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**STUDY ON YOUTH INTEGRATION
IN COOPERATIVE DEVELOPMENT
IN MALAYSIA**

**By
Indar Kaur
Hayati Md. Salleh**

Cooperative College of Malaysia

15 September 1997



This study was undertaken for the International Cooperative Alliance

ICA 01362

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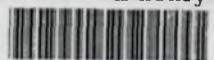
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PREFACE

This study on "Youth Integration in Cooperative Development in Malaysia" is undertaken for the International Cooperative Alliance (ICA) New Delhi. It is intended to serve as a country report for a Regional study by the ICA. The objective of the study as outlined by the ICA can be summarised as:

- i) To assess the extent of youth integration in cooperative activities, cooperative decision making and economic and social development.*
- ii) To assess the level of participation of youths in political, social and economic decision making.*
- iii) To identify critical areas for future strategies to promote youth participation and integration in cooperative development.*

This study relied heavily on secondary data. Most information on country background, economy, population and related data was obtained from government publications such as Economic Reports, Seventh Malaysia Plan, Statistical Reports from the Statistics Department, etc. Information on Youth Policy and Programmes and youth issues was obtained from various publications by the Ministry of Youth and Sports, Seminar Papers and articles in the local newspapers.

Data on cooperatives was collected mainly from the Cooperative Development Department (CDD), books and research studies on cooperatives in Malaysia. Most of the detailed data on the 40 youth cooperatives was compiled through analysis of data from statistics provided by the CDD. The only primary data collected and compiled was on the age profile of Board Members of youth cooperatives. Part of this information was obtained through mailed questionnaires and partly from file records at the CDD. This had to be done as only 6 cooperatives responded to our questionnaires despite a number of reminders.

This study is limited in scope in that the findings are based on a detailed study confined to 40 cooperatives designated as youth cooperatives by the CDD. It cannot be denied that a substantial proportion of the over 3 million cooperative members in the movement are youth and the 40 youth cooperatives comprise only 1% of the membership of the movement. A more comprehensive study of youth integration in cooperative development should cover all youths, in all types of cooperatives. However due to unavailability of information on youth membership in the movement as a whole and the constraint of time this was not possible.

Despite the above shortcoming, we believe the results of this study are quite reflective of the situation on youth participation in cooperatives and can be a basis for devising strategies towards promoting youth integration.

This study comprises of 5 chapters.

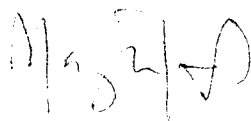
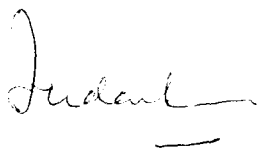
Chapter 1 introduces the reader to the general features of Malaysia, its economy, population and employment.

Chapter 2 provides an introduction to the development of the cooperative movement in the country.

Chapter 3 discusses the definition of youth in Malaysia, youth policies, programme and issues in the country. It also looks at the involvement of youth in politics.

Chapter 4 looks at the situation of youth in the cooperative movement. Focus is on the youth cooperatives; the resources, performance and integration of youth in decision making.

Chapter 5. provides an overview of the study, our findings and recommendations to improve youth participation and involvement in cooperative development.



ACKNOWLEDGEMENTS

This study could not have been possible without the support of a number of organisations and individuals.

We wish to express our gratitude to the following organisations for their invaluable assistance in the process of data collection:-

- Cooperative Development Department
- Ministry of Youth and Sports
- National Registration Department
- National Youth Cooperative
- Muslim Youth Cooperative
- Various Youth Cooperatives which responded to our survey
- Utusan Melayu (Newspaper).

We would like to accord our sincere appreciation to our Director Mdm. Armi Hj. Zainudin for her constant encouragement towards the successful completion of this study.

A very special thanks to Hazimah, Rosidah, Zaiton, Hasnah and Zainal for their excellent and untiring secretarial support.

Last but not least, we thank our many friends and colleagues who provided invaluable assistance in many forms.

EXECUTIVE SUMMARY

Malaysia is a multiracial country of Malays (59%), Chinese (32%), and Indians (8%), with a population of over 21 million and strong economic growth of over 8% in the past several years.

The Government and the Malaysian Youth Council, the umbrella body of youth organisations define youth as those between the ages of 15 - 40. Youths comprise 43% (1996) of the country's population, while another 35 % of the population is below 15 years of age. Thus Malaysia has a relatively young population. Youths also comprise 23.5% of the total employed labour force.

Malaysia is currently plagued with an increasing trend of social ills affecting the young and the youth. As youth are the future leaders and most productive resource, this has caused great concern to the government.

The Ministry of Youth and Sports is responsible for youth development. The National Youth Policy and National Youth Development Programmes have been formulated to develop youth by providing them with leadership, business and technical skills and inculcating in them spiritual, ethical and moral values. These programmes are implemented through various youth bodies, government agencies and private organisations.

As at end of 1995 there were 3554 cooperatives in Malaysia. Excluding the 1154 school cooperatives, the movement had a membership of over 3 million people, assets of RM2.7 billion and accumulated capital of RM10.3 billion. Only 40 cooperatives, or about 1% of the movement were classified as youth cooperatives by the Cooperative Development Department (CDD).

The 40 youth cooperatives had a total membership of only 38,347 or 1% of the total adult cooperative membership. This means less than half (1/2) percent of the youth population in the country are members of Youth Cooperatives. Youth cooperatives were found to be small in terms of membership size assets (RM114 million) and accumulated capital (RM15.5 million). About 29% of these cooperatives experienced losses in 1996 while another 38% made only small profits of less than RM5000 per year. The youth cooperatives were managed by the Board without any professional managerial assistance. About 87% of the Board Members and 90% of the Chairmen were over 40 years of age and no longer youth. There was little involvement and integration of youth in cooperative management and activities.

Neither the CDD nor the Apex organisation (ANGKASA) had any specific policy or guideline for youth cooperatives and integration of youth in cooperative development. Cooperatives though community based organisations with a social and economic objective were not involved in National Youth Development Programmes or activities for combating social ills.

Greater youth involvement in cooperative development requires deliberate effort on the part of the CDD, Angkasa and the Cooperative College of Malaysia. Among other things, the cooperative image needs to be changed, quality leadership must be developed to turnaround the youth cooperatives and they must be managed by youth leaders. Provision should be made in the law to restrict membership and management of youth cooperative to 'youth' and establishment of 'youth wings' in all cooperatives to develop and integrate youth into the movement. Organisational support in terms of policy guidelines, advisory service, monitoring, planned youth activities and training should be made easily available to provide youth the incentive and motivation for involvement in cooperative development.

CHAPTER 1

INTRODUCTION

GENERAL FEATURES OF MALAYSIA

Malaysia is a tropical wonderland situated 7° (degrees) north of the Equator in the heart of South East Asia. It comprises Peninsular Malaysia and the two states of Sabah and Sarawak on the Island of Borneo (Refer Appendix 1). Together they cover a total area of 329,758 sq. km.

Malaysia, (then known as Malaya) gained independence from the British on 31 August 1957. In 1963, Malaysia was formed comprising of eleven states of Peninsular Malaysia, Singapore, Sabah and Sarawak. However Singapore broke away from Malaysia in 1965.

Malaysia is a multiracial country with a population of over 21million. This is made up of the main racial groups of Malays (59%) Chinese (32%) and Indians (8%) and a very diverse group of indigenous people of Sabah and Sarawak. Bahasa Melayu is the national language but English is widely spoken. Islam is the official religion but Buddhism, Hinduism, Christianity and other religions are practiced freely.

Malaysia lies entirely in the equatorial zone. The climate is hot and humid throughout the year and is governed by the regime of the north-east and south-west monsoons which blow alternately during the course of the year. The north east monsoon blows from approximately mid November till March, and the South-West monsoon between May and September. The periods of change between the two monsoons are marked by heavy rainfall. The period of the South-West monsoon is a drier period for the whole country. Being in the tropics, the average temperature throughout the year is constantly high (21 °C to 32 °C). Average annual rainfall varies from 2,000 mm - 2,500 mm.

About four fifths of Malaysia is covered by tropical rain forest, which varies in composition and structure depending on the elevation of the land above sea level and the nature of the habitat. There are mangrove forests at the estuaries of the main rivers and along the sheltered west coast. The lowland dryland forests which predominate in the Peninsular are characterised by the size of the trees, the largest being some 45 m or more in height and 3 m in circumference with long, very cylindrical stems and massive crowns at the top. A feature of these forests is the predominance of trees of the important commercial timber species.

The vegetation of the hills changes with increase in elevation, both in species and height, and at about 1520 m and on the mountain tops, trees are often no more than 18 m to 21 m tall, while on sharp ridges, isolated mountain tops and at still higher elevations they are often gnarled and no higher than 3 m or so. It is estimated that there are some 8000 species of flowering plants of which at least 2500 are trees.

Malaysia is a constitutional monarchy with the Supreme Head of State or Yang DiPertuan Agong (King) elected once every five years from among the state Rulers by the Conference of Rulers. Malaysia comprises of 13 states and 2 federal territories i.e. Kuala Lumpur and Labuan. Nine of the 13 states have a hereditary ruler, (called Sultan) from among whom is elected the King. The Yang DiPertuan Agong acts on the advise of Parliament and the Cabinet. The four non royal states are governed by a Yang DiPertua Negeri (State Governor) appointed for a period of 5 years by the Yang DiPertuan Agong.

The government is based on parliamentary democracy: It has a bicameral parliament consisting of a Senate (Dewan Negara) comprising of 69 members and a House of Representative (Dewan Rakyat) with 189 members. Elections to the House of Representatives is held once in 5 years on the basis of commercial adult suffrage, each constituency returning one member.

The head of government, the Prime Minister heads the Cabinet of Ministers, which is collectively responsible to Parliament. Each state has a State Legislative Assembly, elections to which are held once every five years. The chief executive of each state is appointed by the State Ruler or Governor from among the elected State Legislative Assembly. Each state has its own state constitution. The legislative authority in each state is with the state Rulers, who act on the advice of the State Executive Council.

Under the Malaysian Constitution, the judicial power of the Federation is vested in the judiciary. To ensure that the courts can without fear or favour do their duty there are provisions in the constitution to ensure their independence, so that they are not subject to control or direction by either Parliament or the Executive.

The **court structure** in Malaysia is as follows:

- Federal Court
- Court of Appeal
- High Court of Malaya
- High Court of Sabah an Sarawak
- Senior Courts
- Magistrates Courts
- Juvenile Courts
- Penghulu's Courts

Of the above, the constitution established the Federal Court, Court of Appeal and High Courts. The other subordinate courts are set up under Federal Law.

The Chief Justice and judges are appointed by the Yang DiPertuan Agong on the advice of the Prime Minister.

Besides the above courts, Malaysia also has Syariah Courts. These are Muslim Courts established by state governments, have jurisdiction only over Muslims and only over such offences committed by Muslims against the precepts of Islam as defined under the Muslim Courts (Criminal Jurisdiction) Act of 1969.

THE MALAYSIAN ECONOMY

The Malaysian economy has been experiencing strong economic growth over the last several years. The real Gross Domestic Product (GDP) growth for the 1991 - 95 period was 8.7% . The GDP growth for 1996 was 8.2% (Refer Table 1.1) which was the second highest among Asean countries, with only Vietnam having a higher growth rate of 9.5%. The high economic growth was achieved through a mixed economy system of free enterprise but with active government support and direction. The government through its Five Year Development Plans provides the broad thrusts and sets direction for the whole economy and ensures the achievements of socio economic goals. The private sector on the other hand is free to operate and given appropriate policy, institutional and infrastructural support.

Manufacturing forms the largest component of Malaysia's economy. It accounted for 81% of total merchandise export earnings in 1996. The electrical, electronic and machinery sector dominates the export market. Its share of the GDP was 34.5% and it contributed nearly 52% to the country's growth. This sector experienced a 12.8% growth rate in 1996 (Refer Table 1.1)

Agriculture plays an important part in the overall economic development of the country through its contribution to the GDP, employment and foreign exchange earnings. It also supports the development in other sectors, particularly the manufacturing sector by providing the resources as well as the market necessary for their expansion. Malaysia is currently the world's primary exporter of natural rubber and palm oil. Output of the agriculture sector in 1996 experienced a slightly higher rate of 1.6% as compared to 1.1% in 1995. Its share to overall GDP in 1996 has decreased to 12.7% as compared to 13.5% in 1995.

Strong demand for services from the real sectors has increased the output of the services sector particularly in telecommunications, railways, airlines and ships. Malaysia's services sector is highly dependent on the growth of other sectors of the economy. As a result, its growth has been in tandem with the average growth of GDP. In 1996 the services sector experienced strong growth of 8.9% and its share to real GDP is about 45%. This sector was the second largest contributor to growth at 48%.

This was attributed to the strong demand for services, driven by higher disposable income and growing affluence as well as the steady inflow of tourists and business travellers.

The construction sector experienced a slower growth in 1996 of 9% as compared to 17.3% in 1995, due to low external demand. Nevertheless, construction of low and medium-cost houses remained robust. This coupled with on-going works in infrastructure projects had generated a moderate growth which stabilised the share of the construction sector to GDP at 4.5%.

The higher output growth has generated more employment opportunities than the expanding labour force could absorb. As a result the labour market remained tight with a low unemployment rate of 2.6%. Improved output and better employment opportunities coupled with increases in prices and wages, have led to an increase in Gross National Product (GNP) by 13.1% to RM235.3 billion in 1996. Per capita income of the population rose by 10.5% from RM10,068 in 1995 to RM11,118 (US\$4476) in 1996.

TABLE 1.1
GDP BY SECTOR

	1995			1996		
	Growth %	Share of GDP %	Contribution to growth %	Growth %	Share of GDP %	Contribution to growth %
Agriculture, forestry and fishing	1.1	13.5	1.8	1.6	12.7	2.6
Mining	9.0	7.5	7.1	3.1	7.1	2.8
(Of which: petroleum)	6.9	6.0	4.5	0.1	5.6	0.1
Manufacturing	14.5	33.1	48.5	12.8	34.5	51.6
Construction	17.3	4.5	7.7	9.0	4.5	4.9
Services	9.4	44.3	44.2	8.9	44.6	48.2
Less: Imputed bank service charges	15.2	7.1	10.8	14.0	7.4	12.0
Plus Import duties	3.3	4.2	1.6	3.6	4.1	1.9
GDP	9.5	100.0	100.0	8.2	100.0	100.0

Source: Economic Report 1996/97

BALANCE OF PAYMENTS

With slower growth in imports as compared to the growth of exports, the merchandise account of the balance of payments has recorded a high surplus of RM4.6 billion in 1996, compared to RM 0.23 billion in 1995 (Table 1.2).

The current account deficit of RM18.7 billion in 1995 which was largely due to increased capital investment by both foreign and domestic investors, has been narrowed down to RM14.7 billion in 1996. This was partly due to the increase of net payments from the Federal Government to lessen the external debts.

However the deficit in the services accounts remained wide primarily due to the high repatriation of profits and dividends as a result of substantial foreign investment in recent years and the increase in net payments for freight and insurance as well as larger payments for contract and professional charges.

