duplication of functions and at the same time maximize the productive output of the men and women who are engaged in the task of implementing the Program.

The new cooperative law set the tone of cooperative development by declaring it a policy of the state to "foster the creation and growth of cooperatives as a means of increasing the income and purchasing power of the low-income sector of the population in order to attain a more equitable distribution of income and wealth." And based on this policy of the State, the new cooperative development program of the Philippines was launched.

Stages of the Program

The Program is being pursued in four stages. These are:

1. Stage I - Organization and Development of Samahang Nayon (Barrio Village Association). The Samahang Nayon is a barrio based organization composed primarily of some 25 to 200 farmers. The basic rationale in organizing the farmers into a barrio association is to undertake a good educational background to enable them to solve their social and economic problems collectively, and ultimately, to help improve the quality of life of the barrio people.

This stage has two phases. Phase I deals with the organization of the Samahang Nayon. This consists of training and organization activities for a period of ten weeks. The principal feature of this organizational phase is the pre-membership education consisting of eight major lessons on agrarian reform, cooperatives and the Samahang Nayon. No Samahang Nayon can be organized and registered unless its members have undergone the training requirements of Phase I.

Phase II concerns itself with the development of the Samahang Nayon and covers fifty-five weeks. This consists of a series of training courses on management, technical agriculture and product specialization.

2. Stage II is devoted to the organization and development of full-fledged cooperatives such as the organization and development of the Samahang Nayon into Area Marketing Cooperatives for the purpose of supplying the farmers with their production inputs and supplies and in the marketing of their produce; the establishment of Cooperative Rural Banks or Credit Cooperatives for the purpose of mobilizing the small, scattered resources of the people for productive activities; the organization of Producers Cooperatives to assist artisans and craftsmen in the

acquisition of raw materials, machinery and equipment, in the production and standardization of their output and in the marketing of their produce; the establishment of Consumers and other Service Cooperatives primarily to provide the consumers with quality goods and services at reasonable prices.

3. Stage III brings in the organization of consumer cooperative markets in key urban centers of the country, for the purpose of developing steady and regular domestic outlets of agricultural produce.

4. Stage IV is the integration of cooperatives into a whole system. This consists of federating cooperatives at higher levels, establishing the proper and necessary linkages and areas of cooperation among the different types of cooperatives. This culminates in the organization of a National Cooperative Union of the Philippines which is to be the official spokesman of the Movement. This is discussed further in the next page.

Cooperatives and Agrarian Reform

On October 21, 1972, one month after the birth of the New Society, Presidential Decree No. 27 was signed by the President. This decree emancipates the tenant-farmers from the bondage of the soil by making them owners of the lands they are tilling on three conditions: a) that they pay for those lands in 15 yearly installments; b) that they be members of cooperatives; and c) that their cooperatives should guarantee their land payment amortizations.

The reason for the cooperative membership requirement is to provide the tenant-farmer the necessary institutional support that will assist him in his credit needs; an organization for the effective acquisition of his production and farm supply requirements and the efficient marketing of his produce; an organization that will make possible the channeling to him of technical information as well as his assimilation of new and improved farming techniques; an effective organization that can have the capability of guaranteeing his land amortization payments. All these are calculated not only to make him a better farmer but to prepare him for the responsibilities of a new breed of landowner-tiller.

The Samahang Nasyon Program

The Samahang Nasyon (village cooperative) is a pre-cooperative primarily composed of small farmers residing and/or farming within the geographical limits of a barangay (village) for the purpose of improving the quality of life in the barangay.

Although initially launched to directly support the agrarian reform program, the Samahang Nasyon is being built as the rural foundation of the whole cooperative development program of the country. It is a small organization with a minimum of 25 and a maximum of 200 members.

The Samahang Nasyon is a development process itself, and stands on three pillars: it is a continuous educational process, a savings process for capital formation and a disciplinary process.

The Samahang Nayon, as conceived, does not engage in any business activity. It is their full-fledged cooperative that undertakes business functions for them. However, with the accumulated funds and the education processes, some Samahang Nayons have developed their capabilities to handle business so the Bureau of Cooperatives Development has authorized some samahang nayon to engage in limited business activities.

The Cooperative Development Program under the New Society had its drawbacks. The said program was introduced during the Martial Law Regime and our people were under the impression that it was imposed on them to achieve some desirable results.

Moreover, the Government again took too much interest not only in the promotion of the Samahang Nayons (village cooperatives), but even in the management of full-pledged cooperatives. The Government also poured in too much money without adequate safeguards in efficient management and effective supervision.

The greatest and happiest development in the Cooperative Development Program during the Martial Law Regime was the organization and registration of the Cooperative Union of the Philippines (CUP) on February 1, 1980.

Cooperative Union of the Philippines (CUP)

As early as May 1976, cooperative leaders formed the Cooperatives Consultative and Coordinating Committee (CCCC) to represent the cooperative movement in the Philippines. In May 1978, the CCCC worked with the Bureau of Cooperatives Development, the National Association of Training Centers for Cooperatives, Inc., and the Friederich Ebert Stiftung in sponsoring a seminar-workshop on Federations and Unions. A program on organizing federations and unions was made to be implemented by both government and private sectors. From June 1978 to November 1979, the CCCC and the BCOD jointly organized 12 Regional Cooperative Unions in addition to the existing National Capital Region Union of Cooperatives, Inc.

In December 1979, the CCCC and the BCOD sponsored a National Conference-Workshop to form the National Cooperative Union of the Philippines. Delegates from the 13 Regional Cooperative Unions and 10 National Federations participated and endorsed the organization of CUP.

On February 1, 1980, the National Cooperative Union of the Philippines was registered with the Bureau of Cooperatives Development under Certificate of Registration No. KAL-C52. The CCCC became the CUP.

The CUP is the apex organization of the cooperative movement in the Philippines, and is now a member of two international organizations, the International Cooperative Alliance, the global organization of all types of cooperatives, based in London, England and the Asean Cooperative Organization.

A very historic event in the development of the cooperative movement in the Philippines took place in February 2, 1982, when Hon. Arturo Tanco, Jr. Minister of Agriculture, issued Circular No. 1, Series of

1982 which turns-over the Cooperative Education and Training Fund to the CUP. This gives the leaders of the cooperative movement the means to further strengthen their crusade to give to the Filipino people CO-OPERATION, the most effective instrument to emancipate themselves from economic bondage.

The turning of the Cooperative Education and Training Fund (CETF) to the Cooperative Union of the Philippines (CUP) is a new challenge to the Board of Directors of the CUP and the other leaders of the cooperative movement.

The Philippine Government, through the Bureau of Cooperatives Development, and the voluntary sector of the cooperative movement, through the Cooperative Union of the Philippines are now waging, on a partnership basis, a more vigorous campaign for the organization of more cooperatives and to raise the standard of management of existing cooperatives. There is still much to be done but we believe that the future of the cooperative movement in the Philippines is indeed very rosy.

PHILIPPINE COOPERATIVE PRESS

When the author went to the Scandinavian Countries on a study tour in 1951-52, he was greatly impressed of the very effective information campaign waged by the Kooperativa Forbundet, the Swedish Cooperative Union and Wholesale Society. They were maintaining a monthly magazine and a daily newspaper. The cooperators of Sweden were well informed with the most modern trends in cooperative business, aside from the fact that their magazine contained valuable guidelines in the efficient management of their cooperatives.

When the author returned to the Philippines, specially after the Conference of International Cooperative Leaders in Copenhagen, Denmark under the auspices of the FAO, ILO and the Danish Government in 1956, he immediately agitated for the publication of a co-op organ.

Fortunately at the time, the author was the President of the Philippine Cooperative Services, so he was able to convince his Board of Directors to publish the Philippine Cooperative Advocate, a monthly magazine where he served as Editor. The Philippines Cooperative Advocate had its first issue in September, 1959. It contained success stories from abroad and local cooperatives. It also included guidelines for a more efficient management of non-agricultural cooperatives.

In March, 1960, the management and publication of the Philippines Cooperative Advocate was taken over by the Central Cooperative Educational Board created in accordance with Republic Act No. 2023, to administer the 5% Educational Fund out of the Net earnings of all non-agricultural cooperatives. When the Martial Law was declared in 1972, the publication was stopped.

But the cooperative leaders in Mindanao, Southern Philippines, in June, 1973 published a monthly cooperative newsletter called the CO-OP FORUM, originally in mimeographed form.

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When the Friederich Ebert Stiftung of Germany donated a Printing Press to the Southern Philippines Cooperative Training Center, the Co-op Forum came out in printed form with 14 pages. Originally the Co-op Forum was the organ of the Southern Philippines Cooperative Training Center, but when the Mindanao Alliance of Self-Help Societies was organized, the Co-op Forum became the organ of this bigger organization.

In 1977 the Co-op Forum became the official organ of the National Association of Training Centers for Cooperatives (NATCCO) now having a circulation all over the Philippines sent only to paid subscribers.

When the author was elected a member of the Board of Directors of the Cooperative Union of the Philippines, he convinced the Board of the CUP to put up an organ which they readily approved. The first issue of the Philippine Co-op Newsletter came out in November, 1981 and we have to date issued already five monthly Newsletters which is furnished each participant of this Conference.

In the last meeting of the Executive Committee of the CUP on the recommendation of the Budget Committee, the Philippine Co-op Newsletter will become the Philippine Co-op Journal, a quarterly magazine of the Cooperative Movement of the Philippines, the first issue to come out in June, 1982. The first issue will feature the proceedings of this Conference.

