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INTERNATIONAL CO-OPERATIVE ALLIANCE
REGIONAL OFFICE AND EDUCATION CENTRE
FOR SOUTH EAST ASIA

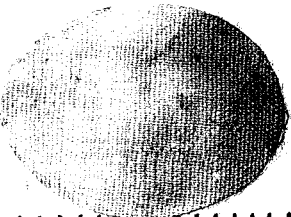
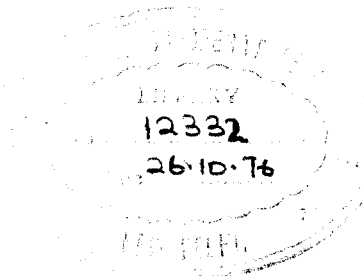
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"AN ATTEMPT AT SCHOOL CO-OPERATIVES IN MALAYSIA"
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BY

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AN ATTEMPT AT SCHOOL CO-OPERATIVES IN MALAYSIA

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1) Need for Co-operative Education in Schools

At present the different co-operative organisations are represented by elderly persons who receive co-operative education under "Member-Education Programmes" which help in the efficient functioning of the co-operatives. However, most of the co-operators do not have any significant education before entering co-operative organisations. Thus, they enter in the programme with various suspicions and doubts in their minds. They do not have clear ideas about the ideology of co-operation which ultimately effects the growth of the movement. They join this venture on somebody else's persuasion and not on their own initiative. Hence in some quarters, people have started feeling that every ordinary citizen should have education on co-operation from the very beginning so that whenever he is required to participate in such an activity he should join it with a clear background and understanding. This automatically calls for introducing co-operation in the syllabi of schools and stresses the need for teaching such a subject as a part of general education: It should find a significant place in the education of the child. It is further necessary, for the continued success of the movement, to inculcate, at a very young age, the ideals of co-operation and to present to them, the outline of the work done by the co-operative movement, to the young school going generation, and for this purpose it is very necessary that lessons on co-operation should be included in the reading series. Teaching of co-operation as a part of general education will enable people at large to recognise co-operation when they come across it and to deal with it with due regard to its distinctive nature.

Stimulating the Young

It is very necessary to stimulate the young from the very beginning about co-operatives ideals. This is just educating the child of today for becoming a better co-operator tomorrow. The ideals formed at an early age continue to hold a significant place

throughout life, or in other words "as the twig is bent, so does the tree grow". Thus, the lesson of co-operation can best be learnt in the formative years of one's life as a student. The co-operative way of working should, therefore be developed effectively in the young by organising them into groups which function essentially on the principles of co-operation.

The aim of suggesting co-operative education to children is not to make them an instrument to serve only a new ideology but to inculcate the habits of co-operative living, self-expression, comradeship, mutual confidence and trust. These qualities are necessary for becoming good members of the society and at the same time to infuse the creative enthusiasm for the participation in co-operative activities without which co-operation may remain as a system, it will not go forward as a movement. And if co-operation is a movement of progress which needs to attract young people, the younger ones who will enthusiastically carry the movement on the path of success, then such education must be given in their schools.

Co-operative Education in Schools

In the lower classes, the teaching of co-operation may be introduced through simple stories. The stories at the elementary stage should necessarily be interesting but they can be used to illustrate the various aspects of co-operative working, such as the need for recognition of mutual rights and obligations in a co-operative society. Later, their education may be shifted to the introduction of the subject matter. The topics relating to co-operation may form a significant place in the present course-content of social studies. It is also suggested that events in the field of co-operation, which occur in their village and district may also be brought to the notice of students.

Every student should acquire some practical knowledge by working in the co-operative organisations of schools. These lessons will be quickly learnt and long remembered if they are supplemented by a working knowledge of the Principles of Co-operation by organising small co-operative stores and canteens in every school.