TABLE 1.2
CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS
(RM MILLION)

	1995			1996		
	+	-	Net	+	-	Net
Merchandise account (Exports & imports fob)	179,491	179,258	233	187,020	182,377	4,643
Services	35,703	54,744	-19,041	38,817	58,240	-19,423
Freight and insurance	2,552	11,580	-9,028	2,657	11,786	-9,129
Other transportation	4,443	3,697	746	5,257	4,362	895
Travel	9,939	5,796	4,143	11,064	6,288	4,776
Investment Income	6,259	16,821	-10,562	6,367	17,797	-11,430
Government transactions	319	342	-23	340	350	-10
Other services	12,191	16,508	-4,317	13,132	17,657	-4,525
Goods and services account	215,194	234,002	-18,808	225,837	240,617	-14,780
Unrequited transfers	944	826	118	809	800	9
Current Account	216,138	234,828	-18,690	226,646	241,417	-14,771

Source: Economic Report 1996/97

SEVENTH MALAYSIA PLAN (1996 - 2000)

Under the Seventh Malaysia Plan (1996 - 2000) the government has targeted for a GDP growth of 8%. The inflation rate is expected to be maintained at a low level. Unemployment is also expected to be maintained at about 2.8%, while per capita income is targeted to increase to RM14,788 or US5,900. The public sector account as a percentage of GNP is targeted to be reduced further to 0.2%. The main thrust of growth under the Seventh Plan is the services and manufacturing sector. The services sector is targeted to grow at 8.4% and contribute 45% to GDP.

TABLE 1.3
7th MALAYSIA PLAN: MACROECONOMIC TARGET

	Target	1996	1997
GDP growth	8.0%	8.2%	8.0%
Inflation	low	3.5%	3.3%
Per Capita Income (RM)	14,788	11,218	12,254
(US)	5,900	4,4476	4,890
Unemployment	2.8%	2.6%	2.6%
Public Sector Account (% to GNP)	0.2%	0.8%	0.8%
Current Account of Balance of Payments (% to GNP)	0.5%	- 5.5%	-2.7%

Source: Seventh Malaysia Plan

The main impetus of growth in the services sector is expected to come from tourism, financial services (Domestic fund management, insurance and reinsurance, International off Share Financial Centre), Education and Information Technology. The manufacturing sector is expected to grow at 10.7% and contribute 37.5% of GDP. The focus is also on capital and technology intensive growth industries. The agricultural sector is expected to contribute 10.7% to GDP though its growth rate is to be maintained at 2.4% (Table 1.4).

TABLE 1.4
7th MALAYSIA PLAN:
SOURCES OF GROWTH (SUPPLY)

	Target % Growth (7th MP)	% Share to GDP	%Growth 1996	Target % Growth 1997
GDP	8.0	100	8.2	8.0
Manufacturing	10.7	37.5	12.2	11.0
Construction	10.2	4.8	13.0	12.8
Services	8.4	45.4	9.1	8.7
Agriculture	2.4	10.7	2.4	2.2
Mining	2.3	5.9	3.9	1.0

Source: Seventh Malaysian Plan

PRICES

The consumer Prices Index (CPI) remained relatively stable in 1996 despite the continued rapid economic growth for the last eight years. The CPI has increased by 3.6% in 1996 higher than the 3.4% increase in 1995 (Table 1.5).

The highest increase was in the price of food items at 5.7%. Specific measures were taken to deal with the problem of the price increase of food items which was a major contributor to the increase in the overall CPI. Although the supply of many food items has increased, it has not been able to cope with the increasing demand of a growing and more affluent population. Efforts have been undertaken to promote the expansion of food supply by providing the necessary facilities such as easier access to arable land and financing to attract more business into food production.

TABLE 1.5
MALAYSIA: CONSUMER PRICE INDEX
(1994 = 100)

	Annual Change (%)		
	Weights'	1995	1996
Total	100	3.4	3.6
Food	34.9	4.8	5.7
Beverages and tobacco	3.6	2.3	2.4
Clothing and footwear	3.6	0.1	-0.7
Gross rent, fuel and power	21.1	3.5	3.2
Furniture, furnishings and household equipment and operation	5.6	2.4	1.6
Medical care and health expenses	1.9	3.2	3.6
Transport and communication	17.9	1.7	1.7
Recreation, entertainment, education and cultural services	5.8	2.4	3.5
Miscellaneous goods and services	5.6	4.8	2.6
Peninsular Malaysia	100	3.6	3.9
Sabah	100	2.7	2.8
Sarawak	100	2.3	2.2

Source: Department of Statistics

NATIONAL DEBT

The total debt increased by 5.4% in 1996 to RM72,260 million. Public sector debt is the largest component though this has dropped slightly in 1996. The Federal Government maintained its prudent debt strategy of 1995 through restraint on external borrowing to contain the size of the national debt and alleviate the debt servicing burden.

TABLE 1.6
NATIONAL DEBT

	1995			1995		
	RM Million	% Change	% Share	RM Million	% Change	% share
Public sector	40,116	7.4	58.5	39,870	-0.6	55.2
Federal Government	13,331	-10.0	19.4	10,675	-19.9	14.8
NFPEs	26,785	18.9	39.1	29,195	9.0	40.4
Guaranteed	8,867	-1.0	12.9	6,976	21.3	9.7
Non - guaranteed	17,918	31.9	26.1	22,219	24.0	30.7
Private sector	28,451	27.5	41.5	32,390	13.8	44.8
TOTAL	68,569	14.9	100.0	72,260	5.4	100.0

Source: Economic Report 1996/97

The public sector external debt, comprising the external debt of the Federal government and Non Financial Public Enterprises (NFPEs) has declined by 0.6% to RM39,870 million in 1996 (Table 1.6).

However external borrowing by the (NFPEs) has increased by 9% to RM29,195 million in 1996. The increase was mainly to fund infrastructure projects and other investments that are needed to address supply constraints and expand the productive capacity of the economy.

POPULATION

Malaysia has a population of over 21 million (1996) made up of the main racial groups of Malays, Chinese and Indians and a very diverse group of indigenous people of Sabah and Sarawak. The Malays form about 50% of the total population while the Chinese and Indians are about 26% and 7% respectively. (Table 1.7).

TABLE 1.7
POPULATION BY RACE AND SEX

Ethnic Group and Sex	1993 (‘000)	1994 (‘000)	1995 (‘000)	1996 (‘000)
TOTAL	19,563.7	20,111.6	20,689.3	21,169.0
MALAYSIAN CITIZENS	18,538.7	18,952.1	19,376.6	19,780.5
o Bumiputera	11,306.0	11,606.1	11,914.9	12,216.9
- Malay	9,317.9	9,551.9	9,791.5	10,012.1
- Other Bumiputera	1,988.1	2,054.2	2,123.4	2,204.8
o Chinese	5,161.6	5,235.5	5,373.8	1,521.2
o Indian	1,453.7	1,477.6	1,501.6	1,521.2
o Others	617.4	632.9	649.0	668.6
Non-Malaysian Citizens	1,025.0	1,159.5	1,312.7	1,388.5
MALE	9,956.2	10,251.1	10,563.9	10,823.5
Malaysian Citizens	9,344.2	9,553.2	9,769.5	9,973.4
o Bumiputera	5,679.0	5,831.8	5,988.6	6,143.1
- Malay	4,666.1	4,785.6	4,926.3	5,020.9
- Other Bumiputera	1,012.9	1,046.2	1,062.3	1,122.2
o Chinese	2,615.6	2,652.8	2,692.3	2,722.9
o Indian	731.5	742.8	756.7	763.6
o Others	318.1	325.8	331.9	343.8
Non-Malaysian Citizens	612.0	697.9	794.4	850.1
FEMALE	9,607.5	9,860.5	10,125.4	10,345.5
Malaysian Citizens	9,194.5	9,398.9	9,607.1	9,807.1
o Bumiputera	5,627.0	5,774.3	5,926.2	6,073.8
- Malay	4,651.8	4,766.2	4,865.1	4,991.2
- Other Bumiputera	975.2	1,008.1	1,061.1	1,082.6
o Chinese	2,546.0	2,582.7	2,618.5	2,651.0
o Indian	722.2	734.8	745.0	757.5
o Others	299.3	307.1	317.4	324.8
Non-Malaysian Citizens	413.0	461.6	518.3	538.4

Nearly 7% of the population are foreigners. Between the years of 1992 - 1996, Malaysia experienced an average population growth rate of 2.6%. The population growth rate for 1996 was slightly lower at 2.3%. The male to female ratio of the population is nearly equal at 1.05 males to 1 female. (Refer Table 1.9).

TABLE 1.8
SUMMARY OF KEY STATISTICS ON POPULATION

	1992	1993	1994	1995	1996
Density of population (per sq. kilometer).	58	59	61	63	64
Total population (million)	19.0	19.6	20.1	20.7	21.2
Percentage of population under 15 years old	36.8	36.0	35.4	34.9	34.9
Percentage of population age 65 years and over	3.6	3.6	3.7	3.7	3.7
Total fertility rate (Malaysia)	3.4	3.4	3.4	3.3	
Crude rate of natural increase	23.2	23.2	22.1	21.3	21.6
Crude birth rate	27.7	27.7	26.5	25.9	26.1
Crude death rate	4.5	4.5	4.5	4.6	4.4
Annual population growth rate	2.6	2.7	2.8	2.8	2.3
Sex ratio (No. males per 100 females).	103	104	104	104	105

Source: Department of Statistics

For the purpose of this study, the ICA defines youth as those aged between 18 and 35 years. As noted from Table 1.9, Malaysia does not have population statistics classified for the 18 - 35 years age group. The nearest grouping would be the 20 - 34 years age group to reflect the youth population according to the ICA definition. This group constitutes about 25% the Malaysian population or 5,478,100 people.

TABLE 1.9
POPULATION BY AGE GROUP AND SEX 1996.

Age Group	Total ('000)	Male ('000)	Female ('000)
All Ages	21,169.0	10,823.5	10,345.5
0 - 4	2,540.1	1,310.2	1,229.9
5 - 9	2,499.5	1,287.5	1,212.0
10 - 14	2,359.0	1,210.8	1,148.2
15 - 19	2,116.1	1,089.9	1,026.2
20 - 24	1,997.8	1,037.1	960.7
25 - 29	1,803.3	926.5	876.8
30 - 34	1,677.0	855.5	821.5
35 - 39	1,481.7	756.4	725.3
40 - 44	1,220.0	624.8	595.2
45 - 49	957.3	492.5	464.8
50 - 54	708.9	365.0	343.9
55 - 59	581.4	293.1	288.3
60 - 64	449.6	220.1	229.5
65 - 69	323.8	153.3	170.5
70 +	453.5	200.8	252.7

Source: Department of Statistics

Malaysia defines youths as those between 15 - 40 years of age. This age group comprises nearly 43% of the population while 34.9% of the population are under 15 years of age. Thus we find that Malaysia's population is basically made up of young people. Those aged 65 years and above only constitutes 3.7% of the total population.

HEALTH

A comprehensive health service is run under the Ministry of Health. The government spent 5.3% of the total national expenditure on health amounting to RM 1.2 billion in 1996 (Refer Table 1.10). The objective of the Ministry, in line with Malaysia's vision to be a fully industrial country by the year 2020 (Vision 2020) and the National Development Policy in the Seventh Malaysia Plan, is to improve further the health of

Malaysians, reducing disparities in health status among different population groups and areas in the country, and contribute to upgrading the quality of living of the people.

As noted from Table 1.10 - the population per doctor ratio has been improving over the years though still high at 2,153 in 1995. Other facilities like number of hospitals and beds available have also improved in the last 3 years. There is a growing trend in the establishment of private medical institutions to complement the services of government hospitals (Table 1.11). The number private hospitals increased to 197 in 1995 from 184 in 1994. In order to ensure the adequacy in terms of numbers and competency of health personnel, the Manpower Planning and Training Division of the Ministry of Health facilitates the training of professional staff especially in the post graduate programmes and also sponsors medical personnel for short courses and attachment programmes.

TABLE 1.10
KEY DATA ON HEALTH

HEALTH	1992	1993	1994	1995	1996
Life expectancy at birth: Peninsular Malaysia					
Male	69.2	69.4	69.3	69.0	68.8
Female	73.9	74.1	74.1	73.9	73.7
Neonatal mortality rate	7.9	7.5	7.2	6.8	n.a.
Infant mortality rate	12.1	11.3	10.9	10.4	9.8
Toddler mortality rate	0.8	0.8	0.8	0.8	n.a.
Maternal mortality rate	0.2	0.2	0.2	0.2	n.a.
Population per doctor	2,467	2,363	2,277	2,153	n.a.
Government expenditure on health (RMmillion)	2,413.3	2,428.5	2,327.2	2,771.9	1,175.6
Percentage of total government expenditure	5.8	5.7	5.0	5.5	5.3

n.a. : not available

Source: Ministry of Health Malaysia.

TABLE 1.11
HEALTH FACILITIES

	1993	1994	1995
A. Government Health Facilities			
i) Hospitals			
Number of hospitals	101	105	111
Number of beds	26,106	26,534	26,896
ii) Special Medical Institution			
Number of hospitals	7	7	7
Number of beds	7,077	6,712	6,692
Health Clinic	-	-	772
Number of main health centres	189	189	(c)
Number of health sub-centres	403	403	(c)
Number of midwives, homes and clinic	1,282	1,301	1,987
B. Private Medical Institution			
Number of hospitals	180	184	197
Number of beds	5,799	6,492	7,192

Source: Ministry of Health, Malaysia

EDUCATION

Education as a whole comes under the Ministry of Education which manages a comprehensive school system from primary to university level, regulates syllabuses, controls national examinations and in general supervises the development of education in the country. Private schools are also allowed, subject to the Ministry's approval and provided they confirm to national requirements. While a large number of private schools cater exclusively for local examinations and professional courses within the country, there is also an increasing number which provide courses leading to foreign professional qualifications, diplomas and degrees. The most recent development has been the introduction of twinning programmes whereby a local

college enters into an arrangement with a foreign university and provides the first stages of the degree course in this country, while the final part is taken at the partner university concerned overseas.

As noted from Table 1.12 there are nearly 7,000 primary and 1,476 secondary government assisted school in the country. Of the secondary schools the country only has 9 technical and 69 vocational schools.

TABLE 1.12
GOVERNMENT ASSISTED PRIMARY AND
SECONDARY SCHOOLS 1991 - 1995

	Year				
	1991	1992	1993	1994	1995
Primary school	6,859	6,891	6,912	6,954	6,993
Secondary school (total)	1,359	1,395	1,409	1,466	1,476
Academic	1,293	1,320	1,331	1,388	1,398
Technical	9	9	9	9	9
Vocational	57	66	69	69	69

Source: Ministry of Education, Malaysia

As noted from Table 1.13 the enrolment in schools and institutions of higher learning has also been increasing steadily over the last 3 - 4 years. The enrolment in technical schools has increased markedly by 77% in 1996, but enrolment in vocational schools seems to have dropped in 1996. The government is currently placing a lot of emphasis on teacher training and intake of student teachers into teacher training institutions has increased greatly to overcome the shortage of teachers in the country.

TABLE 1.13
ENROLMENT IN SCHOOL & EDUCATIONAL INSTITUTIONS

	Number		
	1994	1995	1996
Primary school	2,762,166	2,827,634	2,843,663
Secondary school:			
Academic	1,520,069	1,603,322	1,694,243
Vocational	41,251	42,484	37,649
Technical	5,653	5,878	10,424
MARA Junior Science College	10,214	11,434	12,008
Total	1,577,187	1,663,118	1,754,324
College/Polytechnic	62,489	67,602	
Teacher Training Institution	38,859	40,619	43,933
University	89,942	97,103	

Source: Ministry of Education, Malaysia.

As noted from Table 1.14 about 16% of the national expenditure is spent for education, which amounted to RM8283 million in 1995. Nearly 96% of the population attend primary school. The teacher student ratio has remained stable over the years at about 1 - 20.