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THE PRESENT POSITION OF CO-OPERATIVE PRESS AND PUBLICITY IN THE
CO-OPERATIVE MOVEMENT OF SRI LANKA.

Sri Lanka is an Island with total Area of 25,352 square miles. It is a beautiful land and we enjoy a tropical climate and lush Vegetation. Our Economy is based mostly on export of our three primary commodities to the world market. However a large section of the population is traditionally engaged on the production of food crops for consumption. Therefore our Economy is divided in to the plantation sector and traditional agricultural sector. We have a population of nearly 14.6 million.

The Co-operative movement in Sri Lanka originated in 1911 with the passing of the Co-operative credit societies ordinance, of 1911. From that time onwards the Education, Extension and publicity activities of the Co-operative Movement was carried on by the Department of Co-operative Development. In April 1949 a separate unit for Co-operative publicity and information was established in the Co-operative Department, and the major functions of the propaganda activities of the Department and the movement was undertaken by this section at that time. All the development activities were published by this section in 'SAMUPAKARAYA' the news paper of the movement. The Samupakaraya was the only fortnightly news paper published in Sinhala Language in the field of publicity and development of the Co-operative movement at that time, which reached the masses. The publication of Samupakaraya was taken over by the Co-operative Federation in 1956 which is now registered as the National Co-operative Council of Sri Lanka. Samupakaraya is now being published by the National Co-operative Council. This news paper carries articles relating to the philosophy and practice of the movement as well as Co-operative news.

(2)

The underlying idea is to make the people more familiar with the Ideology and the practice of the movement. The circulation of the Samupakaraya Journal at the moment is nearly 4000 copies. This is now being printed at the printing department of the N.C.C. As we do not have modern automatic machines at our printing department, Printing cost per copy nearly comes to Rs 3/- including Block making charges. Where as we are selling this journal at the rate of 50cts. per copy. Therefore printing cost of this journal is subsidised by the N.C.C. to a great extent.

The Northern Division Co-operative Federation which has now been amalgamated with the National Co-operative Council began publication of the Magazine 'AIKKIYA THEEPAM' in 1945. The Aikkiyatheepam was the first and only Co-operative magazine published in Tamil in Sri Lanka, and continues to be distributed to societies in the Tamil speaking Areas. From 1976 this Magazine has been published monthly as an eight page tabloid. The circulation of this journal at the moment is 1500 copies, printing cost of this journal is also subsidised by the N.C.C. to an extent.

In addition to these the school of Co-operation of Sri Lanka publishes a monthly journal by the name, 'SMACHCHA' catering to the official Co-operators of the movement. It covers a wide range of subjects such as Management, Audit, Co-operative Law and General Management aspects of Co-operative societies.

With regard to publicity activities the most spectacular line of activity is film unit. Earlier this was handled by the publicity section of the CO-Operative Department. Now the film unit is being handled by the N.C.C. Two short stories based on Co-operation are being shownⁱⁿ the various parts of the Island on request. A separate photographic section is also functioning under the Management of the N.C.C. Photographs taken at numerous Co-operative; functions are being supplied to its own Co-operative publications as well as to the local press. In addition to these N.C.C. also supply news and informations to local press as well as Radio and T.V. highlighting the major achievements in the Co-operative movement in Sri Lanka.

It is regret to note that the audience covered by the Co-operative journals in Sri Lanka is very limited. Mostly Co-operative Employees and those who are engaged in Co-operative activities subscribe to these journals. In some occasion this also not being achieved satisfactorily. It is also noted that the non availability of trained personnels in this field have resulted in winning a limited number of readers for Co-operative publications. Therefore attention should be focussed on these aspects to improve the position of Co-operative press and publicity in Sri Lanka.

Prepared by : M.K.K. Nalir
Staff Officer
National Cooperative Council.

Present Position on Co-operative Press and Publicity in Thailand.

The Co-operative in Thailand was established in the reign of King Rama The fifth of Jukree Dynasty by the initiated of government in order to release farmers' debt and improve their standard of living. The Co-operative was organized to establish loan and credit society at Muang district in Pitsanulok province and had been registered in February 26, 1916. Therefore on 26th February is so called " Thai Co-operative Foundation Day ". After the first Co-operative society was very effective and successful for its operations it was proceeded to expand at Lob-buri and Phranakorn Sri Ayuthaya provice.

on May 19, 1928 Co-operative Act 1928 was promulgated by the government. Another types of Co-operative were also encouraged, not only for farmers but also other Co-operatives were promoted.

At present there are 6 types of registered Co-operative societies as the table shows the figures on 28th February 1982

No	Co-operative (limited)	Member of Co-op	number of member
1	Agricultural Co-operative	909	778,120
2	Fishery Co-operative	21	4,121
3	Land settlement Co-operative	154	82,619
4	Consumer Co-operative	246	333,289
5	Services Co-operative	188	46,396
6	Thrift and credit Co-operative	405	529,144
Total		1,923	1,773,689

The principles of Co-operative are rather difficult for people to understand because of the difference of age, education and occupation so it is the main task of government to promote Co-operative among the people. The Co-operative press and publicity in Thailand is placed under the responsibilities of the Co-operative Promotion Department (C P D) and Co-operative League of Thailand (C L T)

PROMOTION
The functions of the Co-operative Department in press and publicity

The C P D has functions to promote all type of Co-operatives by educating the people in principle and method of Co-operative before going to be membership training member, committees and Co-operative and advices them how to run their

OFFICER

Co-operative. So the C P D concerned with press and publicity.

1 producing every type of Co-operative bulletins, leaflets, folders, pamphlets and posters then distribute to the members and the public.

2 producing all kind of hand books or brochures for the Co-operative offices.

3 producing year book, annual reports on the progress of every type of Co-operatives.

4 producing Co-operative journal with the local subscription rate of Baht 25 per annum with free postage.

5 producing articles on Co-operative activities and circulates to the newspaper, radio and television.

6 producing Co-operative activities films and slides for television and for the mobile training units.

7 arranging Co-operative exhibition in Bangkok and some provinces.

There also been individual contacts about Co-operative such as

- a. Answering personal letters about the Co-operative problems.
- b. Directly give advice on Co-operative to people.
- c. Lecturing about Co-operative in school or university.

Financing of publicity programmes

Each year government support about baht 500,000 for the budget of press and publicity but the cost of productions are rather high so there is still scarcity in printed matter for free distribution.

The Co-operative League of Thailand (C L T)

C L T was established under the Co-operative Act 1965 to serve as a non official organ for the promotion of Co-operative development throughout the country. One of its main function is Co-operative extension^{EX} to produce and publish educational material in various series to distribute to public and Co-operative members.

Finance

C L T derives its main income from annual subscription fees paid by the Co-operative which have the surplus but not exceed Baht 5,000. About 12.61 from this income is allocated for this purpose.

Publicity Work

Promotion and Extension is one of four division of C L T which consists of

- 1 Periodical and publishing section
- 2 Public Relation Section
- 3 Audio Visual Aid Section

The main function of promotion and Extension Division :-

- 1 collecting news and produce articles on the Co-operative activities and circulates to the mass media
2. Producing films on Co-operative activities for public's interest and governmental requirements
3. making the schedule for press release, television and radio programs
4. being lecturer and arrange Co-operative exhibition on Co-operative movement with various organization which are interested in the Co-operative
5. making folder, booklet, text book, journals and newspaper

Co-operative Press

C L T published : journals and newspaper in Thai language which is a monthly journal called C L T Bulletin and a fortnightly newspaper call Co-op News. Journals and Newspapers are distributed to every Co-op office and every grade Co-operative in Thailand which has 1923 societies and 1,773,689 of members and other interested institution as libraries and interested groups. The C L T Bulletin and the Co-op news represent body of the voice of the Co-op members. They must take care of news, information articles and member opinion to public and its members

Phranakorn Consumer Co-operative Store Ltd.History

In the wake of the World War 2, it was a period of instability of economy in Thailand. There was shortage of consumer goods in the country. The trader were exploiting the scarcity condition and adding high trading margin to the plight of the consumer especially those in fixed and low income groups. On the advice of Field Marshall Pibulsongkram, Phranakorn Co-operative Store was organized in May 1948 by the Co-operative Department which had only 302 members started its business in the garage of the Co-operative Department.

In 1953 Phranakorn Co-operative moved to Rajdamri Road and in 1972 expanded to Phaholyotin Road.

At present Phranakorn Co-operative Store, the biggest consumer Co-operative in Thailand, has operated 9 branches and deals with 529 employees. Its members are more than 83,000 and its annual sales was Baht 396 million in the year of 1981. Its main office is situated on Phaholyotin Road. The member is opened to all patronage above the age of 20. The share value is Baht 50 and Baht 10 for the admission fee. Each member should have at least 2 shares and the total share capital is Baht 14 million. About 65% of members are women and 2% are foreigners.

It can be said that the most suitable method to expand Co-operative movement of the store is the press and publicity. So Phranakorn Co-operative has published.

- 1) Member's Relationship bulletin
- 2) Folder
- 3) Annual Report

There are some problems in publishing the bulletin. Originally in 1975 published six issues a year with 35,000 copies then decreased to quarterly issues with 64,000 copies because of high expenses. The cost of each copy is about Baht 2 including postage.

Secondly some copies are returned because of transferring of members' residents without informing their new addresses.

I do hope that this seminar will be fruitful for improvement and remedy the problems. I would like to find some useful articles that the members of the society obtain more knowledge and benefits from this bulletin.