The best method of learning co-operation is by doing, and will as such develop an efficient programme of school co-operative. UNESCO has defined school co-operatives as "Association of Primary and Secondary School Children(occasionally also past pupils), who, in some cases, independently, in other cases under the unobtrusive guidance of their teachers, collectively conduct a small enterprise, the economic object of which is concerned with their common material and cultural requirements as well as with the requirements of the school itself. The co-operatives' chief virtue, however, is educational rather than economic in character".

From this definition it is clear that the main aim of school co-operatives is educational rather than economic. It is suggested that students should have adequate voice in the management of school co-operatives.

SCHOOL CO-OPERATIVES

In a Co-operative, the students learn about the economic system, about business matters, about democracy, and the value of co-operation as a means of social and economic improvement. They also develop the very necessary qualities of citizenship, discipline, team spirit, and other healthy social attitudes so essential for the success of a co-operative. A consumer co-operative store, for instance, teaches the students how and from where to obtain the supplies and how to manage their store so as to satisfy the members by supplying the right quality of goods at economic prices. They learn book-keeping, stock taking, budgeting, preparing balance sheets, correspondence and such other practical things. In a co-operative, the students also get training in the art of democracy; they learn about the system of elections, methods of conducting discussions, and the need for electing proper leaders. The elected officers learn the importance of explaining important business matters to the members and seeking their approval. The students who take up routine jobs of salesman or accountants learn the value of exact, neat and methodical work and, above all, the value of team spirit. A co-operative thus offers training to the students in business, in working democratic institutions, and in the two-fold social responsibilities of directing and executing work, and thus develop in them initiative, the power of decision making, discipline

and conscientiousness in carrying out the most modest tasks. Another role which the students' may play in the economic life of the country, though the results may be long-term and not immediate, is the creation of sturdy co-operators in many co-operatives and leadership at that level. The creation of such leadership becomes all the more essential in view of the important role assigned to co-operation in the plans of the country for securing economic development in the sphere of agriculture and cottage and small scale industries which form a major sector of the economy. The building-up of co-operators, however, cannot be achieved in a day. The process must be started right from the Primary school and continued at all levels, the Secondary schools, College and amongst adults and members of co-operatives. The students' co-operatives will be extremely valuable for preparing a future generation of co-operators who may take up responsible positions in the rural and urban co-operatives.

The first students' co-operative store in India was organised in 1917 at Khalsa College, Amritsar, in the State of Punjab. In 1955, the total number of stores(Students) was 1,039 spread over twenty states with a total membership of 143,365 and a working capital of Rs. 1,500,000.00.

In Ceylon there are more than 2,000 Students' Societies with a membership of over 3000,000 whilst in Poland, Students' Co-operatives really flourish. They have a total of 10,750 Societies with a membership of over 1,250,000.

Objects

Generally the objects of these School Co-operatives are:

1. To impart practical training in co-operation to the students and disseminate the knowledge of co-operative principles and practices amongst them.
2. To provide to the students books, stationery and other articles required by them at cheap rates, and
3. To inculcate in them thrift, self-help and co-operation.

The objects of these Societies is to supply such commodities as are generally required by the members and the students and to encourage thrift, self-help and co-operation among members. The School Societies may also purchase and supply craft materials required by the schools and arrange for the marketing of finished goods. However, the activities of most of the Societies with the exception of a few which supply confectionery and other consumers' goods, are confined to the supply of books and stationery.

The bye-laws provide that all sales be on cash basis only, exception being made for members approved by the managing committee, to whom goods may be supplied on credit up to limits fixed for a specified time. Sales are made to members and non-members. Rebates are allowed only to members on their purchases.

The bye-laws also provide for compulsory savings deposits from members until they cease to be members of the Society.

The Societies could deal in books, journals, stationery, sports goods and canteens, and thrift activities could be undertaken by these students' co-operatives too.