TABLE 1.14
KEY DATA ON EDUCATION

	1992	1993	1994	1995	1996
Percentage of population enrolled in schools (Enrolment rate)	93.6	93.8	95.2	96.4	96.0
(Primary (6 - 11 years old))	51.8	52.6	53.5	55.0	55.9
Number of students per teacher					
Primary	201	20.0	19.9	20.1	19.6
Secondary	17.9	17.8	18.2	18.7	18.9
Government expenditure on education per capita (RM)	446	494	535	543	n.a.
Government expenditure on education (RMmillion)	6,656	7,085	7,821	8,283.8	n.a.
Percentage of total government expenditure	20.6	22.6	23.5	16.3	n.a.

n.a. : not available

source: Ministry of Education, Malaysia.

EMPLOYMENT

The Malaysian labour market is rather tight and expected to remain so as demand for labour is expected to be strong for several years to come. With the unemployment rate at a low 2.6% in 1996, the economy is practically operating at full employment (Table 1.15). Currently Malaysia relies heavily on foreign labour particularly in the construction, plantation and manufacturing sectors. With the expansion of production capacity in the manufacturing sector, industries have to deal with the labour shortage problem as well as to lower unit labour costs.

However, the government discourages the dependence on unskilled and cheap foreign labour but continues to facilitate the recruitment of technically skilled and professionally trained foreign workers, in order to expedite the shift towards a more efficient production technology.

About 8.4 million people are in the labour force of which 8.1 million are employed. The unemployment rate has decreased from 3.7% in 1992 to 2.6% in 1996 (Table 1.15).

TABLE 1.15
KEY EMPLOYMENT STATISTICS

Item	Year				
	1992	1993	1994	1995	1996
Labour force ('000)	7,370.0	7,627.0	7,834.0	8,140.0	8,398.2
Employed ('000)	7,096.0	7,396.2	7,603.1	7,915.4	8,180.0
Unemployment rate (per cent)	3.7	3.0	2.9	2.8	2.6

Source: Department of Statistics

The major employment sector is manufacturing with 2.2 million people employed in this industrial group, followed by the Agriculture, forestry, livestock & fishery sector with 1.38 million employees. The government sector also has a large labour force with 876,600 employees. (Refer Table 1.16).

TABLE 1.16
EMPLOYMENT BY INDUSTRIAL GROUP, 1992 - 1996
NUMBER ('000)

Industrial group	1992	1993	1994	1995	1996
Total	7,096.0	7,396.2	7,603.1	7,915.4	8,180.8
Agriculture, forestry, livestock and fishing	1,585.0	1,576.7	1,477.1	1,428.7	1,375.9
Mining and quarrying	36.0	37.3	38.1	40.7	41.8
Manufacturing	1,639.0	1,742.0	1,892.1	2,051.6	2,209.0
Construction	507.0	544.6	597.6	659.4	705.1
Electricity, gas and water	46.0	60.2	64.1	69.1	72.7
Transport, storage and communication	326.0	344.0	366.3	395.2	420.4
Wholesale and retail trade, hotels and restaurants.	1254.0	1274.4	1292.8	1327.8	1353.7
Finance, insurance, real estate and business services	300.0	331.7	352.3	378.5	394.5
Government services	858.0	863.5	867.5	872.2	876.6
Other services	545.0	621.8	654.9	692.2	731.1

Source: Ministry of Human Resource

CHAPTER 2

COOPERATIVE MOVEMENT IN MALAYSIA

INTRODUCTION

The Cooperative movement was introduced into Malaysia (then Malaya) in 1922 with the introduction of the Cooperative Societies Enactment for the constitution and control of cooperative societies and the establishment of the Cooperative Development Department (CDD) to supervise and regulate the development of cooperatives. Cooperatives were introduced by the colonial government as a means of tackling the widespread indebtedness of farmers and workers including government civil servants. Thus the initial cooperatives were credit cooperatives. Over the next two decades credit cooperatives grew from 17 in 1922 to 458 in 1939. Three distinct types of credit cooperatives were observed i.e., the Rural Credit Cooperative Societies for the rural population, the Thrift and Loan Societies for government servants and the Labourers' Credit Cooperatives mainly among the estate workers. The first cooperative registered in July 1922 was the Posts and Telegraph Thrift and Loan Society.

In 1948, the Cooperative Societies' Ordinance was passed to replace the 1922 Enactment. This Ordinance was amended in 1976 to streamline cooperative activities in Peninsular Malaysia, Sabah and Sarawak. Until the early 1970s the head of the Cooperative Development Department was entrusted with the responsibility for the development of all types of cooperatives and to act as the Registrar of cooperative societies. As at the end of 1972 there were 2475 cooperatives with a membership of 722,934 under the supervision of the CDD.

In 1973 the Farmers' Organisation Authority (FOA) was established, with the responsibility of streamlining and integrating the activities of agro based cooperatives. In 1974 the Fisheries Development Authority (FDA) was established to take charge of all fishery - based cooperatives. With the formation of the FOA and FDA, the CDD was responsible only for non agro and non fishery based cooperatives in Peninsular Malaysia. The CDD however continued to be responsible for all types of cooperatives

in Sabah and Sarawak. The position of cooperatives after the take over by FOA and FDA is shown in Table 2.1

TABLE 2.1
COOPERATIVES UNDER VARIOUS REGULATORY BODIES

	Cooperatives		Members (person)		Capital (RM000,000)		Assets (RM000,000)	
	No	%	No	%	No	%	No	%
FOA	1,502	(58.1)	165,355	(20.7)	10.5	(04.1)	26.9	4.3)
FDA	51	(0.20)	165,355	(1.2)	0.5	(00.2)	6.4	(1.1)
CDD	1,031	(39.9)	724,850	(78.1)	245.0	(95.7)	588.3	(94.6)
Total	2,584	(100)	900,205	(100)	256.1	(100)	621.6	(100)

In 1968 the government introduced cooperatives in schools with the aim of inculcating thrift and fostering unity and self-help among students. The Ministry of Education has directed all secondary schools to form school cooperatives. As at the end of 1995 there were 1154 school cooperatives in the country. The growth of cooperatives in terms of number, membership and capital accumulation is shown in Table 2.2.

The cooperative movement expanded rapidly from the mid 1970s onwards not only in terms of members, membership and capital but also in terms of the type of activities carried out.

While cooperatives started as unifunctional organisations, the 1980s saw the growth of 'multipurpose' cooperatives, i.e. cooperatives involved in more than one type of activity. Today multipurpose cooperatives cover a wide range of areas like credit, consumer, housing, transport, land development and investment.

TABLE 2.2
GROWTH OF COOPERATIVES 1975 - 1995

Year	No. of Cooperatives	Members (person)	Capital (RM000,000)	Assets (RM000,000)
1975	1,016	861,014	339.5	778.3
1978	1,240	1,006,387	473.4	1,430.8
1981	1,497	1,696,762	713.1	2,389.4
1984	1,707	2,521,387	1,008.0	4,584.3
1987	2,088	2,927,000	1,464.0	7,787.0
1990	2,236	2,900,683	1,589.3	6,206.5
1993	3,308	3,232,605	1,896.8	6,876.7
1994	3,472	4,127,804	2,359.1	9,051.4
1995	3,554	4,248,743	3,742.6	10,389.2

While cooperatives today are diversifying into almost all fields of business and often in direct competition with the private sector, the credit and banking cooperatives still form the backbone of the cooperative movement in this country. Credit cooperatives are stable, comprise the largest number of members, and are strongest in terms of assets and capital accumulation. Consumer cooperatives though more than 800 in number, are generally small in size, facing stiff competition from the private sector and struggling to service their membership.

ACTIVITIES, MEMBERSHIP AND RESOURCES OF COOPERATIVES

The Cooperative Development Department has classified the cooperatives according to the main function or activity carried out by the cooperatives. Nine functional areas have been identified for this purpose. The number of cooperatives, according to their main activities, membership, share capital and assets as at the end of 1995 is shown in Table 2.3.

TABLE 2.3
COOPERATIVES IN MALAYSIA
ACCORDING TO MAIN FUNCTION (1995)

Main Function	No. of Coops	Members (Individual)	Members (Coops)	Share (Capital (RM)	Total Assets (RM)
Cooperative Credit/Banking	466	1,478,325	1,451	1,890,958,352	7,255,646,683
Housing	82	62,024	68	65,428,549	294,161,911
Consumer	809	351,293	346	111,888,778	370,585,815
Transport	402	176,851	63	57,129,530	170,574,165
Insurance	1	281,912	152	36,773,000	734,051,419
Plantation	116	107,840	73	153,377,753	544,584,836
Industrial	45	5,152	18	454,028	41,297,263
Construction	112	43,254	9	4,684,145	29,480,507
Other Services	367	554,080	3,481	416,153,386	904,155,123
School Cooperatives	1,154	1,188,012	-	5,750,766	44,699,023
Total	3,554	4,248,743	5,661	2,742,598,287	10,389,226,745

Membership of cooperatives comprises of people from all spheres of life. In Malaysia, there seems to be a relationship between type of membership group and type of activities carried out by the cooperatives .

As can be noticed from Table 2.4 cooperatives whose members are government servants, employees of statutory bodies/corporations and factory workers are mainly credit or consumer cooperatives. Cooperatives set up in land schemes under the various government agencies are involved mainly in transport and consumer activities. School cooperatives and cooperatives in training institutes (Colleges and Universities) mainly operate consumer stores selling books and stationery for the requirements of the students.

TABLE 2.4

MEMBERSHIP GROUP AND TYPE OF ACTIVITIES - 1995

Activity Type of membership	Total No. of Coops.	Credit	Housing	Consumer	Transport	Insurance	Land Dypt. & Plantation	Industrial	Construction	Other Service
A. Government Employees										
1) Civil Servants	203	128	9	42	0	0	6	0	0	18
2) Teachers	71	53	5	9	0	0	1	0	0	3
3) KEMAS Officers	12	7	0	2	0	0	0	0	0	3
B. Govt. Agencies										
1) FELCRA	112	1	0	19	60	0	3	0	13	16
2) FELDA	299	1	0	30	252	0	0	1	1	14
3) KESEDAR	10	0	0	7	2	0	0	0	1	0
4) RISDA	64	0	0	29	10	0	2	0	8	15
5) Youth Land Schemes	14	0	0	9	4	0	0	0	1	0
C) Officers of Statutory Bodies	95	61	1	26	0	0	0	0	1	6
D) Private Sector Employees										
1) Staff of Private of Companies	39	69	0	17	0	0	0	0	0	8
2) Factory Workers	39	14	0	22	2	0	0	0	0	1

TABLE 2.4 - CONTINUED

Activity Type of membership	Total No. of Coops.	Credit	Housing	Consumer	Transport	Insurance	Land Dvpt. & Plantation	Industrial	Construction	Other Service
E) Education & Training Centre										
1) Training Centres	46	0	1	45	0	0	0	0	0	0
2) Schools	1,154	1	0	1,153	0	0	0	0	0	0
F) Federation/Unions										
1) Federation	26	0	2	9	1	0	1	0	1	12
2) Unions	10	1	1	3	0	0	0	0	0	5
G) Public										
1) Insurance	1	0	0	0	0	1	0	0	0	0
2) Bank Employees	4	4	0	0	0	0	0	0	0	0
3) Youth	22	3	0	8	2	0	0	1	1	7
4) Small Traders	34	3	0	13	1	0	0	0	0	17
5) Plantation Workers	34	13	2	15	1	0	1	0	0	2
6) Women	45	19	0	14	1	0	0	0	0	11
7) Social Welfare	23	0	0	1	0	0	0	0	0	22
8) Manufacturers	9	0	0	3	0	0	0	0	0	6
9) District Devpt. Coop.	78	0	1	5	0	0	0	0	63	9
10) Small Industries Coop.	34	0	0	7	0	0	0	27	0	0
11) Land Owners Coop.	7	0	0	0	0	0	2	0	0	5
12) Village Devpt. Coop.	15	0	0	4	0	0	0	0	11	0
13) Fishermen	25	2	1	15	0	0	0	0	0	7
14) Farmers	351	18		246	7		26	1		53
15) Others	623	69	59	210	58	0	74	15	11	127
Total	3,554	467	82	1,963	401	1	166	45	112	367

Table 2.4 also shows that there are 22 cooperatives with 'youth' as members. The majority of these cooperatives are involved in consumer and credit activities. There are also 14 youth based cooperatives in land schemes developed specifically for youths. These cooperatives are involved mainly in the consumer and transportation line. Altogether there were 36 youth based cooperatives in Malaysia as at the end of 1995. This number increased to 40 in 1996.

In total the cooperatives in Malaysia have a membership of 4.2 million individual members and 5661 cooperative members. They have managed to accumulate large amounts of financial resources, totalling RM2.74 billion in share capital and assets worth about RM10.4 billion, as shown in Table 2.5.

Of the various types of cooperatives, the government servants' cooperatives, which are involved mainly in credit activity are the strongest in terms of both number of members and accumulation of share capital and assets. They thus form the backbone of the cooperative movement in this country today.

As can be noted from Table 2.5, the 22 youth cooperatives have a membership of 34,463 people, accumulated share capital of RM13.8 million and assets amounting to RM99.7 million. The 14 youth cooperatives on land schemes have only 2312 members, share capital of RM774,361 and assets worth RM2 million only. They do not seem to be significant in terms of either size or impact on national development. Taking these two categories to represent the youth based cooperatives in the country, we have a membership of 36,775 who have together accumulated capital of RM14.65 million and assets worth more than RM101.6 million.

**TABLE 2.5
MEMBERSHIP GROUP AND FINANCIAL RESOURCES**

Type of Membership	TotalNo. of Coops	Members		Share (Capital (RM)	Total Assets (RM)
		Individual	Coops		
A. Government Servants					
1. Civil Servants	203	476,058	2	957,757,041	2,376,415,960
2. Teachers	71	116,700	1	277,796,577	391,418,529
3. KEMAS	12	17,014	-	7,757,752	10,508,777
B. Government Agencies					
1. FELCRA	112	24,074		20,616,952	52,369,506
2. FELDA	299	106,837		25,557,427	81,816,322
3. KESEDAR	10	2,441		488,930	1,623,345
4. RISDA	64	188,797		15,691,934	64,328,977
5. Youth Land Schemes	14	2,312		774,361	2,001,934
C. Employees of Statutory Bodies	95	87,838	11	166,899,145	277,961,012
D. Private Sector	79	184,502	68	298,037,791	498,438,438
1. Employees of Private Companies	15	10,320		4,985,059	5,665,987
2. Factory Workers	39	25,943		26,996,488	51,427,479
E. Education and Training Centres					
1. Training Centres	46	49,731	1	6,816,250	21,247,907
2. Schools	1,154	1,188,012		5,750,766	44,699,023
F. Federation/Union					
1. Federations	26	6,680	918	11,358,195	81,319,724
2. Unions	10	6,475	1,592	4,430,344	58,030,539
G. PUBLIC					
1. Insurance	1	281,912	152	36,773,000	734,051,419
2. Bank Employees	4	497,385	1,424	118,846,296	3,947,955,947
3. Youths	22	34,463	14	13,880,186	99,684,452
4. Small Traders	34	10,264	10	2,194,698	7,173,226
5. Plantations Workers	34	33,775		10,840,553	23,784,373
6. Women	45	14,925		2,990,699	12,196,787
7. Welfare Group	23	13,089		92,914	1,044,767
8. Manufacturers	9	797		115,293	482,006
9. District Dev. Coop.	78	38,620	9	4,003,896	25,090,018
10. Small Industry Coop.	34	2,526		81,686	882,768
11. Landowners' Coop.	7	1,862		53,713	138,764
12. Village Devpt. Coop.	15	3,187		293,918	29,496,783
13. Fisherman	25	7,273		671,196	9,791,771
14. Farmers	351	35,904	30	3,255,532	22,785,255
15. Others	623	779,087	1,429	716,789,695	1,455,395,540
TOTAL	3,554	4,248,743	5,661	2,742,598,287	10,389,226,745

KEMAS: Community Development Organization
 FELCRA: Federal Land Consolidation & Rehabilitation Authority
 KESEDAR: Kelantan State Development Authority
 RISDA: Rubber Institute Smallholders Development Authority.