MRS. PODJANART CHAIYASAT

PHRANAKORN CO-OPERATIVE STORE

BANGKOK, THAILAND.

THE NUGROHO KUD

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A SUCCESS STORY OF A SUCCESSFUL COOPERATIVE
IN THE REPUBLIC OF INDONESIA

BY :

PRADIT MACHIMA

ABIPROYO JOYO

MARTONO

INS/78/000 PROJECT IN COOPERATIVE TRAINING
JAKARTA, MAY 1982

1. Introduction

Recently there have been quite a number of successful KUDs operating in many parts of Indonesia. One of the best is the NUGROHO KUD of East Java. This cooperative had won the first prize in a contest organised by the Government in 1981 and received the award from the President of the Republic in the same year. This is because of the best performance of its operation during the past few years, especially in 1980 when the business activity remarkably increased and the performance of all operations improved. This is the true and actual model of rural cooperatives in Indonesia.

During the past five years between 1976 and 1980 the volume of business increased 27.7 times from Rp.85.3 m. in 1976 to Rp.2.367.3 in 1980; during the same period the distribution of farm inputs increased 10.0 times from Rp.4.1 m. to Rp.41.1 m; the business of rice marketing increased 35.2 times from Rp.60.4 m. to Rp.2.124.9 m; and the net profits increased 21.2 times from Rp.3.0 m. to Rp.64.0 million.

The remarkable success of this cooperative was the result of improved member education, better management, proper planning, timely Government assistance, better member participation and overall aspects of agriculture and rural development within the community. Therefore, the rich experience and the pattern of growth and development of this cooperative can be used as a good example of cooperative development in Indonesia through the transfer of knowledge and experience to others through education and training process. Member education programmes for other KUDs can also be considerably improved if they can learn the techniques and experience from this KUD.

We do hope that the study of this KUD will be of much use for others who are interested in the development of rural cooperatives of all kinds, especially those who are interested in member education and member relations. Moreover this study can be used for other aspects of cooperative management and cooperative development etc.

2. General Background

The NUGROHO KUD is located in Purwoasri Subdistrict of Kediri district in East Java, about 800 km of Jakarta. The KUD area covers 23 villages in the Subdistrict with a total area of 4.218 ha. Out of this 3.319 ha. or 78.7 % of the total area is an agricultural area. It is located in the low land along the river Brantas. Rice is the main product of the area.

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Other detailed information are as follows :

2.1 Area

Total area	4.218 ha.	100.0 %
Agricultural	3.321 ha.	78.7 %
Housing area	897 ha.	21.3 %

2.2 Agricultural Area

Irrigated	3.147 ha.	94.8 %
Half irrigated	48 ha.	1.4 %
High land	126 ha.	3.8 %
Total	3.321 ha.	100.0 %

2.3 Village Coverage

The biggest	314 ha.
The smallest	91 ha.
The average	183 ha.

2.4 Population

Total	50.070	100.0 %
Males	24.967	49.9 %
Females	25.103	50.1 %
Population ratio	100:100.5	
Total families	10.252	
Family size by average	4.9	
Number of population per village	2.177	
Number of families per village	446	
Number of farm population	42.898	
Percentage of farm population	85.0	

2.5 Distribution of Population

Farm owners	30.044	60.0 %
Small traders	3.205	6.4 %
Handicrafts	1.503	3.0 %
Civil servants	1.034	2.0 %
Other employees	1.497	3.0 %
Tenants	12.787	25.6 %
Total	50.070	100.0 %

2.6 Man/Land Ratio

Total area	3.321 ha.
Total farm population	42.898
Total farm families	8.791
Farm size by average	0.38 ha

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3. History

Several types of cooperatives were organized in the area long time ago. They were consumers and agricultural cooperatives but none was successfully operated, because of lack of funds, lack of volume of business and, above all, lack of knowledge and experience among their members.

However, the establishment of these cooperative had been very educative to the people in building up a strong cooperative at the later stage, because they had learned something from their past experiences. Otherwise they would not have been able to do it better now than before.

Prior to the organization of the present KUD, small agricultural cooperative societies had been organized at the village level called "KOPERTA" (Koperasi Pertanian or Agricultural Cooperative). These societies were mainly engaged in the distribution of farm inputs such as fertilizers, insecticides and seeds, and collection of rice at the village level. The business was operated at smaller scales, no managers or professional staff were hired. All Business activities were run by assigned members of Board Directors such as the chairman or the secretary. That's why cooperatives were not able to progress because of several inherent problems.

The problems causing the weakness of cooperative can be summarized as follows :

- 1) Small area coverage;
- 2) Small membership;
- 3) Shortage of funds;
- 4) Inadequate volume of business;
- 5) Lack of member participation;
- 6) Small land holding per unit;
- 7) Low production and low productivity;
- 8) Lack of loyalty from members resulting from lack of understanding of basic concept of cooperative and lack of confidence in cooperative;
- 9) Bad experience and bad image in cooperative;
- 10) Lack of proper guidance and assistance from the Government;
- 11) No effective Government assistance programmes such as BRI, BULOG and PPL;
- 12) No effective member education and training activities.

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However, these societies were not able to do any better because of the problems mentioned above. Then the Government initiated the amalgamation programme to consolidate the business activity at the sub-district level. By doing this, 17 societies (Agriculture Cooperative Society/Village Cooperative society, BUUD at the village level) of Purwoasri Sub-district were amalgamated into a bigger unit called NUGROHO KUD and was registered by the Directorate-General of Cooperatives on 21 April 1975 No.3832/BH/II/1975. Before the KUD got registration from the Registrar as a primary Cooperative Society, NUGROHO society was registered as a BUUD by Chief of the Kediri District (Bupati) vide No.20/KPTS/BUP/1973 of 9 January 1973.

Since 1975 the society had started functioning as a multi-purpose cooperative with more members, more funds and a bigger volume of business. A manager and professional staff were hired. Board members and employees were trained and business activities increased and showed an improvement. Member education activities were expanded and the rate of member participation increased considerably. At present there are 15 sections of business activities.

In June 1981 there were 3.929 members representing all types of people: farmers, tenants, small traders, Government officials and workers. The majority is the farmers representing 88.4 % of the total members. The total membership (3.929) represents 38 % of the total population (10.252 families) in the area.

At present the society has 7 members on the Board of Directors; 3 members on the Board of Supervisors; 9 members on the Board of Advisors (BUUD); and 56 employees.

4. Objectives

There are three main objectives of agricultural cooperative in general. They are :

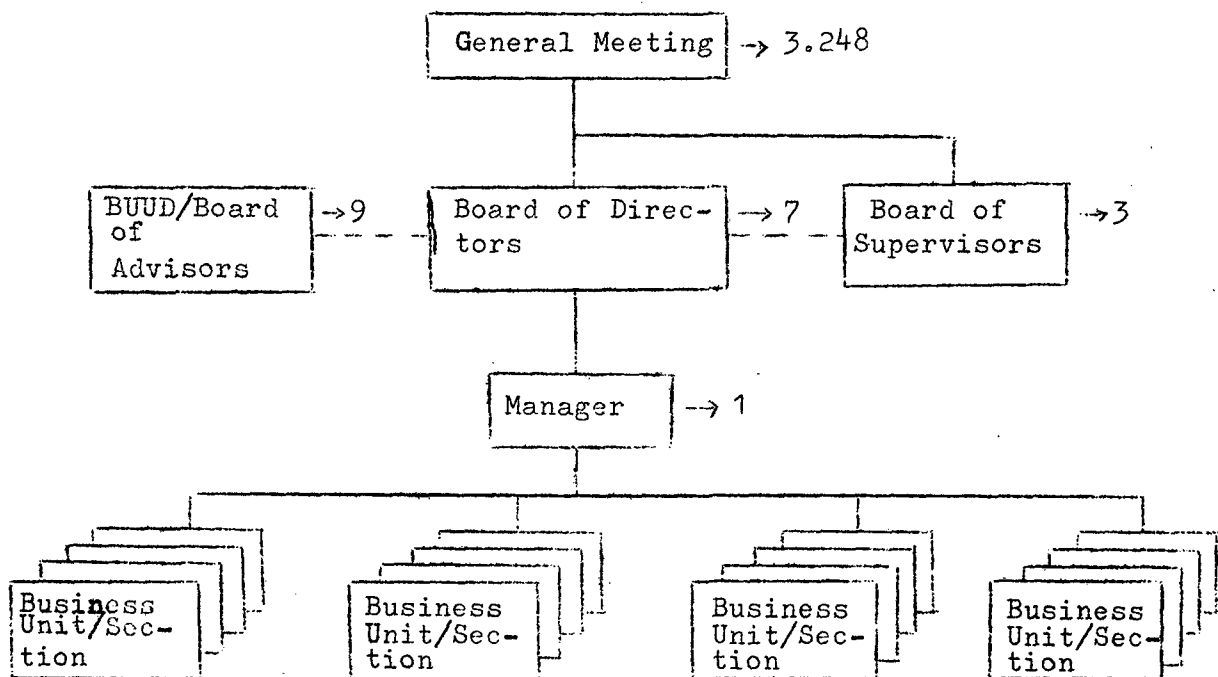
- 1) To promote the understanding of cooperative ideology among the people and put it into practice;
- 2) To promote living standards among the members through the improvement of business activity, knowledge and skills;
- 3) To promote economic and social well-being within the community.