Types of Schools Co-operatives

1. It is felt that some stores can start such shops to provide students with eatables.
2. If the publishers could be persuaded to accept the student stores as their authorised dealers, competition from such authorised local book-sellers could be obviated.
3. The stores could deal in books, stationery and other articles required by the students.
4. It is not possible to generalise regarding the articles which the stores should deal in. It may however, be possible for students' stores in schools to supply pictorials and other books besides the text books and even open small libraries which may be equipped with books as will interest the young students. The stores may find it possible to supply some eatables, milk etc, which the children require in between their meals, ready-made garments, uniforms, sports and games articles and even ingenious toys and fancy articles. The stores in Secondary schools, particularly in cities, and colleges can run canteens and can deal in fiction and books of general interest, sports goods, textiles, toilet articles and such other goods as are in great demand amongst students.

Even though the thrift and credit activities will not materially benefit the students, they have great educational value, as credit is one of the problems for farmers as well as workers in towns and cities. The students' co-operatives, therefore, may start the thrift and credit sections and operate them under the guidance of their teachers. The school co-operatives can further benefit from the experience of the working of school co-operatives in India and

Ceylon and some Latin American countries. These co-operatives make useful articles such as toys, embroidered or knit garments, cultivate small plots of land and stage short plays and variety entertainment programmes. The resources so raised may be utilised for the common benefit of students such as equipping school libraries, supplying clothes, milk and vitamin tablets to under-

nourished children, helping poor students towards payment of fees etc. These things are not difficult. Given enthusiastic teachers, the school children are bound to respond and take up such activities energetically.

The students' co-operatives should also organise picnic parties and other social and cultural activities to enrich the social life of their members. These activities will attract the students to the co-operative because the co-operative means not only business but recreation, enjoyment and fun.

Savings take two forms - ordinary savings which are non-withdrawabl until the child leaves school when the teacher advises how the money should be spent and special savings which can be withdrawn at any time for the purchase of books, stationery etc.

Departmental Assistance

Co-operative activity among students can be considerably expanded if the Education Departments and the educational institutions appreciate its role in the role of ordinary people and the importance of students' stores as an excellent medium of instruction about the principles of co-operation, the benefits of co-operative action and the manner of working the co-operative institutions. The Education Department may insist ^{as} a manner of policy that every educational institution must have a students' store and the institution may be persuaded to help it financially and otherwise.

The teacher's role is very important in co-operatives. The development of a school co-operative, its practical efficiency, and its educational and moral achievements depend to a great extent on the teacher who is placed in charge of the co-operative. He must be in a position to inspire enthusiasm and energy and to organise the children's work in a proper manner.

The teachers explain to the children what co-operation is and how it can benefit them. When the co-operative is organised the pupils themselves run it under the guidance of the teacher.

A large proportion of students and teachers are also outside the co-operative fold. In view of the fact that the students' co-operatives provide a very good method of practical training for the students in democracy, in running business, in the co-operative movement, and in developing the personality of the students, the Education Department should take steps to promote students' co-operative societies. The developing of students' co-operatives should be made part of the education policy. A nucleus staff may be appointed to provide guidance required for forming and operating co-operative students' stores.

The Co-operative Departments should also take an active interest and in collaboration with the Educational Authorities should formulate a programme for promoting co-operative activity amongst the students.

Membership

Membership of the students' co-operatives should be open to students, teachers and members of the administrative staff.

Excepting the ex-officio President and Treasurer of the society, the rest of the members of the managing committee are elected.

The Treasurer is nominated by the President from amongst teacher members while an assistant Treasurer is nominated from the student members elected on the managing committee.

The bye-laws to provide that any student can join as a member by the purchase of a share. The share money is returned when a student member leaves the school.

The school co-operative elects the Board of Directors where students are in a majority. But the teacher normally works as the manager of the store. However, in order to safeguard the educational values of school co-operatives, stress should be placed, gradually reducing the

teacher's intervention in the running of the society and the pupils gain practical experience.