LEGISLATIVE REFORMS

In view of the changing environment in which cooperatives operate today and as a measure to improve the management of cooperative resources the government carried out a review of the cooperative legislation which had been in operation since 1948. As a result a new Pan Malaysia Law, the Cooperative Societies Act. 1993, was introduced, to replace the three separate Cooperative Laws for Peninsular Malaysia, Sabah and Sarawak.

The New Cooperative Societies Act 1993, which came into force effective January 1994 is primarily aimed towards the creation of a self reliant and self regulating cooperative movement. The Act provides a framework for greater transparency and accountability in the management of cooperatives through the institution of an Internal Audit Committee and a more comprehensive reporting by the Board of Directors to the Annual General Meeting. The Act also enhanced the regulatory powers of the Cooperative Development Department.

STRUCTURE OF THE COOPERATIVE MOVEMENT

a) Types of Cooperatives

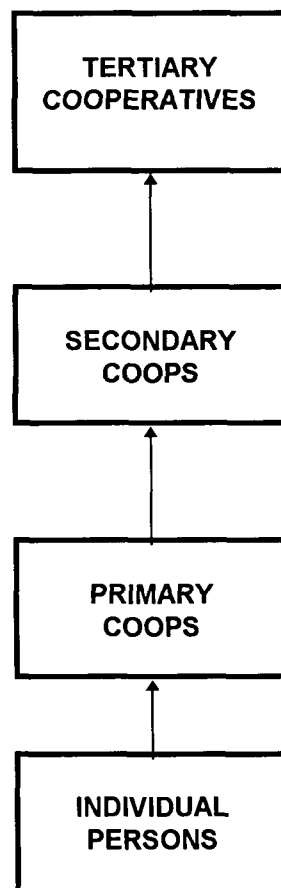
In Malaysia as in most other countries there are 3 different tiers of cooperatives i.e. primary, secondary and tertiary. The Cooperative Societies Act 1993 has clearly defined these 3 different types of cooperatives that can be registered as follows:-

- i) **Primary Cooperatives** - a society whose members are individual persons only and which has as its object the promotion of the economic interests of its members in accordance with the cooperative principles.
- ii) **Secondary Cooperatives** - a society whose membership is comprised of primary societies only and which has as its object the facilitation of the operations of such societies.

- iii) Tertiary Cooperatives - a society whose membership consists of secondary cooperatives only or of secondary and primary societies and which has as its object the facilitation of the operations of its member societies.

FIGURE 2.1

THREE TIER STRUCTURE OF THE COOPERATIVE MOVEMENT



The government of Malaysia has recognised the National Organisation of Cooperatives or ANGKASA, a tertiary cooperative which was established in 1971 as the apex organisation of the Cooperative Movement of Malaysia. As the apex organisation ANGKASA represents the movement at both the National and International levels. The Cooperative Societies Act 1993 clearly spells out the criteria for a society to be declared as a body representing the cooperative movement of the country. Such a society must have as its object the promotion of cooperative principles and the facilitation of the operations of registered societies.

In addition the by-laws of such a society should provide for:

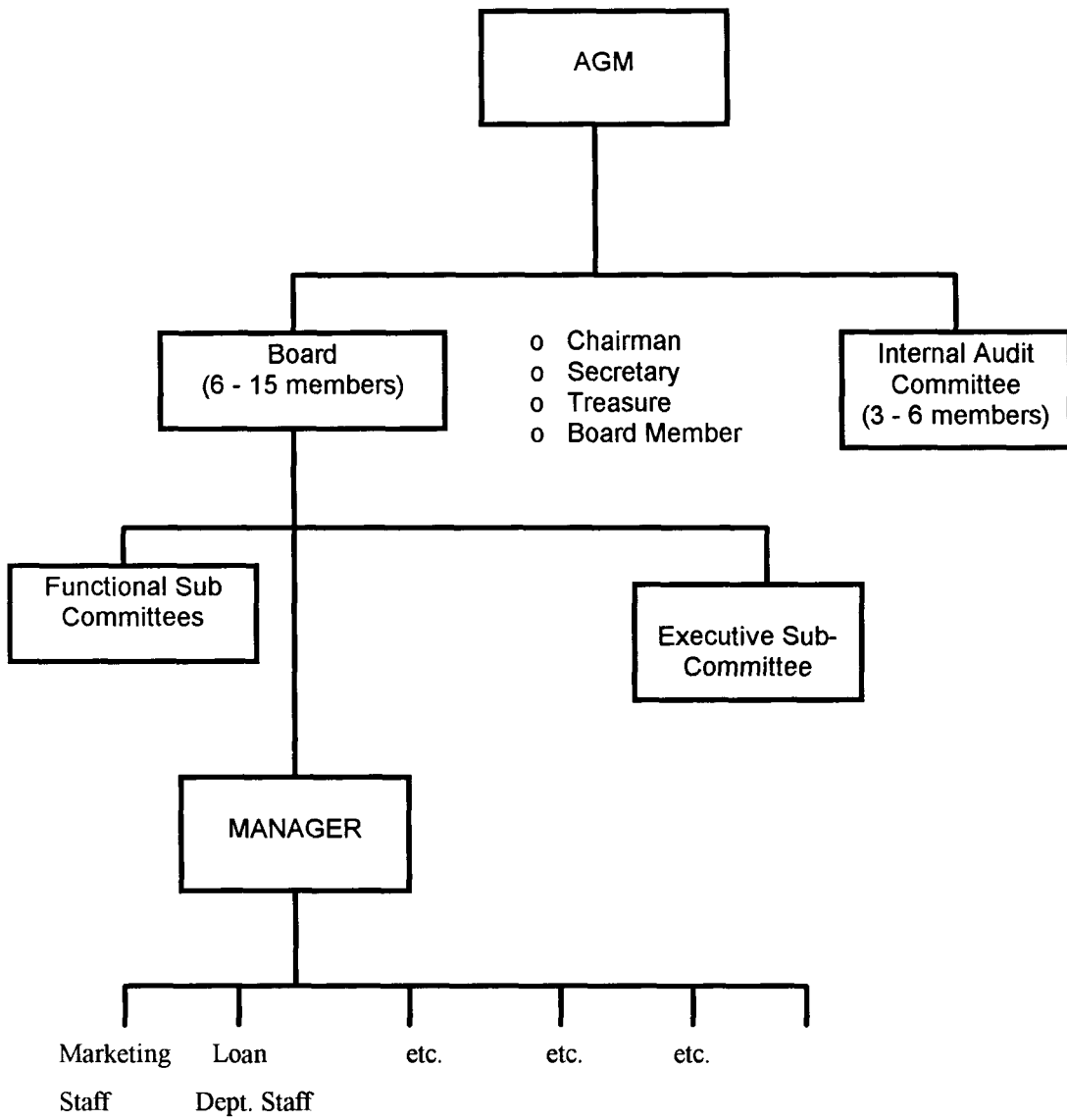
- i) the affiliation of all registered societies without any restrictions or the payment of any fee except entrance fees; and
- ii) the appointment to its Board by the Minister (in charge of cooperatives), of at least one representative from his ministry and of one representative from the Ministry of Finance.

b) COOPERATIVE MANAGEMENT STRUCTURE

The Cooperative Societies Act. 1993 provides for a general pattern of Management of Cooperatives in Malaysia. As with cooperatives in other countries, the ultimate authority of a cooperative society is vested in the Annual General Meeting (AGM) of its members. Each cooperative must have a Board comprising of 6 - 15 members and an Internal Audit Committee comprising of 3 - 6 members, to be appointed by the AGM. The board is responsible for the direction, management and supervision of the cooperative's business, funds and property. In most cooperatives sub "committees" are formed to look after the important functional aspects of the cooperative entity. The Board in turn can appoint a manager and other officers to administer and manage the day to day affairs of the cooperative.

The appointment of the Internal Audit Committee is a new feature in the management of cooperatives in Malaysia. The Audit Committee is responsible for examining all accounting and other records to determine whether the affairs of the society are conducted in accordance with the object of the cooperative, the provisions of its by-laws and resolutions adopted at the AGM. The committee is required to examine the cooperative's books of account at least once every 3 months. The Committee is required to present a report to the Board and Registrar General at least 2 times a year and report to the members at the Annual General Meeting on the management and affairs of the cooperative.

FIGURE 2.2
ORGANISATIONAL STRUCTURE OF COOPERATIVES

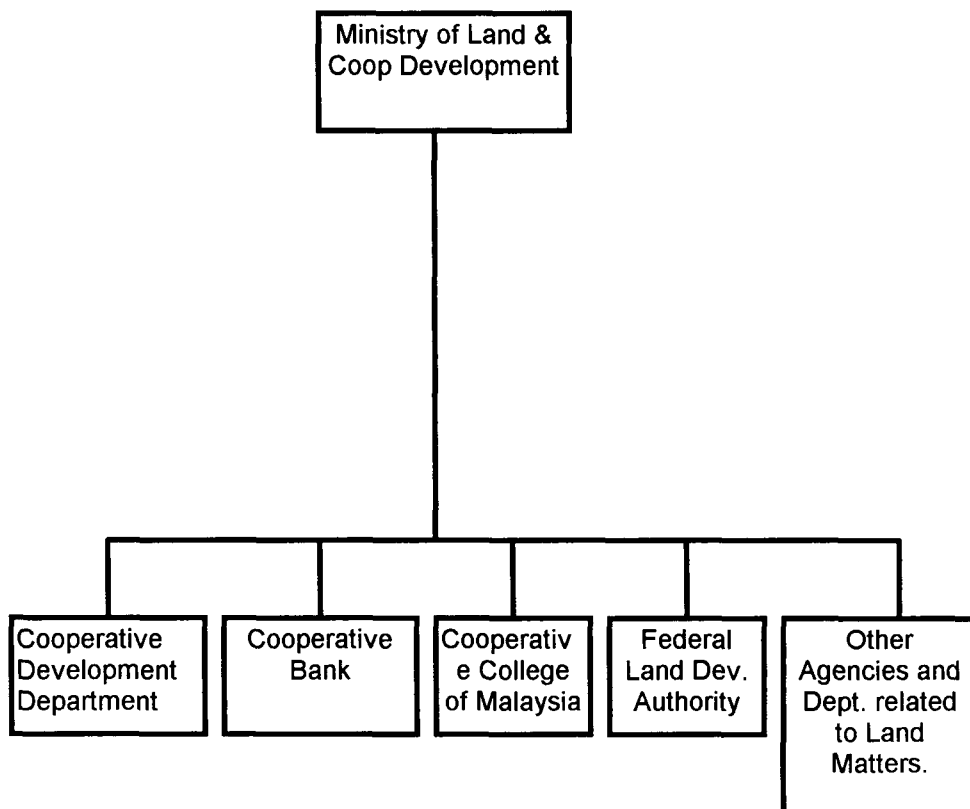


GOVERNMENT SUPERVISION AND ASSISTANCE

The growth and development of the cooperative movement in Malaysia is closely regulated and supervised by the government. Cooperatives are currently under the portfolio of the Ministry of Land and Cooperative Development which in turn monitors the movement through the Cooperative Development Department. Education and training needs of the movement is provided for by the Cooperative College of Malaysia which is also under the Ministry of Land and Cooperative Development.

FIGURE 2.3

MINISTRY AND AGENCIES INVOLVED IN COOPERATIVE DEVELOPMENT



The **Cooperative Development Department** is responsible for the promotion, guidance, organisation, supervision and monitoring of the cooperatives. About 60% of the cooperative accounts are audited by CDD auditors.

The government through the CDD also provides financial assistance in the form of management and general grants to the tune of RM1 million annually to assist newly registered and deserving cooperatives. The CDD also provides 'soft loans' to cooperatives to meet their working capital requirements from the "CDD Revolving Capital Fund".

The **Cooperative College of Malaysia** established in 1956 is the only cooperative training institute in the country. It conducts an average of 100 training programmes on its campus and about 30 - 40 programmes at state level per year. The areas of training cover a wide range - from providing knowledge and skills in the field of cooperative philosophy, principles and business administration and management, accounting and auditing, to computer literacy and usage . About 3,000 cooperators are trained by the College annually.

CHAPTER 3

YOUTH IN MALAYSIA

INTRODUCTION

Youths of today are the citizens of the future upon whom the continuity of development depends. Therefore the development of youth potential is vital in determining the success of Malaysia's socio-economic development.

The status of youth in this country is defined as those between the ages of 15 to 40 years. This is the definition used by the Malaysian Youth Council which is the primary youth body in Malaysia as well as the Ministry of Youth and Sports for the purpose of the National Youth Policy.

Under the Sixth Malaysia Plan (1991 - 1995) the objective of youth development by the government was to nurture youth potential and talents and harness their energies in order to enable them to contribute effectively to national development. This was to be done while inculcating high moral values and ethics among youths in line with the national aspiration of developing a caring society.

Under the Seventh Malaysia Plan (1996 - 2000), the thrust of youth development is to provide youths with the necessary skills to increase their participation and contribution to nation-building, as well as develop their leadership qualities and inculcate positive values among them. The aim is to nurture and develop a generation of youths, who are not only educated, skilled, disciplined and imbued with leadership qualities but also possess high moral values. Youth participation in sports and culture is to be enhanced as they provide the vehicle for solidarity, comradeship and *esprit de corps* among the various ethnic groups as well as promote the country through their participation in youth activities and programmes at the international level.

YOUTH POPULATION AND EMPLOYMENT

In 1995, 8.39 million people were youths between the age of 15 - 39. This increased to 9.07 million in 1996. As seen from Table 3.1 about 42 percent of the population is in the 15 to 39 age group. This means a very large percentage of the population is in the productive age group and this group can have a forceful effect on the nation's development.

TABLE 3.1
PROPORTION OF YOUTH IN POPULATION
(15 - 39 YEARS)

Year	Total Population (million)	Number of Youth in Population (million)	% Youth Population
1980	13.88	4.69	33.79
1985	15.79	6.64	42.05
1990	17.86	7.57	42.39
1995	20.07	8.39	41.80
2000	22.43	9.25	41.24

Source: Department of Statistics

The total number of youths employed in 1995 was about 1.86 million or 23.5% of the total employed compared with 1.81 million in 1990. Youths were mainly employed in the manufacturing sector (37.9%). The percentage of youths who found employment in urban areas increased substantially from 33.6% in 1990 to 56.5% in 1995, indicating a migration of youths to urban areas in search of better job opportunities as shown in Table 3.2.

The pattern of youth employment by occupational category had changed during the Sixth Plan Period, as shown in Table 3.2. The proportion of youths employed in professional and technical occupations increased from 4.8 per cent in 1990 to 6.7 per cent in 1995, indicating the higher educational attainment of these youths. However, the majority of the youths were employed as production workers which amounted to 45.4% in 1995. The proportion of Bumiputera in the professional, technical and related category, and production workers category increased markedly in 1995.