However, these objectives will not be easily achieved unless some proper measures are taken such as the election of good members of Board of Directors; the recruitment of qualified and honest employees; the improvement of business operation through proper planning, supervising and controlling; the improvement of farm production and member education; the upliftment of employees education and the Government Assistance. Above all, all parties concerned: the members, Board of Directors, manager and employees and the Government agencies must be able to work together more cooperatively. Otherwise, the set objectives will not be achieved.

5. Organization

The organizational structure of the NUGROHO KUD is the same as of other KUDs in Indonesia except that it has a wider scope of business operations than others by average. It is composed of the general meeting, the Board of Directors and related Boards (Board of supervisors and Board of Advisors, BUUD) and the employees. At the end of financial year 1980 there were 3.248 members, 7 members of Board of Directors, 3 members of Board Supervisors, 9 members of Board of Advisors and 56 employees. The KUD owns one main office and 36 kiosks at the village level.

The Organizational Structure of the KUD



5.1 Membership and General Meeting

The cooperative is composed of all members who make up the general meeting. The general meeting is the highest authority of the cooperative. It meets at least once a year. It has full authority to supervise and control the operations of the cooperative, approves or disapproves the budget and the operational plans of the cooperative proposed by the Board of Directors, elects and dismisses the Board of Directors and Board of Supervisors and others as stated in the Bye-laws.

The membership is composed of both males and females. In 1980 there were 3.248 members. Out of this 2.396 were males (73.8 %) and 852 were females (26.2 %). The membership increased 1.7 times during the past five years from 1.869 to 3.248 in 1980. The proportion of female members has increased from 77 (4.1 %) in 1976 to 852 (26.2 %) in 1980. This indicates that the society is strong enough to attract people from all walks of life.

Table 1

Membership of KUD in 1976-1980

Year	Men		Women		Total	
	No.	%	No.	%	No.	Increased
1976	1.792	95.9	77	4.1	1.869	-
1977	1.902	88.4	250	11.6	2.152	283
1978	1.947	88.6	250	11.4	2.197	45
1979	1.950	86.7	300	13.3	2.197	53
1980	2.396	73.8	852	26.2	3.248	998
Average	1.997	85.2	346	14.8	2.343	345

The membership is composed of farmers, workers (labourers), Government officials, small traders and others as follows :

Farmers	88.4 %
Workers	5.4 %
Govt' officials	1.8 %
Small traders	1.4 %
Others	3.0 %
Total	100.0 %

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These members can be classified into three broad categories; rich, 10 %; medium income level, 30 %; and poor, 60 %. However, the poor are not really poor, at least they have enough to live on.

Table 2

Distribution of Membership by Occupation 1976-1980

Year	Famers %	Labou- rers %	Government employees %	Small traders %	Others %	Total %
1976	95	3	-	-	2	100
1977	93	5	-	-	2	100
1978	90	5	-	2	3	100
1979	84	7	4	2	3	100
1980	80	7	5	3	5	100
Average	88.4	5.4	1.8	1.4	3.0	100

5.2 Board of Directors and Other Boards

The Board of Directors is the governing body of the cooperative. It is responsible for the formulation of policy and decision-making. It hires and fires the employees of the cooperative.

The Board is elected every three years by the general meeting, but one-third of the Board members must be retired and replaced every year at the annual meeting. At present there are 7 members of Board of directors, as follows :

- The chairman
- The vice chairman
- The Secretary
- The Deputy secretary
- The Treasurer
- The Deputy treasurer
- The General assistant.

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The Board of Supervisors is responsible for the supervision, auditing, controlling and reporting of cooperative operations. The Board has three members : The chairman, the secretary and another member. The Board is elected every three years.

The BUUD or advisory board is composed of representatives of the Government departments concerned with cooperative, local notables such as religious leaders, school teachers and village heads. The appointment is made by the KKOPD upon the recommendation of the general meeting (Inpres 2/78). The BUUD has no real power to exercise over the Board of Directors or any other Board or any body within the society except to advise the Board on business activities and management.

The BUUD is composed of :

- 1 agricultural extension officer;
- 1 village development officer;
- 1 irrigation officer;
- 1 teacher;
- 1 religious leader ;
- 4 village heads;

Members of Board of Directors and Board of Supervisors are not the employees of the KUD, but they receive fixed salary (honorarium) like other employees. The pay is given on a monthly basis to members of Board of Directors and a quarterly basis to the members of Board of Supervisors.

5.3. Employees

The third component of the cooperative is the cooperative employees. It is composed of the manager, 14 section heads, 11 staff members and 30 workers. These people are the ones who are responsible for the day-to-day operations of the cooperative. Success or failure of the cooperative is largely dependent on the ability and the integrity of its employees.

The cooperative employs quite a large number of employees. It increased from 35 employees in 1976 to 56 in 1980. This is because of the expansion of its business. It is expected that the number of employees will be increased in the next few years, because of the anticipated expansion of the business activities, especially the sugar cane production.

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Table 3

Number of Employees : 1976-1980

Year	Manager	Heads of section	Other Staffs	Labourers	Total
1976	1	6	13	15	35
1977	1	8	15	25	49
1978	1	8	15	25	49
1979	1	10	13	27	51
1980	1	14	11	30	56
Average	1	9	13	25	48

6. Business Activities

In general, the cooperative performs four main functions: Provision of credit, distribution of farm inputs, marketing of farm products and related activities. At the early stage of cooperative development the society may concentrate on a smaller number of business operations such as credit and farm supply activities due to lack of funds, lack of qualified personnel and lack of experience. Then, gradually the business will grow and expand. More business activities will be organized and developed and finally it will function like a full scale multi purpose cooperative. This is the case with NUGROHO KUD.

At present there are 15 units of business activities, but the main activities are five. They are rice marketing, consumers, farm supplies, rice milling and gudang operation. By the five year average between 1976 and 1980 the **volume of business** of the five items mentioned accounted for 98.2 % of the total business. The biggest one was rice, 86.6 % of the total operations.

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In 1980 the business activities of the KUD were as follows:

1. KCK
2. Fertilizers
3. Seeds
4. Insecticides & spraying services
5. Land improvement
6. Farm extension
7. Rice marketing
8. Rice milling
9. Gudang operation
10. Transportation
11. Tractors operation
12. Consumers
13. Blacksmith
14. Sugar cane production
15. Animal production & livestock development

7. Physical Facilities

The society owns one office, four gudangs, one rice milling unit (RMU), 36 kiosks and others as shown in table 4 below.

Table 4

Physical Facilities : 1980

Items	Number	Floor space in square meter	Capacity/ tons
Office Building	1	560	-
Gudangs	4	10.300	2.500
Drying space	1	1.260	2.5
Supply store	1	140	-
Consumers & distributing Units	36	NA*	NA*
Rice milling Unit	1	400	36 tons/day
Transport - Roda 4	3	-	-
- Roda 2	6	-	-
Ohters	-	-	-

NA* = Not Available

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8. Working Capital

The working capital of the KUD is composed of savings, reserves, borrowings and grants from the Government. The biggest is the borrowings representing 51.6 % of the total capital; followed by reserves, 23.4 %, savings, 15.2 % and Government grants 9.8 %.

Table 5

Sources of Working Capital : 1976-1980

Unit=1.000

Year	Savings		Reserves		Borrowings		Govt. Grant		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1976	2.412	19.7	3.225	26.3	6.173	50.4	450	3.6	12.260	100
1977	2.975	20.7	4.129	25.2	7.066	49.2	700	4.9	14.870	100
1978	3.064	14.8	4.568	22.0	12.117	58.4	1.000	4.8	20.749	100
1979	3.623	9.3	5.925	15.2	25.380	65.2	4.000	10.3	38.928	100
1980	5.232	19.2	8.797	32.3	8.227	30.2	5.000	18.3	27.256	100
Average	3.461	15.2	5.329	23.4	11.793	51.6	2.230	9.8	22.813	100

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8.1. Savings

Savings is composed of initial, voluntary, and compulsory savings. The biggest is the initial saving, followed by the compulsory and voluntary savings respectively. By the five year average between 1976 and 1980 the initial saving amounted to Rp.2.343.200 or 67.6 %, compulsory saving was Rp.695.835 or 20.1 % and voluntary saving was Rp.426.448 or 12.3 %.

Initial saving is the share capital of the cooperative. It is required by the law that a member must own at least one share. The payment can be made at one time or in instalment. This saving can not be withdrawn or taken out as long as one is a cooperative member. The amount of this saving increase 1.7 times from Rp.1.869.000 in 1976 to Rp.3.248.000 in 1980, one member per one share Rp.1.000), which is not good. The member should be encouraged to buy more shares. The richer the bigger in order to build up a strong financial base for the cooperative.

Voluntary saving is the deposit made by members and non-members on the Cooperative Day (12 July) of the year or within one week during that period. The deposit can be on demand (giro) deposit and on the fixed-term deposit (deposito). Out of this, only the fixed term deposit can draw the interest on deposit up to 4 % per annum. The amount of this saving increased very little from Rp.420.550 in 1976 to Rp.500.085 in 1980. This is because some of depositors had withdrawn certain amount from the KUD for personal use.

Compulsory saving or obligatory saving is based on the commitment of the member to save a certain amount for a period of time. It may be a daily, weekly or monthly depending on the financial situation of the member and on the agreement between the cooperative and the member. But once he commits to save to a certain amount for a period of time, he must maintain it. The savings can not be withdrawn on any condition unless he leaves the cooperative. No interest is paid to this kind of saving. The amount of compulsory saving increased 12.1 times during the past 5 years from Rp.122.386 in 1976 to Rp.1.484.199 in 1980.