It will be advisable to have two secretaries, one of whom may be from the junior classes. Similarly the Vice-President and a few members of the Board of Directors may also be elected from among the junior students. By the time the senior office bearers and Board members leave the Educational Institutions their junior counterparts will be ready to take over completely and run the society in an efficient manner. The teacher, who will more or less be permanently in charge, will also be able to provide stability to the co-operative.

2). Suggestions for School Co-operatives in Malaysia.

The suggestions and recommendations here made are based on my studies and visits of School Co-operative Institutions in India and Ceylon.

1. The Educational Institution provides accommodation and the services of a Clerk while the Education Department gives subsidies to meet the establishment costs.
2. The rules provide that students should join the stores as members and purchase their requirements from these stores only.
3. The stores also take up the supply of other requirements of the members besides books and stationery.
4. Savings' banks on a co-operative basis may be started to inculcate a habit of thrift amongst the students.
5. They must try persistently to educate their members. They would do well to have an education committee which may organise talks by teachers and co-operators, form study circles, organise debates and essay competitions on Co-operation and thus try to propagate the principles of co-operation and their benefits. Entrusting active work to students in the execution of different jobs will also evoke their interest since the youngsters are more interested in doing things than in listening.
6. The Education Department ensures that every large educational institution organises a co-operative store amongst students and provides it with financial assistance and guidance in the running of the store.
7. The Education Department may insist as a matter of policy that every higher educational institution must have a students' store and the institution may be persuaded to help it financially or otherwise.

8. Co-operation should also be started as one of the subjects of the syllabus to awaken interest amongst the students, and propaganda should be conducted in schools and other educational institutions for organising stores.
9. Suggested Bye-laws of a School Co-operative Store and Thrift Society Ltd. is also enclosed as an Annexure.

Difficulties.

1. Some of the difficulties experienced may be in the large unsold stock of books etc.
2. Inadequate working capital.
3. Competition from private dealers.
4. Want of loyalty on the part of student members.
5. Inadequate help and Co-operation from the teachers.
6. One of the difficulties that may be experienced is the ignorance of many teachers of the fundamental principles of Co-operation and their application to school co-operatives; Seminars etc. should be organised to educate teachers.

The business difficulties arise from the fact that many of them buy goods from the local market. They can effect considerable economy if they purchase their text books direct from the publishers, and get their stationery prepared.

If individual stores are not in a position to do so, four or five nearby stores can combine to obtain these economies. Other supplies should be obtained from the wholesalers preferably from the nearest federal consumers' stores.

3. Organising a School Co-operative :

There must be a definite system that must be adhered to if a School Co-operative is to be organised on proper and sound lines.

For this to be done efficiently, I would suggest the well tried and fine-honoured Jaycee method of organising a project be used in implementing the organisation of school co-operative. This comes in five well defined sections and everyone of these must be used if the successful implementation and continued success of the movement is to be assured.

These five sections are :

1. Survey;
2. Analysis;
3. Action;
4. Evaluation, and
5. Records and Documentation.

1. Survey

- (a) Official Support: Before venturing into organising a school co-operative, it is necessary to be assured that official support is forthcoming. By official support, I mean the support given in encouraging the organisation of the movement, by the officials of the Ministry of Education and the Department for Co-operative Development of the Ministry of National Development.

There must now be the official support of the local Education Department and the Chief Education Officer of the State to see that he officially and actively encourages the formation of school co-operatives and sees to it that the local headmasters of the schools concerned really do take an active part in the organisation of such school co-operatives in their schools.