TABLE 3.2

YOUTH EMPLOYMENT BY OCCUPATION AND ETHNIC GROUP, 1990 AND 1995
(%)

Occupation Category	1990					1995				
	Bumiputera	Chinese	Indians	Others	Total	Bumiputera	Chinese	Indians	Others	Total
MALAYSIA										
Professional, Technical & Related Workers	5.3	4.4	4.4	2.1	4.8	7.5	6.8	5.8	2.0	6.7
Administrative & Managerial Workers	0.3	0.5	0.1	0.2	0.3	0.5	1.4	1.1	0.3	0.8
Clerical & Related Workers	8.2	15.4	8.7	3.2	10.3	13.3	19.7	13.0	3.2	14.0
Sales & Related Workers	7.9	17.9	10.6	7.6	11.3	7.4	20.4	7.6	7.3	10.6
Service Workers	12.6	9.4	7.1	13.4	11.2	9.7	8.7	6.1	15.4	9.7
Agriculture Workers	25.2	6.8	16.0	37.7	19.1	15.4	4.1	5.8	28.0	12.8
Production & Related Workers	40.5	45.6	53.1	35.8	43.0	46.2	38.9	60.6	43.8	45.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Urban										
Professional, Technical & Related Workers	24.8	50.0	36.1	21.7	33.6	47.4	79.3	67.1	42.2	56.5
Administrative & Managerial Workers	6.9	5.7	4.9	3.1	6.0	9.3	7.7	6.2	2.1	7.9
Clerical & Related Workers	0.7	0.7	0.2	0.0	0.7	0.8	1.6	1.6	0.6	1.1
Sales & Related Workers	12.8	18.8	13.9	5.0	15.5	20.6	21.5	17.0	4.4	19.5
Service Workers	10.8	18.4	14.9	11.9	14.8	9.5	21.2	9.1	11.9	13.6
Agriculture Workers	19.0	9.9	10.4	27.9	14.2	12.6	9.3	6.6	29.2	11.9
Production & Related Workers	3.0	1.6	0.6	4.8	2.2	1.7	1.1	0.8	3.4	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Rural										
Professional, Technical & Related Workers	75.2	50.0	63.9	78.3	66.4	52.6	20.7	32.9	57.8	43.5
Administrative & Managerial Workers	4.8	3.1	4.2	1.8	4.1	5.9	3.6	5.0	1.9	5.1
Clerical & Related Workers	0.1	0.3	0.0	0.3	0.2	0.2	0.8	0.0	0.0	0.2
Sales & Related Workers	6.7	11.9	5.8	2.7	7.6	6.7	13.2	4.9	2.3	6.8
Service Workers	6.9	17.4	8.2	6.5	9.5	5.6	17.6	4.4	4.0	6.7
Agriculture Workers	10.5	8.9	5.3	9.4	9.6	7.2	6.7	5.0	5.3	6.7
Production & Related Workers	32.5	12.0	24.7	46.7	27.9	27.7	15.4	15.8	46.0	27.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NATIONAL YOUTH POLICY

The Youth population and youth issues are viewed very seriously by the government in Malaysia. To help implement its policy on Youth the government established the Ministry of Youth and Sports in 1964.

A National Youth Policy (NYP) has been formulated by the government to provide guidelines for the planning and implementation of youth programmes in Malaysia. The objective of the National Youth Policy is to develop the Youth for the prosperity of the Nation.

Since the contribution of youth towards nation building is important, the government feels that their development as individuals as well as a group must be well organised and monitored. The youth development process is aimed towards developing individuals who are knowledgeable, religious, have high morals, are healthy and physically fit. They must also be equipped with the right leadership spirit and maturity to enable them to lead as well as involve themselves in national planning at all levels.

It is also the aim of the National Youth Policy to develop the youth as efficient and responsible members of society who strive to contribute towards building a prosperous nation. A prosperous nation can only be achieved through the active involvement of matured and responsible citizens in national development. The aim is to achieve political and economic stability and peace through a balance of physical well being and spiritual values.

The development of youth under the National Youth Policy is based on the following principles:

1. Practising the Principles of 'Rukun Negara'.

The Principles of the Rukun Negara are:

- Belief in God
- Loyalty to King and Country
- Upholding the Constitution
- Rule of law
- Morality and Good Behaviour

Thus, youth programmes are aimed at developing youths to appreciate and practise the principles of Rukun Negara so that the country can produce:

- Youths who have high religious values.
- Youths who are loyal, love their country and are capable of defending their country and the dignity of the nation.
- Youths who will uphold the democratic way of life, who will struggle towards the perpetuation and strengthening of the institution of democracy including the institution of constitutional monarchy.
- Youths who are disciplined and respect the rules of law.
- Youths with cultural values.

2. To instill and promote the spirit of solidarity and volunteerism and the Principles of autonomy.

In view of the fact that Malaysia is a Multi-racial country, all youth programmes, formal and informal stress the need for inculcating the spirit of solidarity and racial integration.

Volunteerism means the readiness of organisations and individuals to give sincere contributions to promote success through integration.

Autonomy means belief in the capability of the youth to act with full responsibility in carrying out programmes so that it will be beneficial to the society and nation.

3. To develop Leadership Qualities.

Youth are the leaders of today, tomorrow and the future. They must, therefore, be provided with the necessary leadership skills so that the country has a cadre of capable matured leaders.

4. To encourage Participation In the National Planning Process

To prepare them as future leaders, the youth must be given the opportunity to involve themselves in the formulation of policies at various levels. This is achieved by involving the Youth in relevant committees that formulate policies which can contribute towards National development.

5. To possess high moral standards and place a priority for personal health and fitness.

Development of a well rounded youth population must be based on the need for balance between moral and physical aspects. A healthy body creates a healthy mind.

6. To Acquire knowledge in all relevant fields.

Knowledge and education are most important for the development of youths which covers not only formal and academic aspects but also vocational training and various types of non-formal education.

NATIONAL YOUTH DEVELOPMENT PROGRAMME.

The Ministry of Youth and Sports formulated the National Youth Development Programme to fulfill:-

- The need for a strong, disciplined and responsible nation
- The need for national economic, social and spiritual development
- The need for national unity and security

In pursuance of the above objectives, various youth programmes have been designed to equip the youth with three major types of skills: **leadership skills, business skills and technical skills.**

It is a requirement that all youth programmes stipulated by the Ministry of Youth and Sports must be capable of providing at least two of these skills. It is believed that if the youth programmes can enable the youths to acquire these skills the youths will be contributors and participants to development and not mere beneficiaries. Basically the strategy is to help the youth help themselves and in the process contribute towards nation building.

Youth Development Programmes conducted by the Ministry of Youth and Sports cover aspects such as leadership training, skill training, entrepreneurial development, healthy lifestyle, sports and culture.

1. Training

- *Formal vocational training at the National Youth Vocational Institute.* Full-time and Part-time technical courses are offered to youth at this institute.
- *On-the-job training.* Youths who do not qualify to follow the formal training at the National Vocational Youth Institute are given the opportunity through attachment programmes with selected employers to acquire technical skills in various fields such as motor mechanic, radio/t.v. mechanic, printing technology, carpentry and tailoring.
- *Entrepreneurship Development:* A number of entrepreneurship courses are organised for youths at the state and district level to promote their participation in business enterprises, encourage self employment and nurture the entrepreneurial potential of youths.
- *Youth Apprentice Scheme.* This is a joint cooperation programme between the government and the private sector where employers provide on-the-job training to the youth apprentices while the government provides incentive and advisory services.
- *Career Seminars.* From time to time career seminars are conducted at all levels to guide youths in choosing the right profession.

The objectives of these training programmes are:

- i) To equip youths with technical skills to the level of semi-skilled, skilled and high technology employees.
- ii) To ensure employment at the sponsoring companies or other industries where skilled labour are required.
- iii) To promote self-reliance.

2. **'Young Friends' (Rakan Muda) Programme** - This is a planned development programme introduced in 1994 to promote the practice of healthy and productive lifestyle. The programme is designed specifically for the younger generation, integrating physical, spiritual, social and intellectual development activities. The ultimate goal of the Rakan Muda programme is to imbue youths with the right attitudes and positive values necessary to meet new challenges and the objectives of Vision 2020, i.e., Malaysia's Vision to achieve an industrial/developed country status by the year 2020.

3. **Leadership Development Programmes**

Leadership qualities are inculcated among youths through 'youth camps' and leadership courses and seminars organised at various levels.

4. **Sports and Cultural Programme.** Various types of activities are organised to develop a healthy youth population and promote integration among youths of various organisations and racial groups. This includes:

Inter - institution games/sports

Inculcating sporting culture (Rakan Sukan)

Fitness development programmes

Malaysia fitness month

Arts and cultural activities through the Rakan Senibudaya programme.

5. **Other Programmes** - designed to give recognition to youths and encourage their development are:

National Youth Day and Youth Week Celebrations
National Youth Award
Prime Minister 's Quality Award
International Youth Exchange Programmes

The Ministry not only organises training programmes and activities for the youth, but also provides support in terms of financial aid and physical facilities. The Youth Economic Fund was set up by the Ministry to channel business loans to youth entrepreneurs. Between 1991 - 1995 soft loans totalling RM 16.7 million were disbursed to 1600 youths from this fund. Financial assistance is also available for:

- i) the administrative costs of forming a new youth society,
- ii) sports activities organised with NGO's and
- iii) organising special youth activities approved by the Ministry.

In terms of physical facilities, the Ministry has built Youth and Sports complexes at state level, community sports centres at district level and at national level, the National Youth Vocational Institute and the National Youth Complex.

ALLOCATION FOR YOUTH DEVELOPMENT

The development allocation for youth development under the Seventh Plan has been increased by nearly 160% to RM 2.7 billion as compared to only RM 1.0 billion under the Sixth Plan. As noted from table 3.3, of the RM 2.7 billion, RM 1.3 billion is to be utilised to expand the capacity for skill training which will enable more Youths to acquire higher level skills and move into better paying jobs.

TABLE 3.3

DEVELOPMENT ALLOCATION FOR YOUTH PROGRAMMES, 1991 - 2000
(RM million)

Programme	6MP		7MP
	Allocation	Expenditure	Allocation
Skill Training	387.4	370.0	1,303.3
Commercial Training	14.0	14.0	66.3
Entrepreneurial Development	206.5	190.8	368.8
Sports	280.2	280.2	507.8
Culture	116.3	64.0	204.7
Rakan Muda	21.7	3.2	160.00
Rehabilitation	19.7	7.0	130.7
Total	1,045.8	929.2	2,741.6

Source: *Seventh Malaysia Plan*

INSTITUTIONS DEALING WITH YOUTH ISSUES

The successful implementation of development programmes requires an integrated approach utilising various agencies and social systems. In line with this the Ministry of Youth and Sports works closely with all youth organisations through the Malaysian Youth Council in implementing the National Youth Policy. Many of the programmes under the National Youth Development Programme are implemented through the activities organised by youth bodies, government agencies and private sector organisations. Thus the Ministry works in close collaboration with these bodies and monitors their activities to ensure they are in line with the National Youth Policy.

The 3 main groups of organisations that the Ministry works closely with to implement its programmes are:

1. **Youth Bodies** - this incorporates the following:

- i) Youth clubs, youth organisations and youth councils which are registered with the Registrar of societies.
- ii) Voluntary organisations such as welfare organisations, sports bodies, cultural associations, career guidance units, religious groups etc. where their main target groups are the youths.
- iii) Political parties, employees' unions, service clubs etc, which have youth wings.

Cooperatives can be classified into the category of 'youth bodies' and could be used to implement some of the programmes of the National Youth Policy and promote the development of youth both socially and economically.

2. **Government Agencies**

All established government agencies which have programmes geared towards youth and youth groups. This includes the Ministry of Education, Ministry of Social Welfare, Ministry of Rural Development, Home Affairs and Ministry of Human Resources among others.

3. **Private Agencies**

The private agencies meant here cover the industrial, training, agricultural and manpower sectors.

Initiatives have also been taken by various youth and student groups to establish an organisational structure for youth bodies which would promote the interest of young people and provide channels for better understanding and cooperation, promoting youth and their welfare, as well as youth development. The structure and networking of the youth movement in Malaysia is as follows:-

- o Youth Clubs at college and school level
- o Youth Organisations at District, State and National Level
- o Youth Councils

The coordination of Youth Organisations is done through the youth councils that have been established at various levels.

- (a) Malaysian Youth Council at the National level. Membership to this body is open to national youth organisations and State Youth Councils.
- b) State Youth Councils - established in each of the 13 States. Membership is open to State Youth Organisations and District Youth Councils.
- c) District Youth Councils. Membership of District Youth Council is open to all youth clubs/associations in the districts.

At present the Malaysian Youth Council has 34 member organisations which comprise of 22 national youth organisations and 12 State Youth Councils as in Table 3.4.

TABLE 3.4
MEMBERSHIP OF MALAYSIAN YOUTH COUNCIL

	Organisation	Membership
	National Youth Organisations	
1.	Malaysian 4B Youth Movement	298,880
2.	Malaysian Felda Youth Council	58,637
3.	Malaysian United Youth Movement	222,111
4.	Malaysian Young Men Movement	106,461
5.	Malaysian Bell Club Council	123,050
6.	Sabah National Youth Association	80,000
7.	Malaysian Youth Hostel Society	1,243
8.	Sarawak United National Youth Association	111,818
	<u>Religious Youth Organisations</u>	
9.	Malaysian Muslim Youth Organisation	42,175
10.	Malaysian Hindu Youth Council	105,280
11.	Young Christian Workers	6,324
12.	Malaysia Buddhist Youth Association	96,596
13.	Malaysian Methodist Youth Association	7,425
14.	Young Men Christian Association	5,771
	<u>Uniformed Youth Organisations</u>	
15.	Malaysian Scout Federation	195,703
16.	Malaysian Girl Guide Association	85,104
17.	Malaysian St. John Ambulance	43,399
18.	Malaysian Boys Brigade	3,306
19.	Malaysian Girls Brigade	2,004
	<u>Student Youth Organisations</u>	
20.	Malaysian Muslim Student Federation	125,000
21.	Malaysian National Muslim Student Association	14,634
22.	Malaysian Muslim Girls Movement	102,494
	<u>State Level Youth Councils</u>	
23.	Perlis Youth Council	Not available
24.	Kedah Youth Council	Not available
25.	Penang Youth Council	Not available
26.	Perak Youth Council	Not available
27.	Selangor Youth Council	Not available
28.	Negeri Sembilan Youth Council	Not available
29.	Melaka Youth Council	Not available
30.	Johor Youth Council	Not available
31.	Pahang Youth Council	Not available
32.	Terengganu Youth Council	Not available
33.	Kelantan Youth Council	Not available
34.	Federal Territory Youth Council	Not available

YOUTH IN POLITICS

Youths play an important role in the field of politics and have an influential role in the political development of the country. Almost all political parties in the country have an active and influential 'youth wing' or at least a 'youth section'. This group of members have a powerful influence on party policies and decisions. It is seen that the leaders of the youth wings and sections generally become top party and political leaders of the country.

It was found that there is no uniform definition of youths among the different political parties. The largest political party and the main component party of the ruling Barisan Nasional party, the United Malays National Organisation (UMNO) with about 2.6 million members defines youth up to age 40. This party has about 780,000 members in its youth wing.

The Malaysian Chinese Association, another component party of the Barisan Nasional, with 700,000 members defines 'youth' up to the age of 45. This party has about 230,000 members in its youth wing .