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Table 6

KUD Savings : 1976-1980

Unit = 1.000

Year	Initial		Voluntary		Compulsory		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1976	1.869	77.7	421	17.5	122	5.0	2.412	100
1977	2.152	72.3	399	13.4	424	14.3	2.975	100
1978	2.197	71.7	443	14.5	424	13.8	3.064	100
1979	2.250	61.8	369	10.1	1.024	28.1	3.643	100
1980	3.248	62.1	500	9.6	1.484	28.3	5.232	100
Average	2.343	67.6	427	12.3	695	20.1	3.465	100

8.2. Reserves

The reserves is one of the biggest sources of working capital of the cooperative. It represents 23.2 % of the total working capital by the five year average. It increased 2.7 times during the five years from Rp.3.225.066 in 1976 to Rp.8.796.913 as follows :

<u>Year</u>	<u>Reserves</u>
1976	3.225.066
1977	4.129.492
1978	4.568.328
1979	5.924.590
1980	8.796.913

The reserve is derived from the net profit earned at the end of the year. According to the NUGROHO KUD Bye laws, 30 % of the net profit must be allocated to the reserve. This amount will be used as a part of the working capital in the coming year.

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8.3. Borrowings

Borrowing was the biggest source of working capital for the cooperative. It represent 51.4 % of the total working capital by the five year average. All of the borrowing purpose has been ^{for} procurement of rice and for cooperative capital investment (building, storages and etc.)

The borrowing recorded in the cooperative as a part of the working capital increased 1.3 times from Rp.6.173.212. in 1976 to Rp.8.226.841 in 1980. In fact, the actual amount borrowed from BRI was much bigger than the records appearing in the books at the end of the year. This was because of the recording system adopted by the cooperative. For example in 1980 the society borrowed Rp.2.173.6 m. from BRI and paid back Rp.2.165.3 m. during the year. So, the remaining amount of Rp.8.2 m. was taken as the loan at the end of the year as shown in table 7.

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Table 7

Loans taken from BRI and Repayments made : 1976 - 1980

Unit = 1.000

LOANS						REPAYMENT						Out- standing Amount
Rice Marketing		Investment		Total		Rice Marketing		Investment		Total		
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
55.357	90.2	6.015	9.3	61.372	100.0	54.669	98.8	530	8.8	55.199	89.9	6.173
130.234	95.8	5.664	4.2	135.898	100.0	127.455	97.9	1.377	24.3	128.832	94.8	7.066
317.896	98.4	5.286	1.6	323.182	100.0	310.673	97.7	392	7.4	311.065	96.3	12.117
216.832	74.4	74.590	25.6	291.422	100.0	216.411	99.8	49.631	66.5	266.042	91.3	25.380
2.150.574	98.9	22.987	1.1	2.173.561	100.0	2.161.435	100.5	3.899	17.0	2.165.334	99.6	8.227
574.179	96.9	22.908	3.8	597.087	100.0	574.129	100.0	11.166	48.7	585.294	98.0	11.793

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8.4. Government Grant

The Government grant is a significant part of the working capital of the cooperative. By the five year average it represented only 9.8 % of the total working capital. The grant is aimed at assisting the cooperative in providing loans to small traders who want to do business. It is a free loan. No interest is charge from the KUD. The grants increased 11 times from 1976 to 1980 as follows :

<u>Year</u>	<u>Govt. grants</u>
1976	450.000
1977	700.000
1978	1.000.000
1979	4.000.000
1980	5.000.000

9. Result of the Operation

Since the amalgamation in 1975 the cooperative began to function properly as the society now has a bigger membership, bigger area of operation, bigger volume of business and, above all, a strong support from the Government, both on rice production and rice marketing.

During the past five years between 1976 and 1980 the membership increased 1.7 times from 1.869 in 1976 to 3.248 in 1980; savings increased 2.2 times from Rp.2.4 m. in 1976 to Rp.5.2 in 1980; reserves increased 2.7 times from Rp.3.2 m. in 1976 to Rp.8.3 m. in 1980; volume of business increased 27.7 times from Rp.85.3 m. in 1976 to Rp.2.367.2 m. in 1980; and net profits increased 21.2 times from Rp.3.0 m. in 1976 to Rp.64.0 m. in 1980. The progress of five years performance can be seen in table 8 below.

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Table 8

Business Operations of the Cooperative : 1976-1980

Unit= 1.000

No.	Items	1976	1977	1978	1979	1980	Times increased from 76 - 80
1.	Membership	1.869	2.152	2.197	2.250	3.248	1.7
2.	Employees	35	49	49	51	56	1.6
3.	Savings	2.412	2.975	3.064	3.643	5.232	2.2
4.	Reserves	3.225	4.129	4.568	5.925	8.797	2.7
5.	Working capital	12.260	14.870	20.749	38.928	27.256	2.2
6.	KCK loans	465	4.793	9.912	14.131	33.990	73.1
7.	Rates of KCK repayment	16.8 %	89.8 %	87.4 %	77.2 %	85.9 %	5.1
8.	Loans from BRI	61.372	135.898	323.182	291.422	2.173.561	35.4
9.	Rates of repayment	89.9 %	94.8 %	96.3 %	91.3 %	99.9 %	1.1
10.	Sales of farm supplies	4.122	11.597	5.720	29.516	41.132	10.0
11.	Sales of rice	60.401	131.530	288.908	226.247	2.124.860	35.2
12.	Volume of business	85.332	150.155	316.404	350.259	2.367.274	27.7
13.	Gross income	15.898	7.304	11.189	20.406	81.715	5.1
14.	Expenses	12.884	5.712	6.290	10.088	17.677	1.4
15.	Net profits	3.014	1.592	4.899	10.318	64.038	21.2
16.	Percent of net profits to income	19.0	21.8	43.8	50.6	78.4	4.1

The success and remarkable progress of cooperative in the past five years was the result of the amalgamation, the improved farm practices, the employment of cooperative employees, the education and training activity and the Government support.

The main factor affecting the rapid growth and development of cooperative is the amalgamation. Through amalgamation the cooperative was able to have more members, more funds, bigger volume of business and the capability to hire a certain number of employees.

The improved farm practice is yet another factor helping in the growth of cooperative. Through farm extension, fertilizers distribution through BIMAS and overall agricultural development scheme, paddy production has increased from 2.5 tons per hectare in 1973 to 4.5 - 5 tons in 1980. The increased yield brings more income to cooperative members which, in turn, motivates them to do more business with the cooperative. Thus, in order to improve the performance of cooperative, Board of Directors, BUUD, employees and concerned agencies must work together to increase farmers income.

factor

Yet another important factor are the cooperative employees. They are ones who run the day-to-day operation of cooperative. They help develop a cooperative organization into a real and strong business enterprise. Without them it will be very difficult to run a successful cooperative.

Another factor is the education and training. First is the education and training for Board of Directors and cooperative employees. It helps improve and develop the business operation of the cooperative to a greater extent. The expansion of business activities and its achievement is the result of cooperative education and training. The second is the cooperative member education. It includes general knowledge of cooperatives organization and business operation including farm extension and overall rural development. To cover with this the society has employed four farm extension workers to deal with agricultural production in particular.

The last is the Government support under the BIMAS, the BULOG and the agricultural extension schemes. Under the BIMAS the cooperative can acquire a certain amount of fertilizers on credit from P.T. PUSRI (Govt. fertilizers plant) to be distributed among members as much as needed.

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And under the BULOG (Bureau of Logistics). The society can market rice and other products collected to its buying agents (DOLOG) at any amount on regulated quality and regulated prices set by the Government. These Government schemes have helped to develop business operations of KUDs to a great extent. During the past five years the business operations of rice marketing increased 35.2 times from Rp.60 m. in 1976 to Rp.2.125 m. in 1980. Without such the support the cooperative would not have achieved such an activity at all.

10. Business Operations

Main business activities of the KUD are rice marketing consumers, farm supplies, rice milling and gudang operation. The biggest and the most important one is the rice marketing representing 70.8 % and 89.7 % of total business in 1976 and 1980 respectively.

In 1980 the five items mentioned above had a total volume of business of Rp.2.325 m. accounting for 98.2 % of total business as follows:

<u>Business</u>	<u>Million</u>	<u>Percent</u>
Rice marketing	2.125	91.4
Consumers	129	5.5
Farm supplies	41	1.8
Rice milling	25	1.0
Gudang operation	5	0.2
Total	2.325	98.2

Operation of all activities in 1980 can be seen in table 9 below :

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Table 9

Business Operations in 1980

Unit = 1.000

Code Number	Activities	Cost *	Sales	Margins
01	Rice Marketing	2.072.401	2.124.860	52.459
02	Gudang Operation	3.118	5.155	2.037
03	Rice Milling	10.789	24.753	13.964
04	Marketing of second crops	29.930	30.598	668
05	Transportation (roda 4)	1.403	1.510	107
34	Transportation (roda 2)	631	646	15
42	Seeds distribution	7.142	8.650	1.508
50	Land Improvement	3.861	3.955	94
66	Consumers'	123.131	129.084	5.953
73	KCK	-	878	878
84	Tractor operation	194	285	91
85	Spraying services	1.424	1.510	86
87	Truck operation	1.364	2.909	1.545
90	Fertilizers	30.171	32.481	2.311
		2.285.560	2.367.274	81.715

* Includes cost of goods, expenses & interest.