- (b) Qualified Staff: It must be seen that any school that has in mind the formation of school co-operatives, has at least one of its members of the staff who is qualified in co-operatives. If no such person is available, then steps should be taken to select one of the members of the staff and have him sent for training at the Co-operative College of Malaysia or at least have him attend one of the many week-long seminars that are conducted very frequently by the Education Committee of the Co-operative Union of Malaysia.
- (c) Finance: The formation of a society needs finance and to this end it must be accessed as to the amount that would be given to the society by the School/Department to sustain it over the initial period of its formation. Some finance will come in once the society is established but to tide it over in its initial stages of its formation, some finance must come from the official source - the sponsors. Some finance may also be solicited from local co-operatives in the area.
- (d) Accommodation: The School authorities have to provide suitable accommodation for the students' co-operative society to function effectively. The society is going to take the shape of running either the School Bookshop or the School Canteen and as such, suitable space required must be afforded so that the society could function effectively and efficiently.
- (e) Membership: This has to be decided at an early stage. It must be decided as to the qualifications for membership whether students are to be told that all of them should automatically become members (compulsory membership) or if they are to be given an option. I feel that for the initial stages, membership should be compulsory for if it were otherwise, the initial response may be poor and may prematurely bring to an end the attempt at organising the co-operative in a school.

- (f) Subscription and Share Capital: The rate of subscription to be paid monthly has to be decided at an early stage. When deciding on this, the financial situation of the students in a particular school, must be borne in mind. The share capital of the society too must be decided early and opportunity should be given the students of paying for their share capital in monthly instalments.
- (g) Meeting of Students: Where possible, there should be held an informal general meeting of all the potential membership. They should be told at this meeting of the intention of forming a co-operative society in the school and all information should be given them of the proposed society. Some person qualified in co-operation should give a talk on co-operation and extol the numerous virtues of a co-operative. Suitable co-operative literature should also be prepared, mimeographed and distributed for their general information. The sponsoring authority should now invite questions and general discussion and suitable answers should follow. It will give an idea of the receptivity of the student population as to whether they are eager on the formation of the proposed society and as such be an indication to the authorities on the feasibility of organising a society in the school.

2. Analysis:

(a) Meeting of Headmaster and Staff: This is analysis. All the activities as carried out under "Survey" should here be analysed.

The views of the teacher-in-charge should now be obtained.

An assessment should now be made as to the feasibility of organising the co-operative society. This should be possible by assessing the trend and the shape the discussion took.

Decision should here be made on whether a school co-operative should be organised or not.

(b) Leadership: The Headmaster and the teacher-in-charge would have an idea by now on the type of leadership the society would have if it were organised. One should be on a look-out for a suitable leader to head the Committee of Management as Chairman and another to be the Secretary of the Society. Some further talk could then be given to these potential leaders thus grooming them for the responsible positions they would occupy once the society was organised.

(c) Teacher-in-charge: Being in charge of a co-operative society and looking after it well, is a time consuming job and care should be taken, to assure the teacher-in-charge, adequate time to look after the affairs of the society and also dispensing of his services for extra-curricular activities so that a justifiable result is expected from him in guiding the co-operative society to success.

3. Action:

(a) General Meeting: When all is set and the assessment done and it has been found feasible to organise a school co-operative society efficiently, a general meeting should now be convened. At this meeting the purposes of organising a co-operative society should again be explained and the general meeting should again be asked if it was their desire that a school co-operative society be formed.

If the answer is in the affirmative, then the mechanical process of a general meeting could now be gone into - the general resolution being made on the formation of the society and the election of office bearers.

It should also be explained clearly to the general membership here that the society is theirs and that their full patronage was totally expected.

(b) A session at least, should be organised, for providing training to the officers so elected at the General Meeting. This could either be done by an official of the local Co-operative Department who could be invited to assist in delivering such a training session or the services of a qualified personnel of a local co-operative society/Regional Union/National Union could be sought in this instance.

(c) Care should be taken in determining the exact needs of the store. The store should not be overstocked as this may mean large amounts of left-over unsold stock. Care should also be exercised in placing the initial orders well in time so that the store is ready and all set for the beginning of term or year.