The Malaysian Indian Congress, also a component party of the Barisan Nasional has 470,000 members. It has a youth section with about 150,000 members and defines youth members up to 40 years of age.

A random survey of these 3 parties showed that the youth wing comprised about 30% of the party membership. This shows that one third of the members of political parties are young, being below 40/45 years of age and that youths are an important force in the political arena. These youths are expected to take over the leadership of the country. Thus the value systems and leadership skills of the country's youth politicians will have a strong influence on Malaysia's growth and development.

Malaysia is managed by a Cabinet of relatively Young Ministers. A study carried out by the researchers, into the age at which the present Cabinet Ministers entered into active politics shows that the majority of ministers became political leaders at a young

age, ranging from 21 - 40 years. An analysis was done on the age at which these Ministers held their first party leadership post and on the age at which they first contested for a parliamentary or state seat. A total of 29 Cabinet Ministers were studied for this purpose.

As can be noted from Table 3.5 nearly 90% of the Cabinet Ministers were elected for party position while in their youth i.e., while below 40 years of age. Of these, 41% held party leadership posts while in their 20s and 48% when aged between 31 - 40 years. Only 10% were relatively late entrants into active politics.

**TABLE 3.5
AGE PROFILE OF POLITICAL LEADERS**

Age (Years)	Party Leadership Post		First Election Contested	
	No.	%	No.	%
21 - 30	12	41.4	2	6.9
31 - 40	14	48.3	19	65.6
41 - 50	2	6.9	7	24.1
Above 50	1	3.4	1	3.4
Total	29	100	29	100

In terms of entry into contests for Parliamentary or State constituency elections, the politicians and Ministers were found to be predominantly young leaders. Nearly 73% of the Cabinet Ministers contested for their first elections while in their youth. Of these 7% contested in elections while aged between 21 - 30 while another 66% were aged between 31 - 40 years at their first election. This reflects that at the helm of Malaysia's leadership is a group of young, dynamic leaders who have been responsible for the country's success. Malaysia's robust economic growth over the last few years and its strive to gain the industrialised country status in the near future is largely due to its able, farsighted and matured leaders who began their contributions towards national development while still in their youth. The desire of the country's youth leaders to come forward and play a major role in decision making and the leadership of the country with new management ideas has been a prime factor for Malaysia's success today.

YOUTH AND SOCIAL ISSUES

Malaysia has been experiencing strong economic growth of more than 8% over the past few years. While Malaysians have been enjoying the country's success and achievements, the nation has also been facing increasing social problems particularly among the young, the youth and the family institution as a whole. These social problems include loafing, punk activities, drug addiction and use of dangerous drugs like Ecstasy pills, rape, child abuse, child abandonment, involvement of young and underaged girls in vice activities and juvenile crimes. The increasing trend in social ills has been causing a lot of concern among the populace and government.

The incidence of child abuse for example increased from 511 cases in 1990 to 1,117 cases in 1995. The average number of child abuse cases reported per year for the 1992 - 95 period via the toll free TELEDRA line (Center for Child Abuse) was 972 cases. A major contributory factor to increasing incidences of child abuse is the inability of 'younger' parents to cope with the stress of life particularly in urban areas.

There has also been an increase in the number of abandoned babies from 36 cases in 1989 to 55 in 1993 and 60 in 1995. This resulted from unwanted pregnancies among young unwed girls leading a promiscuous lifestyle.

For the five year period between 1990 - 95, the incidence of rape increased by 66.4 per cent from 604 cases in 1990 to 1,005 cases in 1995 with 56.7 per cent of the rape victims involving children below the age of 16.

The number of juveniles involved in criminal activities has also risen in recent years and in 1995 alone 4012 cases were referred to the Department of Social Welfare for the preparation of probation reports. In comparison 3876 cases were referred in 1990 and 2480 cases in 1970. The juveniles cases in 1995 comprised offences against property (2659 cases or 66.3%); offences against people (8.4%); gambling (3.6%), traffic offences (3.9%) and other convictions (17.8%).

Another worrying social ill is the involvement of underaged girls in vice activities. The number of women and girls below the age of 21 years involved in vice and rescued by the Social Welfare Department has shown an increasing trend. In 1995 for example 850 underaged girls were rescued as compared to 514 rescued in 1990. In Malaysia women and girls under 21 years exposed to moral danger and involved in prostitution are protected under the Women and Girls' Protection Act of 1973.

Drug addiction is another social ill causing great concern for the government. The Anti Narcotics Committee under the National Security Council was set up in 1983 to monitor and control all aspects of anti-narcotics activities. From 1988 to 1995, a total of 194, 747 drug addicts were detected which include both new and relapsed addicts. In 1995, 13140 new drug addicts were detected which reflects a rate of 1,095 addicts per month.

The Government spends a lot of money to rehabilitate the drug addicts. The Drug Rehabilitation and Treatment division of the Ministry of Home Affairs assumes the rehabilitation responsibility. The number of rehabilitation centres set up by the government has increased from 17 (capacity 5950) in 1991 to 61 in 1995 with a capacity for 13,200 inmates.

The figures given above reflect only reported cases. Given that there are many unreported cases, the situation could be worse and this can impair the moral fabric of future generations if measures are not devised to address them.

In a recent interview the Minister of National Unity and Social Development pointed out that a Media survey by the National Population and Family Planning Board in 1995 and a qualitative survey on Reproductive Health and Sexuality of Adolescents in 1996 showed an increasing involvement of youths in unhealthy activities such as promiscuous sexual behaviour which may result in unwanted pregnancies and the birth of illegitimate children. Another problem is the rising number of youths who run away from home.

The government is committed to tackling the rising scourge of social ills. This is exemplified by its continuous campaign in instilling and promoting moral values and propagating noble virtues among its people. The government's seriousness is reflected in the choice of the theme for the 1997 National Day Celebrations; i.e. "MORAL VALUES TOWARDS A SUCCESSFUL SOCIETY".

The government has also set up a Cabinet Committee on Social Ills to check the rising trend in social ills besetting Malaysia. Recently however another committee was established to undertake a comprehensive review of all laws relating to social issues, with the aim of making current legislation more stringent to check social ills .

In trying to combat the social ills the Ministry of National Unity and Social Development carries out programmes in close collaboration with other government agencies, NGOs and private organisations. The Ministry works on the principles of 'welfare being the responsibility of all'. Thus community based programmes and other social development programmes are given emphasis.

The government also works closely with youth bodies such as the Malaysian Islamic Youth Organisation, the Malaysian Youth Council and its affiliates. Among the programmes carried out by the Malaysian Islamic Youth Organisation are the provision of counselling to factory workers in various towns and cities to handle social problems. It also organises recreational activities like camping for these working youths.

The Malaysian Youth Council (MYC) tries to help the youths through its involvement in the Rakan Muda programme. It is also involved in a programme which is aimed at increasing the awarenesses of AIDS among youth.

Another Programme introduced by the MYC is Youth at the Grassroots (Belia Turun Ke Bawah). Under this programme youth are brought to the grass root level to see the social problems affecting youths and to enable them to have a first hand experience in tackling the problem.

Malaysia is faced with the challenge of balancing economic development and degradation in moral values among its youths. Thus we notice that National Youth development Programmes and the National Youth Policy aims at developing moral values and virtues among the youth as they are the country's future standard bearers and its leaders.

CHAPTER 4

YOUTH IN THE COOPERATIVE MOVEMENT

INTRODUCTION

As mentioned earlier, under the National Youth Policy, Malaysia defines youths as those between the ages of 15 and 40. However under the Cooperative Act, a person has to be 18 years of age to enable him/her to join a cooperative (except for school cooperatives where the minimum age for membership is 12 years). As such for the purpose of this study youth in cooperatives would cover those between the ages of 18 - 40.

Malaysia does not have a specific policy for youth in the cooperative sector. However, cooperatives can be defined as one of the 'Youth Bodies' through which the programmes and activities of the National Youth Policy and youth related activities can be implemented. Cooperatives therefore should and are expected to play an active and important role in achieving the objectives of the National Youth Policy.

The majority of cooperatives are formed among staff at work places be it the public or private sector. Most people join cooperatives when they start working, which on the average is between the ages of 18 - 20 years. At the end of 1995 there were 2400 cooperatives (excluding school cooperatives) with more than 3 million members. This forms 26% of the national population above the age of 20. With one fourth of the population involved in cooperatives, these organisations can and do play a significant role in the life of the Malaysian youth population. Some important benefits cooperatives provide are credit facilities, housing, consumer products and social activities.

Although data on the exact age profile of cooperative members is not available, a large number of members were observed to be between the ages of 20 - 40, i.e., what could be defined as youth. Some of the credit and multipurpose cooperatives have also set up a 'Youth Wing' which plans and organises activities for its youth membership. Among some of the programmes carried out are leadership seminars, vocational and technical courses to equip members with skills for income generating activities, entrepreneurship programmes etc. Thus cooperatives do contribute significantly in the development of the youth in Malaysia.

Although it cannot be denied that cooperatives in general have a large 'youth' membership, this research is confined to a detailed study of cooperatives classified as youth cooperatives by the Cooperative Development Department. These are cooperatives initiated for or by youths for the welfare of its youth members.

As at the end of 1996 there were only 40 'youth' cooperatives in the country. This amounts to only about 1% of the total number of cooperatives in the country. The total membership of these cooperatives is only 38,347 individuals. This means only 0.55% of the country's population between the ages of 20 - 39 are members of youth cooperatives. With such a low proportion of the youth population involved in cooperatives established for them, these cooperatives could not have had much impact on Youths in Malaysia. Furthermore most of these cooperatives undertake economic activities which does not involve the active participation of its members. It is noticed that since these cooperatives were registered in the 1970s no special programmes or promotional initiative has been undertaken either by the Department of Cooperative Development or the Apex organization of cooperatives to encourage or support these cooperatives to become a powerful and influential youth organization.

The CDD and Angkasa do not have any policy or guidelines for the development of youth Cooperatives. The organisation structure of CDD has no special division or unit for youth cooperatives or development of youth in cooperatives. ANGKASA has a number of functional sub committees (eg. housing, credit, agriculture etc) according to cooperative activities and even a women sub committee but it has no sub committee for

youth. This situation is indicative of the lack of importance or priority placed on youth in cooperative development.

As most of these cooperatives have a small membership it is doubtful if these cooperatives are used as an effective instrument to mould the social and economic lives of Malaysian youths.

YOUTH COOPERATIVES

The Youth Cooperatives in Malaysia can be divided into two categories:

- i) Land scheme youth cooperatives which were initiated by the government in the 1970s to encourage youths to work on and develop land provided by the government, for their livelihood.
- ii) Non land scheme youth cooperatives. These were initiated either by other youth bodies or a group of youths in a particular location. These youth cooperatives were formed in practically all the states in Malaysia. The state level youth cooperatives in turn formed the National Level Youth Cooperative, which today has the largest number of members totalling more than 22,000 individuals.

Of the 40 youth cooperatives as at the end of 1996, four were registered in 1996 and hence have not really begun active operation. Two youth cooperatives are currently in the process of deregistration. In most cases however data was available only for 38 cooperatives.

Formation and Activities

Most of the youth cooperatives were registered in the seventies and eighties. Youth Land Scheme Cooperatives were registered entirely in the 70s and early 80s. Growth of youth cooperatives in the 1990s seems to be rather slow - with only about 17% of the cooperatives formed in the 90s as shown in Table 4.1

TABLE 4.1
FORMATION OF YOUTH COOPERATIVES

Year of Registration	Land Scheme Youth Coops	General - Non Land Scheme Youth Coops	Total
1970s	5	12	17
1980s	8	8	16
1990 - 1995	-	3	3
1996	-	4	4
TOTAL	13	27	40

In terms of activities more than half of the youth cooperatives, i.e., 22 of the 40 Cooperatives or 55.% are involved in consumer activities. A breakdown of activities undertaken by youth cooperatives is as shown in Table 4.2

TABLE 4.2
ACTIVITIES OF YOUTH COOPERATIVES

Activities	No. of cooperatives
Consumer	22
Transport	6
Construction	2
Plantation	2
Services	6
Not in operation	2
Total	40

Share Capital And Assets

In terms of size it is found that youth cooperatives are generally small scale operations. About 76% or 29 of the youth cooperatives have paidup capital of below RM50,000. With such small equity capital these cooperatives are unable to venture into capital intensive activities. They are therefore confined to the operation of small retail outlets and the provision of transportation services, particularly in the land schemes.

The total capital of youth cooperatives amounts to only RM15.5 million, whereas the total capital of the cooperative movement is RM2.7 billion. Only two youth cooperatives have capital exceeding RM1 million. These two cooperatives are:

- i) The National Youth Cooperative (KOBENA) with a paid up capital of RM7.8 million and;
- ii) The Muslim Youth Cooperative (KBI) with a paid up capital of RM6.3 million.

Together these two cooperatives contribute 90% of the accumulated share capital of the youth cooperative movement. Except for these two giant youth cooperatives which have a variety of activities and a large membership, the youth cooperatives seem to be a too small in membership size and operations, to have any effect on the national development or to provide any tangible benefits to their members.

TABLE 4.3
TOTAL SHARE CAPITAL COMPOSITION - 1996

Share Capital (RM)	No. of Coops.
0	4
1 - 10,000	7
10,000 - 50,000	18
50,001 - 100,000	3
100,001 - 1,000,000	4
> 1,000,000	2
TOTAL	38

The total assets of the youth cooperatives is also relatively small amounting to RM114 million. This amounts to only about 1% of the total assets of the cooperative movement totaling almost RM10.4 billion. As can be noted from Table 4.4, 13 cooperatives or 34% have assets below RM25,000. Another 13 cooperatives (34%) have assets between RM50,000 and RM200,000. A total of 32 cooperatives or 84% of youth cooperatives have total assets below RM500,000. Only 3 cooperatives have more than RM1 million in assets.

TABLE 4.4
TOTAL ASSETS - 1996

Assets (RM)	No. of Coops
0 - 25,000	13
25,000 - 50,000	2
50,001 - 100,000	5
100,001 - 200,000	8
200,001 - 500,000	4
500,001 - 1,000,000	0
1,000,000 - 5,000,000	2
500,001 - 10,000,000	1
> 10,000,000	3
Total	38

With the majority of cooperatives having assets of less than half a million, the cooperatives are obviously small scale operations. With such small investment these cooperatives will certainly not be able to expand or compete efficiently in the market place. This in turn will affect its performance, and members' confidence in the cooperative will be eroded. Unless these cooperatives increase their investment in assets it will not be able to contribute much to their members and national development.

Membership

Based on the data available for 38 cooperatives, it is found that youth cooperatives are small not only in terms of capital formation but also membership size. The total membership of these cooperatives was only 38,347 individuals. As can be noted from Table 4.5 below nearly 82% or 31 cooperatives had a membership of less than 5,000 people. Only 2 cooperatives or 5% of the youth cooperatives had a membership of more than 5000 people in 1996. Of these two cooperatives, one had a membership

of 6,256 and the other had 23,584 members comprising 70% of the total youth membership.