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10.1 KCK

The KCK (Kredit Candak Kulak) is a Government credit scheme to assist small traders or businessmen to borrow money from KUD to run their own business whether they are members of KUD or not. But it is expected that they will become members of cooperative at a later stage.

During the past ^{five} years between 1976 and 1980 the cooperative has extended loans to 2.710 persons. Most of them were women. The total loans given was Rp.63.3 m. in five years or Rp.12.6 m. per year. On an average one person borrowed Rp.23.355 from the society per year. The rate of repayment was high, averaging 84.0 % per annum.

Table 10

KCK Operation : 1976 - 1980

Year	LOANS			REPAYMENTS		Interest received	Overdue	
	Borrowers	Amount	Average loan	Amount	%		Amount	%
1976	175	465.000	2.657	78.000	16.8	-	387.000	83.2
1977	420	4.793.000	11.412	4.303.000	89.8	118.440	490.000	10.2
1978	482	9.912.000	20.564	8.660.700	87.4	262.230	1.251.300	12.6
1979	690	14.131.000	20.480	10.911.700	77.2	498.510	3.219.300	22.8
1980	943	33.990.000	36.045	29.215.600	85.9	877.740	4.794.400	14.1
Average	542	12.658.200	23.355	10.633.800	84.0	439.230	2.024.400	16.0

10.2 Farm Supply

Farm supply is one of the main activities of the cooperative. Its function is to distribute fertilizers, insecticides and seeds to members both on credit and in cash. The sales of this item increased 10 times in the past five years from Rp.4.1 m. in 1976 to Rp.41.1 m. in 1980. The rapid increase was the result of farm extension and member education programmes of the KUD, especially during 1979 and 1980. The sales increased rapidly from Rp.5.7 m. in 1978 to Rp.29.5 m. in 1979 and to Rp.41.1 m. in 1980. This is because of the emphasis of farm extension by the cooperative, in order to increase income among its members. At present the cooperative employs four farm extension workers. It is expected that through the increased farm extension activity and the intensification programme of sugar cane production in the area the sales of farm supplies will be increased.

In 1981 business activity dealing with sugar-cane production was recorded at Rp.893.7 m. It included the sales of sugar cane fertilizers, Rp.35.2 m. sugar-cane seeding, Rp.64.3 m. and of credit Rp.794.2 m.

From this experience it is found that the member education activity will be stressed more on farm production and business management rather than on the philosophy or ideology of Cooperation. Therefore, education programme must be geared to the needs of members and business activities of the society rather than to the principles of Cooperation.

Table 11

Distribution of farm Supplies : 1976 - 1980

Unit= 1.000

Year	Cost *		Sales		Margins	
	Amount	%	Amount	%	Amount	%
1976	3.106	75.4	4.122	100.0	1.016	24.6
1977	9.684	83.5	11.597	100.0	1.913	16.5
1978	3.404	59.5	5.720	100.0	2.316	40.5
1979	27.862	94.4	29.516	100.0	1.654	5.6
1980	37.312	90.7	41.132	100.0	3.820	9.3
Average	16.274	88.4	18.417	100.0	2.144	11.6

* Includes cost of goods, expenses and interest

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10.3 Rice Marketing

Rice marketing is the biggest business of the cooperative. Its partners are farmers and the DOLOG. It buys paddy from farmers on the regulated price given by the Government then mills it and sells it to consumers and to the DOLOG. The selling price is also regulated by the Government.

The business activities undertaken by this section has increased quite rapidly from Rp.60 m. in 1976 to Rp.2.125 m. in 1980. This is because of the Government assistance scheme through the BULOG. The BULOG was established in 1967 to help both consumers and producers to secure fair prices. At this stage the Government has activated this scheme to help farmers to sell their products at a higher price which has been quite successfully implemented. The cooperative secures more loans from the Government through BRI to run its business i.e Rp.55 m. in 1976 and Rp.2.151 m. in 1980. This helps the cooperative to operate more vigorously and effectively than ever before.

The society procures paddy from both members and non-members. About 70 % is directly bought from members and the rest is from outsiders. Part of paddy collected is milled and sold to members, traders, DOLOG, Hospitals, Schools, Military, Government establishments and general public, and the rest is sold to the DOLOG.

The amount of paddy collected by the society increased 6.9 times in the past five years, from 723 tons in 1976 to 5.001 tons in 1980 and the milled rice bought increased 130 times from 69 tons in 1976 to 8.929 in 1980.

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Table 12

Rice Collected and Sold : 1976-1980 Unit = Kilogram

Year	Paddy			Milled rice		
	Bought	Sold	Stock	Bought	Sold	Different
1976	722.504	722.190	314	68.944	68.944	-
1977	1.746.568	1.554.936	191.632	22.066	25.727	3.661
1978	3.604.124	3.393.524	210.600	138.674	138.674	-
1979	2.234.623	2.161.289	73.334	64.698	64.698	-
1980	5.006.006	4.788.026	217.980	8.925.186	8.928.732	3.546
Average	2.662.765	2.523.993	138.772	1.843.914	1.845.355	1.441

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The sales of rice (paddy and milled rice) also increased very rapidly from Rp.60 m. in 1976 to Rp.2.125 m. in 1980 or 35.2 times during the past five years.

Although the margin for rice marketing was low 2.6 % (table 13) yet the total margin from rice marketing was the biggest, accounting for 54.7 % of the total gross margins (income) of the five year average (1976-1980). In 1980 the margin from rice marketing was Rp.52.3 m. or 64.2 % of the total margin (see table 17)

Table 13

Rice Marketing : 1976 - 1980

Unit = 1.000

Year	Cost *		Goods sold		Margins	
	Amount	%	Amount	%	Amount	%
1976	57.964	96.0	60.401	100.0	2.437	4.0
1977	128.079	97.4	131.530	100.0	3.451	2.6
1978	282.396	97.7	288.908	100.0	6.512	2.3
1979	216.498	95.7	226.247	100.0	9.749	4.3
1980	2.072.401	97.5	2.124.860	100.0	5.259	2.5
Average	551.467	97.4	566.389	100.0	14.922	2.6

* Includes cost of goods expenses & interest

It is clearly indicated that the main business activity of this society is rice. So, special attention should be given to rice production, rice marketing, milling and overall activities dealing with the business of rice. All improvement for rice production, fertilization, harvesting, drying, storing, milling and marketing are needed. If possible a rice marketing research centre should be established at this KUD. So that experience and knowledge gained at this KUD can be used for the improvement and development of other KUDs dealing with rice in other parts of country.

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10.4 Rice Milling

The society owns one small rice milling unit (RMU). Its milling capacity is 1.5 tons per hour or 36 tons a day which is not adequate for a big society like NUGROHO. It should be replaced with a better and a bigger unit in order to meet the growing demand of members and growing business of the society. It should be between 2.5 and 5 tons per hour.

The volume of business of this operation is very small, Rp.12.5 m., 1.9 % of the total volume of business by the five year average. But the proportion of cooperative income (gross income) from this section is rather high, 24.8 % of the total income. (see table 17)

Gross margin of RMU is the highest of all business activities, 54.1 % of its receipt by the five years average. But its business activities went up and down from Rp.16.0 m. in 1976 to Rp.1.4 m in 1978 then more rapidly increased from Rp.14.5 m. in 1979 to Rp.24.7 in 1980. However, its margins still remain high from 29 - 72 % of its receipts.

Table 14

Rice milling Operations : 1976 - 1980

Unit = 1.000

Year	Cost of Operation		Receipt		Margins	
	Amount	%	Amount	%	Amount	%
1976	4.427	27.6	16.009	100.0	11.582	72.4
1977	4.219	70.9	5.948	100.0	1.729	29.1
1978	621	43.1	1.438	100.0	817	56.9
1979	8.750	60.2	14.544	100.0	5.794	39.8
1980	10.789	43.6	24.753	100.0	13.964	56.4
Average	5.761	45.9	12.538	100.0	6.777	54.1

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10.5 Consumers Activity

Consumers activity is one of the newest and fastest growing business of the cooperative. It started to operate in 1978 on demand from its members. At present there are 36 kiosks or branches in 23 villages. It sells almost everything needed by members from oil to sugar, rice, fertilizers, seeds, salt and food stuffs and convenience goods. It is managed by a member who is selected by its members within a village and trained by the society. All records are kept by him, but under the supervision of the society's employee once a week.

He is educated and trained about business operation and recording system once for one day every two months. He gets a commission of 2 % from the total sales. Any loss occurred is borne by him.

By doing this the society can increase its business activity more rapidly. It increased from Rp.16.2 m. in 1978 to Rp. 129.0 m. in 1980. And it is expected that this activity will be growing at a higher speed in the years to come.

Because of the rapid increase of business activity and of the successful operation of this section, more people : Government officials, Cooperative employees; Board of Directors, University lecturers and students have come to visit the cooperative and learn about its organization and business operation of this particular activity. It is indicated that there is a growing demand of cooperative services and cooperative education in Indonesia.

The operation of this business activity can be seen in table 15 below :

Table 15

Consumers Activity : 1978-1980

Unit = 1.000

Year	Cost*		Goods sold		Margins	
	Amount	%	Amount	%	Amount	%
1978	15.914	98.5	16.157	100.0	243	1.5
1979	70.510	97.8	72.104	100.0	1.594	2.2
1980	123.131	95.4	129.084	100.0	5.954	4.6
Average	69.851	96.4	72.448	100.0	2.597	3.6

* Includes cost of goods, expense & interest
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10.6. Gudang Operation

One of the most important business activities of the society is the gudang operation. Because the main business of the society is rice. Without gudang or storage it will be very difficult to run business. At present the society owns four gudangs with the capacity of 2.500 tons which is big enough to deal with the growing business. However, these gudangs are not only serving the business of cooperative, but also servicing the DOLOG in storing rice as well. So, part of its income is derived from rendering service to the DOLOG. It earned Rp.2.3 m. in 1976 and Rp.5.2 m. in 1980 from DOLOG respectively.