(d) Orders should be placed with the publishers or wholesalers or reputed large bookshops with the understanding that the goods are all taken on consignment so that any large unsold stock of material could be thus returned without entailing any loss.

The display of the materials to be sold in the store, should be done so well so as to draw the attention of the school population and every care should be taken in ensuring a neat and tidy appearance.

(e) Cash: Whatever the practical arrangements are in running the store, the cash collected daily should be handed over to the teacher-in-charge at the end of each working day, who will in turn, hand over all such monies to the Headmaster for safe-keeping.

4. Evaluation:

(a) Review of Activity: At the end of a fortnight of functioning of the society, a review should be made by, first the teacher-in-charge with the members of the Committee of Management, and second, the teacher-in-charge with the Headmaster of the School. t

At these reviews, discussion could be held on the shortcomings and the faults committed, and steps could be taken to remedy the situation immediately before any appreciable damage could be done.

An assessment should also be made of the financial situation to see if the sales made are justified and of a nature ~~to~~ warrant the supplementing of the stock depleted.

Any faults detected or any shortcomings encountered could now be set right instead of waiting for some later time when it would be too late, and the damage done beyond repair.

5. Records and Documentation.

It is imperative that all the various books must be correctly and efficiently maintained. These should be written up daily and a check on these should be made weekly by the teacher-in-charge.

There should be an official audit check monthly. This could either be done by the teacher-in-charge or any other teacher so appointed for the job by the Headmaster.

There should be an annual audit carried out by the School's External Auditors and an Annual General Meeting should be held as per the Bye-Laws of the Society,

If all the above steps and guide are strictly adhered to, I have the strongest conviction that school co-operatives can be organised most successfully and will become a way of life amongst the school-going population of our country, thereby creating a common-wealth of co-operative citizens in the world to come, and making them to fit in and further pursue co-operation in their adult life.

4). Suggested Bye-Laws of a School (Co-operative) Store and Thrift Society Ltd.

Base: Model School Co-operative Bye-Laws of:-
(a) Ceylon and
(b) India.

Preliminary:

1. The name of the Society is the _____
_____ School Co-operative Store and Thrift Society Ltd.
2. The Society shall work subject to the guidance of the Principal of the School. The decision of the Principal in any dispute touching on the business of the society shall be final.

Objects

3. The objects of the society are:-
 - (a) The encouragement of thrift and self-help.
 - (b) The purchase of school requisites and such other necessities for retail to members.
 - (c) The teaching and practice of Co-operative Principles;
 - (d) The doing of all such other things as are incidental or conducive to the attainment of the above objects.

4. Membership

The membership shall consist of :

- (a) Any student of the school shall be eligible for admission as a member .
- (b) The principal of the school shall be an ex-officio member and he shall be President of the Society and a member of the staff nominated by him, shall be the Vice-President and another the Treasurer.

5. Every member shall pay a membership fee of \$1.00 at the time of enrolment to the school.

6. Capital

The capital of the Society shall consist of:-

- (a) An undermined number of shares of \$5.00 each.
- (b) Deposits.
- (c) Reserve Funds.

7. Shares

(a) Every member must hold one full share at least. Shares may be paid up for in ten monthly instalments from the date of admission.

8. Liability

- (a) The liability of a member shall be limited to the unpaid portion of the share held by him.
- (b) No member shall have the right to withdraw his share.
- (c) Any member leaving school shall cease to be a member.
- (d) The value of his shares shall be expended to him on the termination of his membership which shall only be on his leaving school.

9. Deposits

- (a) Every member shall make a monthly deposit of at least 50 cts. in the Society.
- (b) Members may be exempted from this bye-law while they are making their share payments to the Society.
- (c) Deposits shall be non-withdrawable so long as the depositor continues to be a member of the Society. The Committee may, however, permit deposits to be withdrawn for the purchase of books. Such withdrawals shall be permitted only after the final examination and shall not exceed the amount actually needed.