TABLE 4.5
MEMBERSHIP SIZE 1996

Assets (RM)	No. of Coops
0	2
1 - 99	3
100 - 500	26
501 - 1,000	4
1001 - 5,000	1
> 5,000	2
Total	38

With such a small membership, it is doubtful if these cooperatives can be a useful tool for any economic or social impact on the life of the youth population in the country. In fact it was found that many of the members of these cooperatives are not even 'youth' any longer as per the definition of 'Youth' under the National Youth Policy. This is because there is no provision in the Cooperative Act or the By laws of these cooperatives to restrict the membership age of the cooperatives to those below the age of 40. While these cooperatives were formed for youths and members joining the cooperatives were initially 'youth', the law does not prevent them from continuing to be members even after the age limit for youth. Thus once a person has joined a cooperative he/she continues to be a member until death. Considering the fact that most of the youth cooperatives were formed in the seventies and eighties, it should not be surprising that a substantial proportion of the members of these cooperatives are now aged above 40. Furthermore the cooperatives are managed by a Board largely aged above 40. It is difficult to envisage a Board comprising the 'elderly', planning activities that would meet the needs and aspirations of its youth membership. The original objectives of forming these cooperatives seems to have been forgotten over the years and it is questionable whether these cooperatives are making any worthwhile contribution in terms of the social and economic well-being of its members.

Of the 38,347 members of youth cooperatives nearly 88% or 33,682 are males. Only 19 of the cooperatives (50%) have female members, totaling a mere 4,665 or 12% of the total youth membership. There is only one cooperative, a Land Scheme Youth Cooperative with a 100% female membership of 83 people. This 'unbalanced' composition of the membership of youth cooperatives does not project a very healthy picture of the involvement of female youths in the cooperatives.

Nearly 49% or 10,345,500 of the total national population of 21,169,000 people are females. Yet only 12% of youth cooperative's members are females. Obviously the cooperative is not used as a channel to meet the needs and aspirations of the female youths in this country. Either the female youths are not encouraged to join cooperatives or they do not perceive cooperatives to be a good instrument to provide meaningful social and economic benefits for them.

Well planned and with the right governmental support, cooperatives could be a good means to overcome many of the social ills currently facing the female youths in this country. Cooperatives can be an effective avenue not only for providing useful skills to its female members but also the means for gainful employment thereby contributing towards the economic independence and self reliance of female youths.

The lack of any definite government policy with regard to the development of youth cooperatives and the lack of any kind of monitoring mechanism to ensure the cooperatives develop in the right direction, has resulted in the unimpressive growth and development of youth cooperatives in Malaysia. The situation implies that the authorities and the people at large do not consider the cooperatives as a forceful tool to achieve national development or the objectives of the National Youth Policy.

Profitability

In terms of profitability, the performance of youth cooperatives is rather disappointing. For the financial year 1996, 11 of the 38 cooperatives or 29% incurred losses, while another 6 cooperatives had zero profits as they were either dormant or just registered. Only 21 cooperatives or 55% of the youth cooperatives made profits in 1996. In most cases however the profits were very low with 8 of the 21 profitable cooperatives, or 38% earning less than RM 5,000 per year. This is less than the 1996 per capita income of Malaysia of RM 11,118. Cooperatives with capital accumulated from hundreds of members and involved in economic activities are expected to perform much better than the average Malaysian.

TABLE 4.6
PROFITS IN 1996

Level of Profits (RM)	No. of Coops.
Losses	11
0 Profits	6
Less than 5,000	8
5,000 - 20,000	5
20,000 - 50,000	4
50,000 - 100,000	1
100,000 - 1,000,000	1
> 1 million	2
Total	38

Only 5 cooperatives earned between RM 5,000 - RM 20,000 while only 2 cooperatives or 5% made profits exceeding RM 1 million in 1996. With the dismal performance of the youth cooperatives it is questionable if these cooperatives are in a position to provide economic and social benefits for its youth members. Unless a cooperative is profitable and economically sound, it will not be able to undertake any kind of youth programmes or social activities to benefit its members. Neither can it help in the economic well being of its members which was one of the objectives for the formation of some of these cooperatives.

It should not be surprising therefore if members get disheartened and lose confidence in the cooperative form of organisation. This probably explains the 'inactive' or 'dormant' status of the cooperatives which were formed mostly in the 1970s. Four (4)

of the 6 zero profit cooperatives fall into this category. It is not clear however whether the economic performance of these cooperatives has contributed to the small capital accumulation/assets and membership or if the small size of its capital investments has curtailed activities and the size of business, thereby resulting in unprofitable operations. It is a classic case of the 'chicken and egg' story. But an unprofitable organisation will certainly contribute towards greater membership apathy in the cooperatives.

Management and Staff

Most of the youth cooperatives were found to be managed by the Board of Directors, who are honorary officials. Based on data for 1996, only four (4) of the 38 cooperatives had managerial level staff. Of these one cooperative had 7 managerial level employees, 2 cooperatives had 6 each and one had only 1 manager. The total number of managerial level employees in the Youth Cooperative Movement totalled only 20 people.

It was found that 12 cooperatives employed staff at the supervisory/clerical level. Only one cooperative had 165 employees of this category, two cooperatives employed between 15 - 25 supervisory/clerical staff, whereas the others only had 1 - 2 workers at this level. Eleven cooperatives employed general workers totaling 254 people.

As noted from Table 4.7, about 53% or 20 of the 38 cooperatives had no employees at all at any of the levels discussed above. The business operations of these cooperatives must have been managed and administered by the Board. As most of the Board Members are also full time employees in other organisations, they could only be attending to cooperative business matters on a part time basis. It would be difficult to run a successful business of any scale without full time employees to attend to the daily operations and administrative matters. It is also indicative of the lack of professional management in cooperative businesses. This could be another contributory factor for the small size of operations, poor performance and low profits of most of the youth cooperatives under study.

TABLE 4.7

EMPLOYEES IN YOUTH COOPERATIVES - 1996

Type of Employees	No. of coops.	Total No. of staff employed
Managerial level	4	20
Supervisory/clerical	12	209
General Workers	11	254
No. Employees at all	20	0

Source : Statistics from CDD

YOUTH INVOLVEMENT IN DECISION MAKING

The researchers collected primary data to find out the extent to which youth, i.e., those between the ages of 18 - 35 or 40 were involved in decision making and management of cooperatives through their active involvement as Board Members. Questionnaires were sent out to all the 40 youth cooperatives to find out the age profile of its board members. Only a handful of cooperatives responded. The age profile of the Board was then gathered through the records at the Cooperative Development Department. Under the Cooperative Act 1993, every cooperative has to submit details of its Board Members to the CDD after their Annual General Meeting. Data was compiled on 22 of the 40 Youth Cooperatives, a sample of 55% of the cooperatives. A total of 235 Board members were studied.

TABLE 4.8
AGE PROFILE OF BOARD MEMBERS

Age	Board Members		Chair person	
	No	%	No.	%
20 - 35	10	4.3	1	4.5
36 - 40	21	8.9	1	4.5
41 - 49	123	52.3	10	45.5
50 - 59	73	31.1	9	41
60 and above	8	3.4	1	4.5
	235	100	22	100

The data in Table 4.8 shows that nearly 87% of the Board members of cooperatives classified as youth cooperatives are above the 'youth' age, that is, above 40 years of age. Most of the Board members are in their 40s (52.3%) and 50s (31.1%). Only 4.3% of the Board are below 35 years of age while 8.9% are between the ages of 36 - 40. It seems ironical that 'Youth cooperatives' are being led and managed by the 'elderly' of the community. This reflects a lack of integration of youth in the cooperative movement and a lack of involvement of youths in decision making in the cooperatives which were formed to provide benefits to the youths of the country. It is also seen that more than 90% of the Chairmen of the Board, are above 40 years of age. These people could have been appointed as chairman for their long involvement in the cooperative. It could also reflect the unwillingness of the 'older' members to step down. This situation could also be due to the reluctance of youths to come forward and assume leadership positions in cooperatives. This lackadaisical attitude of youths towards involvement in the management and leadership of cooperatives could be because they do not view cooperatives to be able to meet their needs and aspirations. It can be seen that most of the youth cooperatives are involved in the traditional credit, consumer and transportation activities carried out by the

majority of cooperatives in the country. Programmes of youth cooperatives are not geared to attract the youths to participate more actively in its activities. It seems difficult to envisage a board comprising of those in the 40's and 50's planning and undertaking activities to attract the younger generation. There seems to be no second tier leadership of youths to take over the management from the older Board Members. This situation is the result of the absence of any provision in the by laws for an upper age limit to membership in youth cooperatives. As such those who joined the cooperatives as youths but are now in their 40s and 50s continue to manage the cooperatives and no programmes and activities are carried out to attract new youth members to join the cooperatives. In fact the membership of many of these cooperatives has not grown over the years.

A review of the objectives and activities of these cooperatives needs to be carried out to ensure that it attracts new, young members. The programmes of youth cooperatives need to be integrated with that of other youth bodies if the cooperatives are to attract youth members, and produce youth leaders who can steer the cooperatives towards contributing to national development.

YOUTH COOPERATIVES AND NATIONAL YOUTH DEVELOPMENT PROGRAMMES

A review of the literature on the National Youth Policy and National Youth Development Programmes showed no recognition given to the cooperative sector as a vehicle for national youth development programmes and for tackling the social ills of the country. While it is the policy of the Ministry of Youth and Sports to implement all its practise programmes through the various Youth bodies, NGOs, private organisations and other government bodies, no mention is made of the involvement of cooperatives in these planned programmes and activities. Only one cooperative, The National Youth Cooperative (KOBENA) is involved in providing skill training for youths under the Ministry's Skill Development Programmes. This cooperative runs the National Youth Vocational Institute (Institut Kemahiran Belia Negara) which is funded by the Ministry of Youth and Sports. Other than this cooperative there is a lack of integration of cooperatives into the National youth programmes and with other youth bodies.

Cooperative which are based on the values of community, people before capital, self-help, mutual responsibility, democracy, quality and service, should be more sensitive in responding to the social needs of the community and nation. They should be more actively involved in youth development programmes and foster better linkages and networking with other organisations involved in helping youth, society and the family institution.

LAND SCHEME BASED YOUTH COOPERATIVES

As stated above there were 14 Land Scheme Based Youth Cooperatives in 1995. One was deregistered in 1996, leaving 13 such cooperatives in operation .

These are government initiated cooperatives formed in the 1970s and 1980s to help youths make a livelihood from land cultivation. The government provided the land and basic infrastructure in these designated land schemes to encourage youths, particularly young married couples to develop and cultivate the land for their livelihood.

However as can be seen from Table 4.9 below these are generally small cooperatives with membership of less than 200 and some with even less than 100 members. The share capital and assets of the cooperatives is also small averaging RM60,812 and RM161,199 respectively per cooperative.

TABLE 4.9
MEMBERS, SHARE CAPITAL & ASSETS
OF LAND SCHEME YOUTH COOPERATIVES (1996)
(Total No. of Cooperatives - 13)

	Number of members			Share Capital (RM)	Total Assets (RM)
	Male	Female	Total		
Total	2,044	216	2,260	790,567	2,095,583
Average per Coop.	157	17	174	60,812	161,199
Average per Member				342	904

As can be seen from Table 4.9, males dominate the membership of land scheme youth cooperatives. Of the 13 cooperatives, 8 had 100% male membership, 4 mixed membership of male and female while one cooperative had an all female membership.

Also noted from the table above is that the average paid up capital per member is only RM342. The small amount of investment made by members is also a reflection of the level of commitment and interest members take in their cooperatives. The size of the accumulated capital also affects the type and scale of activities the cooperatives can undertake. This in turn affects their performance and profits.

In terms of activities, most of these cooperatives are involved in consumer activities, with a few undertaking transportation activities. However profits are rather small. For the financial year 1996, 3 of the 13 cooperatives or 23% of land scheme cooperatives made losses, amounting to RM21,348. The total profits of the remaining 10 profit making cooperatives amounted to only RM179,006 or an average of RM17,900 per cooperative. This poor performance of cooperatives on land schemes run by youth members is very disheartening as youths are considered to be the future leaders and a high level of productivity and efficiency is expected of this group of the population for the benefit of the nation.

One reason for the poor performance of these cooperatives could be the lack of professional managerial and supporting staff to plan and manage the activities of the cooperatives.

TABLE 4.10
STAFFING ON LAND SCHEME YOUTH COOPERATIVE - 1996.

Type of membership	Total No. of Coops	Managerial Level Employees		Supervisory/ Clerical		General Works	
		No. of Coop	No. of Emp.	No. of Coops	No. of Emp.	No. of Coop	No. of Emp.
All Males	8	0	0	3	6	6	23
All Females	1	0	0	0	0	0	0
Mixed	4	0	0	1	1	1	3

As can be noted from the table on staffing, the cooperatives' activities are planned and managed by the Board Members as none of the cooperatives have managerial level staff and only 4 have supervisory staff.

Management by the board members alone and on an honorary basis would contribute to inefficiencies and low productivity as reflected in the profits of these cooperatives. With one fifth of the cooperatives making losses and the others making such low profits it is not surprising that cooperatives are unable to organise beneficial activities for the youths as done by other youth bodies. Over the years the Land Scheme Cooperatives have not been able to make their presence felt as a forceful organisation that can benefit the nation's youth population. The unwillingness of members to increase their investment in the cooperative is an indication of the lack of interest by its youth members in land cultivation. The youths probably prefer other forms of employment, particularly in urban areas, than land development for a living. It would not be surprising if the youth who initially formed these cooperatives have left for greener pastures and are no longer living on these land schemes. There seems to be no regulatory or monitoring body to supervise the development of these cooperatives in the desired direction. As such these cooperatives have not been able to achieve its original objective of providing a better life and employment for youths.

NON LAND SCHEME YOUTH COOPERATIVES

There are 27 youth cooperatives in this category. However data could be obtained only for 25 of these youth cooperatives and the following analysis will be based on this data.

Most of these cooperatives were found to be small in size in terms of membership, capital and assets as well as profits. As can be noted from Table 4.11, these 25 cooperatives have only 36,087 members. Two cooperatives, The National Youth Cooperative and the Muslim Youth Cooperative with 23,584 and 6,256 members respectively made up nearly 83% of the total membership of the youth cooperatives in this group. The other 23 cooperatives studied had a total membership of only 6,247 or an average of 291 members per cooperative.

Most of the members of youth cooperatives were found to be males, comprising 88% of the membership. Of the 25 cooperatives, seven had an all male membership. Even in cooperatives with mixed membership, the females comprised only a small proportion of the members.

TABLE 4.11
MEMBERSHIP, SHARE CAPITAL AND ASSETS - 1996

	No. of members			Share Capital	Total Assets
	Male	Female	Total	(RM)	(RM)
Total	31,637	4,450	36,087	14,710,123	111,876,074
Average per Coop (25 coops)	1,265	178	1443	588,405	4,475,043
(Average per Coop * (23 Coops).			271	25,386	2,121,829
Average per member (25 Coops)				408	3,101
Average per member (23 *Coops).				94	7,829

* The 23 cooperatives exclude (i) The Malaysian Muslim Youth Coop.
(ii) The National Youth Cooperative

Total accumulated share capital of these youth cooperatives stood at RM14.7 million. However only 2 cooperatives had share capital of over RM5 million each. These two cooperatives with share capital of RM7,822,902 and RM6,303,347 each accounted for 96% of the total share capital of youth cooperatives, indicating the small size of the remaining 23 cooperatives. Excluding these 2 large cooperatives, the other 23 cooperatives were found to have a total share capital of only RM583,874 or an average of RM 25,386 per cooperative. This works out to an investment of a meagre RM94 per member in the average youth cooperative. This small investment by members is reflective of the low level of interest, commitment and involvement of youths in the cooperative movement.