Recently, the society bought and sold quite a big mount of paddy and rice. Part or almost all of it was kept in the society's gudangs before it was sold. For example, in 1980 the society bought 5.006 tons of paddy and 8.925 tons of rice respectively.

So in order to increase the business activity of the cooperative some improvement of the gudang operation is needed. For example, some compartment within each gudang should be made in order to store different types and different grades of commodities. Above all a better recording system of the gudang operation should be adopted.

Income from gudang operation in the past five years (1976-1980) were recorded as follows :

<u>Year</u>	<u>Income in ,000</u>
1976	2.340
1977	180
1978	1.334
1979	2.360
1980	5.155
Average	2.274

10.7 Other Business

Other business are of lesser importance. These include transportation, land improvement, truck and tractor operation, spraying services, farm extension, etc. The total volume of business under this category has increased from Rp.2.5 m. in 1976 to Rp.42.3 m. in 1980. By the five year average its volume of business accounted for 1.7 % of the total.

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10.8 Volume of Business

The volume of business of the society has increased 27.7 times during the past five years from Rp.85.3 m. in 1976 to Rp.2.367.3 m. in 1980. It increased gradually from Rp.85.3 m. in 1976 to Rp.350.3 m. in 1979 and then jumped rapidly to Rp.2.367.3 m. in 1980. This is because of the rapid increase of rice marketing business. It increased from Rp.226.2 m. in 1979 to Rp.2.124.9 m. in 1980 or 9.4 times within one year. Other activities except the consumers are not very important.

The proportion of business operation during the past five years between 1976 and 1980 can be seen as follows :

Rice Marketing	86.6 %
Consumers'	6.7 %
Input supplies	2 8 %
Rice Milling	1.9 %
Gudang operation	0.3 %
Others	1.7 %
Total	100.0 %

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Business (in term of selling prices) : 1976 - 1980

Unit = 1.000

	ce milling		Farm supplies		Consumers		Others		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
6.009	4.122	18.8	4.8	-	2.459	2.9	85.332	100		
5.948	11.597	4.0	7.7	-	900	0.6	150.155	100		
1.438	5.720	0.5	1.8	16.157	5.1	2.847	316.404	100		
1.544	29.516	4.2	8.4	72.104	20.6	5.488	350.259	100		
1.753	41.132	1.0	1.8	129.084	5.5	42.290	2.367.274	100		
1.538	18.417	1.9	2.8	43.469	6.7	10.797	653.884	100		

11.1 Income

There are three main sources of cooperative income (gross margins). They are rice marketing, rice milling and consumers. Income from the three activities accounted for 85.2 % of the total income. Other incomes are of minor importance. They are farm supplies, gudang operations and others.

During the past five years between 1976 and 1980 the cooperative income increased 5.1 times from Rp.15.6 m. in 1976 to Rp.81.7 m. in 1980. The biggest and the fastest growing income was from rice marketing. It increased 21.5 times from Rp.2.4 m. in 1976 to Rp.52.5 m. in 1980.

It is interesting to note that proportions of all other incomes besides rice marketing and consumers' activity are greater than proportions of volume of business of the same items. For example, proportions of income from input supplies, rice milling, gudang operation and others accounted for 39.6 % of total income. While proportions of volume of business of the same items are only 7.7 % of the total. This indicates that the society can easily make better profits from smaller business than from the bigger ones.

Proportions of volume of business and of cooperative income can be seen as follows :

<u>Items</u>	<u>Volume of Business</u>	<u>Gross Income</u>
Rice Marketing	86.6 %	54.7 %
Consumers	6.7 %	5.7 %
Input supplies	2.8 %	7.0 %
Rice milling	1.9 %	24.8 %
Gudang operation	0.3 %	3.5 %
Others	1.7 %	4.3 %
Total	100.0 %	100.0 %

Gross Income : 1976 - 1980

Unit = 1.000

Supply	Consumers		Gudang Operation		Others		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
016	-	-	998	6.3	- 135	-0.8	15.898	100
913	-	-	59	0.8	152	2.0	7.304	100
316	243	2.2	923	8.2	377	3.4	11.189	100
575	1.594	7.8	760	3.7	1.934	9.5	20.406	100
819	5.954	7.3	2.037	2.5	3.482	4.3	81.715	100
928	1.558	5.7	956	3.5	1.162	4.3	27.303	100

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11.2 Expenses

There are five main items of expenses. These are: depreciation; salary of employees; salary of Board of Directors and Board of Supervisors; office supplies; and general administration. The biggest one is the depreciation, 37.8 %, followed by salaries of employees, 21.6 %, salaries of Board of Directors and Board of Supervisors, 18.8 %, office supplies, 11.6 %, general administration, 6.8 % and others 3.4 %.

Depreciation is the allowance made in valuations of office building, cooperative investmen such as gudangs and rice milling unit. In 1976 the expense on depreciation was the biggest accounting for 66.0 % of the total expense. It covers depreciation of gudangs, office buildings, a rice milling unit and others as follows :

Gudangs and Buildings	3.299.426	38.8 %
RMU & equipments	4.652.470	54.7 %
Gudangs equipments	369.279	4.3 %
Others	189.223	2.2 %
Total	8.510.398	100.0 %

Next item is the salary of its employees. It grew rapidly from Rp.1.8 m. in 1976 to Rp.4.5 in 1980. This is because of the increased number of cooperative employees and also due to the increasing salary per employed person.

The third important expenditure is the payment to the Board of Directors and Board of Supervisors. In general, members of Board of Directors and Board of Supervisors do not receive fixed salary except on honorarium and other expenses such as on travels, meetings and others. But in Indonesia it is widely practiced that members of Board of Directors and Board of Supervisors receive fixed salary from the Cooperative.

For the NUGROHO KUD the salary for Board of Directors is paid on a monthly basis and for Board of Supervisors is on a quaterly basis. In 1980 the salary for seven members of Board of Directors was Rp.318.500 a month, and for three members of Board of Supervisors was Rp.115.000 a quarter.

Ohter items of expenditure are not so very important, as can be seen from table 18.

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KUD Expenses : 1976 - 1980

Unit = 1.000

%	Office supply		Extension		Others		Total		
	Amount	%	Amount	%	Amount	%	Amount	%	
8.2	706	5.5	581	4.5	207	1.6	-	12.884	100
20.1	1.020	17.9	432	7.5	248	4.3	-	5.712	100
27.5	782	12.4	442	7.0	209	3.3	359	6.290	100
22.2	744	7.4	440	4.4	378	3.7	389	10.087	100
21.0	2.848	16.1	1.680	9.5	-	-	-	17.677	100
18.8	1.220	11.6	715	6.8	208	2.0	150	10.530	100

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11.3 Net Profits

The society can boast of quite a remarkable success. This can be judged from the rising income, rising profits and rising of profit proportion to total income. From table 19 below, it is seen that the profit increased 21.2 times from Rp.3.0 m. in 1976 to Rp.64.0 m. in 1980. But the most important is the proportion of profits to the total income. It increased from 19.0 % in 1976 to 78.4 % in 1980. This indicates that the total income is rising faster than the total expenses, or in other words, the management is good and strong. (see table 19).

Table 19

Income, Expenses and Profits : 1976 - 1980

Unit=1.000

Year	Income		expenses		Profits	
	Amount	%	Amount	%	Amount	%
1976	15.899	100.0	12.885	81.0	3.014	19.0
1977	7.304	100.0	5.712	78.2	1.592	21.8
1978	11.189	100.0	6.290	56.2	4.899	43.8
1979	20.406	100.0	10.088	49.4	10.318	50.6
1980	81.715	100.0	17.677	21.6	64.038	78.4
Average	27.302	100.0	10.530	38.5	16.772	61.5

12. Profit Distribution

In principle, a cooperative does not make any profit. Because the surplus earned by a society is distributed among members, Board of Directors and employees on their contribution and services done with the cooperative. Part of it is allocated for reserves, member education, social welfare and other purposes. Under the NUGROHO KUD Bye-laws or system of distribution of profits has been outlined. In 1980 the society earned Rp.64.038.377 profit.

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The distribution was allocated as shown below :

Reserves	19.211.513	30 %
Board of Directors and Board of Supervisors	9.605.757	15 %
Employees	6.403.837	10 %
Education funds	3.201.919	5 %
Social welfare	3.201.919	5 %
Community development	3.201.919	5 %
Devidend & rebates	19.211.513	30 %
Total	64.038.377	100 %

It is clearly illustrated above that the cooperative does not make any profits. The ultimate aim of organising cooperative is to improve the standards of living of its members through the development of agricultural production and agricultural marketing and other services through group efforts and government assistance. If the surplus is made at the end of the year it is distributed among its members, Board members and its employees according to their services and business activities done with the society. This is a true economic democracy under the cooperative system. If the cooperative system is strong, the majority of the people will be assured to live a better life and have more share in the society.