10. Meetings.

- (a) Each member shall have one vote and no more. No person other than a member shall vote. No proxies shall be allowed. The Chairman of a meeting of the General body or of the Committee, shall, when the voting is equally divided, have a casting vote.
- (b) The supreme authority shall be vested in the General Meeting. A General Meeting shall be called at least once a year and at such other times as the Committee of the President may think fit or when an application to summon a General Meeting is made by at least twenty-five members.
- (c) The Quorum for a General Meeting shall be one-third of the total number of members. In the absence of the President or the Vice-President, the Chairman of the Society shall preside, but the decisions of such meetings shall be subject to the approval(or veto) of the President.

11. At a General Meeting, the following business shall be transacted:

- (a) The election of the Managing Committee.
- (b) To consider from the Committee the Annual Report of the preceding year's working and the Annual Balance Sheet.
- (c) The disposal of the profits.
- (d) The amendment of the Bye-laws subject to the approval of the President.
- (e) Other matters concerning the business and welfare of the Society.

A copy of the Annual Report and the Balance Sheet shall be submitted to the Chief Education Officer.

12. a) The Committee of the Society shall be elected for a year and shall comprise ten members. The Treasurer of the Society shall always be a teacher. The quorum for a Committee Meeting shall be six of whom one must either be the President or the Vice-President or the Treasurer.
- b) The Committee shall meet at least once a fortnight except, may be, during the terminal holidays.
13. The functions and duties of the Committee are as follows:-
 - (a) The Committee elected at the Annual General Meeting, elects from amongst itself, the Chairman and Secretary and Salesman.
 - (b) To supervise the work of the Secretary and the Salesman - the keeping of the Accounts and Registers and the safe custody of goods in stock.
 - (c) To fix the price at which goods may be bought and sold.
 - (d) To check stock at the beginning and end of each term and at other times when deemed necessary.
 - (e) To sanction contingent expenditure.
14. To process and duties of the Secretary shall be as follows:-
 - (a) To maintain a Register of Members.
 - (b) To purchase goods under the general direction of the Committee.
 - (c) To call General Meetings and Committee Meetings.
 - (d) To carry on the Correspondence and the current business of the Society under the control of the Committee.

15. The powers and duties of the Salesman shall be as follows:-

- (a) To receive and keep goods purchased for the Society and to sell them at prices fixed by the Committee.
- (b) To maintain regular accounts of goods bought and sold.
- (c) To hand over the proceeds of daily sales to the Treasurer.

16. The Treasurer shall keep regular accounts of all monies received and paid. The funds of the Society shall be deposited with the School/Post Office Savings Account/Commercial Bank/a Local Co-operative Credit Society.

17. No member or officer of the Society shall receive or demand any payment or honorarium for any work done by him for the Society.

Officers and members may, however, be paid any expenses actually incurred by them in the service of the Society.

18. All sales shall be for cash and shall be confined to members except in instances when surplus stock has to be disposed of. In exceptional cases, credit may be granted by the President, but the period may not extend beyond the end of the current month.

19. The books of the Society shall be open to inspection by any member of the Society or his guardian.

20. The accounts of the Society shall be subject to audit by the School's External Auditors.

21. The rebate on purchases shall be paid according to the decisions as made at the General Meeting.

Distribution of Profits.

22. (a) At least one percent of the entire profits shall be carried forward to a Reserve Fund.
- (b) Payment of interest on deposits at a rate not exceeding two percent may be made.
- (c) Payment of a rebate on purchases not exceeding five percent.
- (d) The balance may be paid into a Common Good Fund which may, with the approval of the President, be spent upon any object or objects of common utility to the members or towards assisting the poorer members purchase their books, or in the payment of school fees.

Reserve Fund.

23. The Reserve Fund shall be one and indivisible. It belongs to the Society as a whole and no member can claim a specified share in it. It may, with the sanction of the President, be used only to meet irrecoverable losses.

Disputes.