The assets of the 25 cooperatives totaled RM111.9 million. Here again the same two large cooperatives i.e. the Muslim Youth Cooperative and the National Youth Cooperative with assets of RM38.1 million and RM24.9 million respectively, accounted for 56% or RM63 million of the total assets of youth cooperatives. The assets of the

other 23 cooperatives totalled RM48.8 million or an average of RM2.1 million per cooperative.

The performance of these cooperatives was also found to be disappointing. Of the 25 cooperatives, 6 made no (zero) profit, being either newly formed or dormant for sometime. Eight (8) cooperatives made losses and only eleven (11) made profits in 1996. The profits were however small, on the average being a few thousand ringgit. The only 'profitable' cooperative was the National Youth Cooperative with 1996 profits of more than RM21 million. Thus we have a situation of extremes, the majority making losses or meagre profits and a few with high profits.

Ironically one of the larger Cooperatives, the Muslim Youth Cooperative, which had share capital of RM 6.3 million, assets worth RM38 million and more than 6,000 members experienced a net loss of RM635,435 in 1995 and a loss of RM460,755 in 1996.

The low level of members' investment in cooperatives and the poor financial performance of these cooperatives reflects the ineffectiveness of these cooperatives to attract the youths to play a more active and dynamic role in the management of the cooperatives and their activities.

A complete review of the activities, organization and management would be necessary if cooperatives are to be used as a vehicle to achieve the objectives of the National Youth Policy and be able to provide both social and economic benefits to the Malaysian Youths.

CHAPTER 5

SUMMARY AND RECOMMENDATIONS

SUMMARY

Malaysia is a multiracial country of Malays, Chinese and Indians, with a population of 21 million people. The country has a vision to achieve a developed country status by the year 2020. Malaysia has been experiencing a strong economic growth in the last few years of over 8 per cent. The major contributor to GDP growth in 1996 was the services sector (45%). Operating at practically full employment (unemployment rate is only 2.6%) Malaysia is highly dependent on foreign labour.

Malaysia uses the age criteria to define youth. The government defines youth as those between the ages of 15 - 40. The Malaysian Youth Council, the umbrella body of youth organisations also uses the 15 - 40 age criteria to define youths. About 42% of the country's population is in the 15 - 39 years age category and classified as youth. The youth formed 23.5% of the total employed in the labour force in 1995 or 1.86 million people. Of these 45% were employed in the production /manufacturing sector. Only 6.7% of the youths are employed in the professional and technical category. Youths also seem to show a preference to work in urban areas leading to rural urban migration of youths. About 57% of youths were employed in urban areas in 1995 as compared to 34% in 1990.

Malaysia's rapid growth and development, urban migration and changing lifestyles of its people, has resulted in an increase in social problems for the country. The increasing social ills like loafing, drug addiction, promiscuous sexual behaviour, child abandonment etc., involve the young, youth and family institution.

Addressing the social ills plaguing Malaysian Society and the productive utilisation of the youth human resource is considered crucial for national development and for

achieving Vision 2020. In view of this, government allocation for youth development has been increased by 160% under the Seventh Malaysia Plan to RM 2.7 billion from RM 1.05 billion under the Sixth Plan.

The Ministry of Youth and Sports is the primary government body responsible for youth issues and youth development. The National Youth Policy and the National Youth Development Programmes are aimed at developing a resilient youth community, which is educated, skilled, ethical, scientifically and technologically progressive and able to contribute positively to nation building and face the challenges of a rapidly industrialising nation. While developing competencies, the youth development programmes also incorporate inculcating of moral and spiritual values, self confidence and strengthening of the family institution.

The activities and programmes under the Youth Development Programme organised by the Ministry can be classified into the following broad categories:

- (i) Skill Training
- (ii) Entrepreneurial Development
- (iii) Healthy lifestyle programmes
- (iv) Sports Programmes
- (v) Cultural Programmes
- (vi) Preventive and Rehabilitative Programmes

The programmes are implemented using an integrated approach and working in collaboration and with the cooperation of youth bodies, NGOs, private sector organisations and other government departments and agencies dealing with youth issues such as the Ministries of Education, Social Welfare, Human Resource, Home Affairs, etc. Increasingly the community is being involved in youth development programmes.

The Cooperative Movement in Malaysia began in 1922 with the introduction of credit cooperatives into the country by the British. Today however cooperatives are multipurpose in nature, involved in all types of activities. Credit cooperatives however remain the backbone of the movement. As at the end of 1995 there were 3554 cooperatives in the country with 4.2 million members, share capital of RM 2.7 billion and RM 10.4 billion in assets. Of these 1,154 are school cooperatives. Excluding these, the cooperative sector has more than 3 million members or about 26% of the national population above the age of 20. A large proportion of the 3 million cooperative membership is believed to be youth.

No specific policies for youth development in the cooperative sector were found to have been formulated by either the Cooperative Development Department or ANGKASA, the apex organisation. However some cooperatives have set up successful 'youth wings' which organise skill training, leadership and educational programmes, youth camps etc, for its members. However such cooperatives are too small in number to have any sizeable impact on the movement as a whole.

There were 40 cooperatives in 1996 classified as youth cooperatives by the CDD. This forms only 1% of the total number of cooperatives in the country. The membership of these cooperatives totalled only 38,347 people which amounted to 0.43% of the 1995 youth population of the country. However most of the members of these youth cooperatives were found to be no longer youth. There is no provision in the law for an upper age limit for membership of youth cooperatives.

The youth cooperatives were found to be small in terms of membership size, share capital, assets and business operations. Only the National Youth Cooperative (KOBENA) and the Muslim Youth Cooperative (KBI) were big cooperatives with accumulated capital of RM 7.8 million and RM 6.3 million respectively.

The youth cooperatives were found to be involved in traditional consumer, transportation, and credit activities. Nearly half of them were unprofitable enterprises. Even the profit making cooperatives had dismal results, with 38% earning less than

RM 5,000 per year, while even the per capita income for the country in 1996 was RM 11,118.

The cooperatives were managed mainly by the Board. Only 4 cooperatives had managerial level personnel, while a few had only clerical/supervisory staff. There is a lack of professionalism in the management of cooperatives both as a social and economic enterprise.

Youth involvement in decision making and management of the youth cooperatives is very minimal. Nearly 87% of the Board and about 90% of the cooperatives' chairmen were above 40 years of age. Except for a few cooperatives, membership growth is practically stagnant. Youth integration in cooperative development is lacking. Thus the ironical situation of youth cooperatives being managed by the 'elderly' members, whose management styles, ideas and values probably do not appeal to youth of today. The mismatch of cooperative activities and management style with youth needs and aspirations may be a contributory factor for lack of youth integration and involvement in the cooperative movement.

FINDINGS

Cooperatives have a social as well as an economic objective. Cooperative principles stress the role of cooperatives in the community. Youth and the social ills involving youth are an important component of the community. Youth are also the most productive human resource of any society. There is thus a need for greater integration of youth into the cooperatives which requires concerted effort on the part of all involved in cooperative development.

This study brings out the following:

- (i) Lack of a dynamic and quality leadership in youth cooperatives. There is an obvious absence of youth involvement in the decision making process and management of youth cooperatives.
- (ii) There seems to be a lack of motivation for youth to be involved with cooperatives. Currently youth are only passive members. Cooperative image and activities need to be changed to appeal to the younger people. Incentives and structural support has to be provided to promote youth development through cooperatives.
- (iii) There is an absence of direction for the role of youth in the cooperative movement. There are no youth policies or programmes for cooperatives to integrate youth development into its activities. Neither the CDD nor the apex organisation has focused on the youth sector.
- (iv) Youth cooperatives are unimpressive in terms of size, financial performance and involvement of youths in its management and activities. There is a need to bring new life and vigour into these cooperatives. The legal provisions need to be reviewed to ensure youth cooperatives are formed by and for youths, managed by youths and meet the needs and aspirations of youth members and the National Youth Policy.
- (v) There is a lack of integration and networking between cooperatives, youth bodies and government departments and agencies dealing with youth issues. There is a need to foster more links with the Ministry of Youth and Sports and for cooperatives to become more active partners in the implementation of the National Youth Development Programmes.

Recommendations

Based on the study and the preceding findings several recommendations can be made to bring about greater youth integration in Cooperative development in Malaysia.

1. Development of quality leadership

The pathetic state of youth cooperatives in general can be attributed to the lack of leadership and guidance. The study has shown that neither the economic nor the social contribution of youth cooperatives was significant to the nation. What seems to be needed in the youth cooperatives is “quality leadership” that can manoeuvre the cooperative on to the right path with clear vision.

The empowerment of youth in cooperatives through their participation in the decision making process and cooperative activities must be an important component in the cooperative agenda not only among youth cooperatives but in the cooperative movement as a whole.

The Cooperatives, in collaboration with the Apex Organisation, Cooperative College and the CDD should carry out an intensive promotional effort to educate youths about cooperatives, the role it can play and how it can benefit the youth. It is important to educate youth as often the reason for the indifference and apathy of youth members is ignorance. Youths must be encouraged and given the opportunity to assume the leadership role and be involved in cooperative decision making so that they can plan activities that can modernise and improve the cooperative’s image and appeal to other youth members.

This is particularly important today, when the increasing social ills among youths has become a national concern. Cooperatives, which emphasise the social and economic wellbeing of its members should adopt a proactive approach to help the youth and to complement and supplement the efforts of the government and other NGOs in tackling the social ills.

2. Structural Changes and Organisational Support

The youth cooperatives and youths in the cooperative sector in general have been left on their own without any clear direction or goals. If youth integration in cooperative development is to take place there must be priority given to this group and it must be accepted and endorsed by the regulatory authorities and the movement. They must define a policy for youth development. Secondly, to ensure youths are given due recognition in cooperatives, the law should be the source of strength. Two provisions are recommended to be provided for, either in the Act or by laws.

i) Imposing an age limit for members in youth cooperatives.

The present law does not specify any age limit for members in cooperatives, which permits members and the board members of youth cooperatives to be above the youth age. In fact the study has shown that the majority of the board members of youth cooperatives are more than 40 years old. Youth cooperatives must have the 'youth outlook' and have to be run and owned by the youths. This can only be made possible by having an upper age limit specified in the law for membership of youth cooperative and appointment to the Board.

ii) Establishing a youth wing in cooperatives at all levels

For all other cooperatives, there must be a legal provision or a directive from the CDD for the establishment of a 'youth wing.' The youth wing should be managed by youth members of the cooperative and provision must be made for youth representation in the composition of board members of cooperatives. The youths have to be represented at all levels of the cooperative hierarchy.

By establishing 'youth wings' cooperatives will be able to include youth development programmes in their portfolios. As a group, cooperatives have a lot of resources that can be mobilised to form a synergistic force. The fact that cooperative members come from all walks of life with various skills and from numerous professions, shows cooperatives are equipped not only with the physical facilities but also capabilities that can be mobilised and ploughed back into the movement. The youth wings should focus on

- i) development of leadership qualities among youths through leadership training programmes and youth involvement in the cooperative's management.
- ii) instill and develop the entrepreneurial quality among youths through the myriad cooperative activities such as retailing, cottage industry, services marketing etc.
- iii) Provide skill training for income generating activities
- iv) foster links and networking with other youth bodies, NGOs and the Ministry of Youth and Sports and take a more active part in the National Youth Development Programmes.

3. Developing better networking and linkages

For youth development and integration to take place, the youth cooperatives and the youth wings of cooperatives should develop a closer relationship with other youth bodies and government agencies involved in youth issues. In this way cooperatives could involve its youth members in the National Youth Development Programmes more actively. This would help improve the image of cooperatives while promoting cooperatives among a broader spectrum of youth through their participation in youth activities. The apex organisation should take the lead in developing this networking to benefit the movement.

4. Concerted Efforts by the CDD, ANGKASA and Cooperative College of Malaysia.

To achieve the objective of promoting youth in cooperative development there has to be a concerted and deliberate effort by various organisations involved in cooperative development. The three main players are the Cooperative Development Department (CDD), the Cooperative College of Malaysia (CCM) and the apex organisation (Angkasa).

COOPERATIVE DEVELOPMENT DEPARTMENT

The CDD which is also the registrar of cooperatives has the responsibility to translate the government's aspirations towards youth development into legislative provisions. It should formulate a "cooperative youth policy" with the objective of fostering greater integration of youths within and among cooperatives. The organisational structure of CDD should reflect its support, commitment and priority for youth in cooperative development. A separate youth section should be established in the department to promote youth cooperatives and to provide direction and advisory services on youth programmes and to liaise with the Ministry of Youth and Sports and the Malaysian Youth Council to adapt and adopt the National Youth Development Programme for cooperatives.

It should also propose the establishment of 'Youth Wings' in all cooperatives and monitor its activities to ensure it meets the needs of the youth membership.

ANGKASA

The apex body of cooperatives (Angkasa) has an important role to play in ensuring the effectiveness of the youth cooperative programmes. Because of its influence in the cooperative structure, Angkasa has the opportunity to assess the available resources in the cooperative movement and organise them in the best manner which would bring about efficiency and effectiveness of the programmes. It is recommended that a “youth committee” which comprises of the youth representatives from cooperatives is established within Angkasa to formulate a master plan for youth development for the entire movement. The master plan has to be in line with the cooperative youth policy to be formulated by the CDD. This committee should monitor the implementation of the programmes at all levels and provide organisational and even financial support for youth programmes. Some of the programmes that can be included in the master plan are;

- i) Sports Programmes, to promote fit and healthy cooperative youths as well as for fostering solidarity among youths in cooperatives.
- ii) Cultural Programmes, to inculcate the appreciation of cultural heritage among youth. The activities could include drama, traditional dances and music.
- iii) Preventive Programmes to help curb the social ills affecting youths
Cooperatives have a vital role to play in assisting the youths in coping with the challenges facing them by providing counseling and spiritual guidance. Family development programmes should be organised with the aim of establishing strong and resilient families.

Cooperative College of Malaysia

In line with a “ Cooperative Youth Development Policy” recommended to be formulated by the CDD and the Youth Development Programmes by ANGKASA, the Cooperative College of Malaysia (CCM) has to be given the responsibility to provide training specifically for youths alongside its normal programmes. The College has enough resources and facilities and all along has been working closely with various NGOs and government agencies. The training programmes for youth should focus on developing leadership qualities, management and vocational skills and entrepreneurial development. There should also be programmes focusing on physical, spiritual, social and intellectual development. In fact, beginning from the year 1997, CCM has already embarked on a youth programme - ‘The Cooperative Youth Camp’ for school cooperatives which integrated the physical, leadership and intellectual development concept. The four-day outdoor programme was attended by 80 youths and organised jointly with the Ministry of Education. More such programmes, but open to youth from all types of cooperatives should be planned in the coming years.

To attract more youths into cooperatives, the college should also organise ‘International’ programmes in the form of youth seminars, exchange programmes and workshops for exchange of ideas and experiences and for developing linkages and net working with other cooperative youths around the world. The college already conducts an International “Certificate in Cooperative Management” programme. A similar programme targeted for ‘youth’ participants should also be included into its annual calendar of training programmes.

A best ‘youth participant ‘ award in terms of study visits to other local and international cooperative youth organisations would provide a good motivation for greater youth involvement and development of youth leaders within the cooperative movement.

CONCLUSION

This study has shown there is an obvious need to revitalise the youth in the cooperative movement. Youth are the most productive human resource and future leaders of the country. Cooperatives, as community based organisations, with its noble principles and values and the resources at its disposal have the potential to promote youth development. This however requires deliberate and concerted effort by the various organisations involved in cooperative development. We hope the findings of this study and the recommendations would be acted upon by the relevant authorities for the benefit of youth in the cooperative movement and the nation as a whole.

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