13. Comparison of Cooperative Performance

The cooperative has performed quite successfully during the past five years. Working capital, volume of business, income and profits per person have increased quite rapidly. Working capital per person increased 2.0 times from Rp.6.560 in 1976 to Rp.12.899 in 1980. Cooperative loans from BRI per person increased 20.4 times from Rp.32.836 in 1976 to Rp.669.200 in 1980, volume of business per person increased 16.0 times from Rp.45.656 to Rp.728.840 in 1980. And the profit per person increased 12.2 times from Rp.1.614 in 1976 to Rp.19.717 in 1980, but the expense per person remained low from Rp.6.893 per person in 1976 to Rp.5.442 in 1980. All of these records indicate, that the society has really done a good job in the past five years resulting from many factors as mentioned earlier. Therefore, we would like to recommend that some studies or surveys of KUDs should be made in all regions, whether weak or strong, in order to improve the business performance of cooperative through modern system : business analysis, planning, directing and controlling in an appropriate way. The result of studies will be very useful for cooperative member education, group discussion, reference, planning and management improvement.

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Details of business performance per person can be seen from table 20 below.

Table 20

Comparison of Business Activities and financial Situation of KUD per member : 1976 - 1980.

Year	Men- bership	Savings	Reserves	Working Capital	BRI loans	Volume of business	Income	Expenses	Profits
1976	1.869	1.290	1.725	6.560	32.000	45.656	8.507	6.893	1.614
1977	2.152	1.382	1.919	6.675	63.150	69.775	3.394	2.654	740
1978	2.197	1.380	2.079	9.834	147.101	144.016	5.093	2.863	2.230
1979	2.250	1.610	2.633	17.969	129.500	155.670	9.069	4.483	4.586
1980	3.248	1.611	2.708	12.899	669.200	728.840	25.159	5.442	19.717
Average	2.343	1.476	2.274	9.786	249.805	279.359	11.653	4.491	7.159

14. Cooperative Member Education

Member education has been one of the most important activities of the cooperative. In fact this activity had begun even before the society was reorganized. Certain number of former cooperative members were educated and trained at BALATKOP in Malang. They were taught principles of cooperation, organization and business operation of cooperatives including the new system of rural cooperative called KUD (Koperasi Unit Desa). From then on the cooperative member education began to develop. From general ideas to actual business practices and from simple techniques of business operations to professional ones.

14.1 Priority

The society has set priority for cooperative member education for the following categories :

- 1). Boards of Directors/Supervisors;
- 2). Key Leaders;
- 3). General members;
- 4). General public.

The first and the most important one is to educate and train members of Board of Directors and Board of Supervisors in order to help them understand the real functions of the cooperative and how to run it effectively. And, at the same time, to enable them to educate and train other members in understanding cooperative principles and practices and how to benefit from it. Then, extends more knowledge and experience to the members and general public including young people and school children within the area.

14.2 Techniques

Several techniques of member education have been used depending on the situation and objectives. They are :

- 1). Meetings (group meetings, group discussions, monthly meetings, and annual meetings);
- 2). Distribution of information;
- 3). Visits and tours ;
- 4). Demonstration and exhibition;
- 5). Radio, TV and Wayang;
- 6). Actual business practice with the cooperative;
- 7). General campaign.

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14.3 Topics

Topics for cooperative member education vary from place to place and from time to time depending upon objectives and the audience. In the first few years of its operations most of the topics were dealt with general knowledge of cooperatives: principles, organization, general administration, business operations and profit distribution, including duties and responsibilities of members, Board members and employees. Later on it involves more and more with member occupation and cooperative business such as farm production, farm marketing farm processing, business operation, cooperative problems and cooperative development.

14.4 Education Personnel

Officers-in-charge of cooperative member education of the society have been drawn from the following three sources :

- 1). The Government;
- 2). The Cooperative movement;
- 3). The KUD.

The Government through KKOPD, cooperative extension officers and other officers have assisted the society in designing and administering cooperative member education programmes in general. It includes general member education, farm education, business operation and overall cooperative development.

The Cooperative movement, through the PPK and the PUSKUD has given business advise on related matters to the cooperative. And at the same time it trains cooperative's employees and Board of Directors to understand the business practices and to cooperate with one another.

The KUD, through the Board of Directors and its employees is directly involved with member education activity. This includes cooperative knowledge, improved farm practices, cooperative business and overall aspects of member education needed by members and by the cooperative.

14.5 Results of Member Education

It is believed that part of the remarkable progress and success of the cooperative was the result of member education. It helps improve cooperative knowledge and farm practices among its members which in turn brings about higher yields and higher income to the members.

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When members become richer they want to do more business with the cooperative. So, the rate of member participation increases which also increases the business activity of the cooperative.

The impact of cooperative member education on members, Board of Directors, the cooperative and the public can be elaborated as follows :

14.5.1. Membership

- 1). Better knowledge,
- 2). Better income,
- 3). Higher standards of living,
- 4). **Bigger** volume of business done with the cooperative,
- 5). Better cooperation.

14.5.2. Board of Directors

- 1). Better **knowledge** of cooperative principles and practices,
- 2). Broader outlook of business operations,
- 3). More skillful and better experience in doing business of the cooperative,
- 4). More initiative and reliable,
- 5). More skillful in cooperative member education.

14.5.3. Cooperative

- 1). Bigger volume of business,
- 2). Bigger income and bigger profits,
- 3). More confidence in business operations,
- 4). More skillful in cooperative member education.

14.5.4. The public

- 1). People become more interested in cooperative business,
- 2). The Government as well as the public are giving more support to the cooperative, because they have more faith in the cooperative.
- 3). The NUGROHO KUD becomes a centre for cooperative education for the public.
- 4) More studies and study visits are being made at the NUGROHO KUD. This helps spread the information of its success and the achievement of the cooperative throughout the country. Through TV and other channels.

15. Reasons for Cooperative Success

The successful operation of the cooperative were the result of :

15.1. The amalgamation

The amalgamation of village cooperatives into a bigger unit at subdistrict level made it possible to become a viable cooperative. This means more members, more capital, bigger volume of business and easier for Government to support.

15.2. The adoption of improved farm practices

It brings about higher yields and higher income to its members which in turn motivates them to do more business with the cooperative.

15.3. The employment of professional staff

It helps the society to run continuously with no interruption. It gives more chance to the cooperative to develop and progress.

15.4. The Government assistance

The Government has provided loans through BRI, input supplies through P.T. PUSRI and P.N. Pertani and marketing outlet through the BULOG. This integrated package has helped the cooperative to run more effectively and successfully. without such assistance the cooperative will be facing more difficulty.

15.5. The Education Activity

It increases the knowledge and skills of members, Board of Directors and its employees in doing business with the cooperative and for the cooperative. And at the same time it also brings about change and development to the community in all directions, especially on agriculture and rural development.

15.6. The Member Participation

Member have more say and more share in running the business of cooperative. They participate more actively in decision making, doing business with the cooperative and suggesting certain ideas to the Board of Directors as to how to manage the cooperative.

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15.7. Strong Management

Management is good and strong. Devision of labour between Board of Directors and the staff is made. Job description is prepared and strictly followed. Each one knows his role to play. Records are properly made and checked.

15.8. Business Experience

Board of Directors and employees are men of experience. The chairman and the manager had had business experience before joining the cooperative. Other Board members and a number of employees also had had some experience in business before. So, it helps the society to run business more smoothly and effectively.

15.9. Strong Leadership

The chairman and his staff are well-educated and well-trained. They have more confidence in doing business. They are able to lead and get more support from the members and the public. Above all they are very innovative in business operation.

15.10. Good cooperation

Cooperation within and among the cooperatives is good. Besides there is a good relationship between the cooperative and other concerned agencies within the area, especially with Government cooperative officials.

15.11. Effective Supervision

Effective supervision (and recommendation) made by the KKOPD and his staff has a great impact on the growth and development of the cooperative.

16. How the NUGROHO can help others

The achievement of NUGROHO KUD has inspired other KUDs, Government cooperative officials and general public to strive more to develop cooperatives. These people have come to visit the cooperative and learned about its system and success every year. The number of visitors has been increasing. It looks as though the NUGROHO KUD has become a centre for cooperative learning. Therefore, we would like to recommend that the society should do more to help others in learning and understanding the development process of the society by doing the following :

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- 1). Publish some background information of the society to be distributed among the public.
- 2). Sum up or write up experience, difficulties faced and achievement made by the cooperative in the past. Then, publish it and distribute it.
- 3). Cooperate with the DITJENKOP, DEKOPIN, University's faculty members or any concerned bodies to study problems and development process of the society. This can help the cooperative to improve its operation and at the same time to help others.
- 4). Help train Board members and employees of other KUDs to run a proper business both at the cooperative and outside.
- 5). Organize workshops on cooperative education and management within the region by using the NUGROHO experience as a platform for cooperative development.
- 6). Assist others in general as needed.
- 7). Train its own Board members and employees to be able to train others.

NOTES

DITJENKOP	: Directorate General of Cooperative
PUSLATPENKOP	: The National Cooperative Training Centre
BALATKOP	: Provincial Cooperative Training Centre
KKOPD	: District Cooperative Officer
DEKOPIN	: National Cooperative Council
PUSKUD	: Provincial KUD Federation
PPK	: Service Centre of KUDs
BRI	: Bank Rakyat Indonesia
BULOG	: Bureau of Logistics
P.T PUSRI	: PUSRI Fertilizer Officer
PPL	: Agricultural Extension Officer
KUD	: Village Unit Cooperative
BUUD	: Board of Advisors of KUD
RMU	: Rice Milling Unit
1 US Dollar	: 653 rupiah.

PM/dar/12.05.82