24. If any dispute touching the Constitution or Business of the Society arises, it shall be referred to the President, and his decision in the matter is final and binding.

Liquidation.

25. The Society shall be wound up and dissolved only by order of the Chief Education Officer. If and when the Society is dissolved, the balance of the Reserve Fund may, with the sanction of the President, be devoted to some common good purpose selected by the General Body Members.

5. VISIT TO PADUKKA RAJA BHISKA SCHOOL ON 5.4.1971, Ceylon.

This school is situated about 25 miles from Colombo. The school is a educational institution and has both the Primary and Secondary sections. The enrolment of the school is about 600 and it is a rural school - situated in a village.

The school had a co-operative bookshop but this has since folded up. The reasons for this are varied and would be enumerated later in this report.

The bookshop commenced business in 1952 and continued operating till 1966. It had for its membership the whole of the student population-membership being compulsory.

Members paid towards at least one share each, the cost of which was Rs.1.50. To enable easy payment towards the share capital, the members were allowed to pay this up in 15 instalments.

The School still has an amount of Rs.150/- in the share capital, that has not as yet been distributed. This amount is held in an account in the Savings Bank in the local Post Office.

The society also operated a Deposit account. Any amount could be deposited in this account and could be withdrawn to meet any contingent expenditure that might arise.

The management was in the hands of the membership, duly elected at the annual General Meeting. The President and Treasurer, were, however, the Principal, and a teacher, so appointed by the Principal.

The accounts were entered in the relevant books daily and all the books were maintained by the teacher-treasurer.

The causes for the failure of the society are varied. These were:

- (a) There was lack of interest on the part of the staff.
- (b) Transfer of staff and Treasurer resulting in non-accounting.

I feel that this society could have survived if there had been a check by the Principal on the accounts of the teacher-treasurer and if no chance were afforded this teacher to misuse the funds and petty cash under his care.

I also feel that action should have been taken against the teacher concerned. Such action could have been in either or both of two ways.

- (a) He should have been reported to the authorities of the Education Department so that official disciplinary action could have been taken against him.
- (b) He could have been reported to the authorities and a charge of criminal breach of trust could have been instituted against him.

If either or both of the above actions had been resorted to, I feel that the fine co-operative institution in this school could have been saved and as such would still be functioning today.

VISIT TO PANAGODA SRI PARAKAREMA MAHA VIDYALAYA SCHOOL,
CEYLON 5.4.1971.

This school is situated about 20 miles from Colombo city and is a co-educational school having both boys and girls in its enrolment. The school has both the Primary and Secondary sections and is a rural educational institution, being situated in a village.

The school has two co-operative institutions - a bookshop and a canteen and both are doing well.

The Book shop

This bookshop was set up fifteen years ago and is a co-operative venture of the school population.

The membership of the society is not compulsory but about 80% of the enrolment, are members. The officers of the society are duly elected at the annual general meeting and the two posts of President and Treasurer are reserved for the Principal, and a teacher nominated by the Principal, respectively.

The accounts are maintained by the teacher-treasurer who collects all cash of daily transactions and makes the entries in the relevant books.

Two students are elected at the annual general meeting, as salesgirls. It is their duty to sell books and stationery between 7.30 and 8.00 a.m. daily. Receipts are issued to each customer for individual purchases.

The monthly turnover of this society is about Rs.300/- Shares cost Rs.1.50 each and pupils may pay for this in instalments.

The Canteen

This canteen was organised three years ago as a Co-operative Society.

Here too the membership is not compulsory but about 80% of the student population are members.

The canteen is operated by a hired hand who is paid 50% of the net profit.

The rest of the management of the society is run on similar lines as that of the bookshop,

I feel that both these societies in this school are fine co-operative institutions and show how, when a genuine keenness and interest is generated by the staff concerned and with proper guidance and encouragement given, and when honesty and sincerity prevail, school co-operatives can really flourish.

