

MEMBER EDUCATION – THE CRUCIAL BUT WEAKEST LINK IN THE MALAYSIAN CO-OPERATIVES SCENARIO?

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ABSTRACT

Member education is considered crucial not only in ensuring the continuous commitment of members towards their co-operatives but also in providing the impetus for the survival of the co-operatives themselves. Member education programmes, although actively conducted by co-operatives in the developed economies as reflected by their comparatively more 'established' co-operatives, are having problems in the co-operative sector of the developing world. In Malaysia as well as other developing countries, the concept although is not really new and has been practiced for decades, has not yet been proven in term of its effectiveness. Even with the introduction of the National Co-operative Policy (NCP) and its 'plan of actions' that follows, the success of member education programmes for co-operatives in this country could face formidable challenges.



INTRODUCTION

Compared to the private and public organisations, co-operatives are member owned and member controlled enterprises created to serve the needs and aspirations of their members. As there is no specific form of organisation that is good or bad per se, co-operatives are not the only solution or the most appropriate form of organisation for every situation of the human societies. However, having a huge potential in providing great benefits for those who participate and affected by operations of their co-operatives, this form of organisation do provide the kind of system and framework.

Although co-operatives represent associations of people, but at the same time they are also business organisations. As such, co-operatives need to properly articulate both their economic and social objectives to survive in today's challenging environment. The two are intertwined and interrelated, as social objectives of co-operatives are unlikely to be realised unless their businesses are effective and viable. Similarly, co-operatives' business objectives could be enhanced when they actively address their social objectives too.

As enshrined in the principles and values of co-operation, members of a co-operative 'meet to serve their common economic, social and cultural needs'. The focus and emphasis here is on fulfilling the members' needs, as it is the main purpose for which the co-operatives exist and operate. As member based organisations, co-operatives are established and organised by the members for their members. And their needs could be economic, social or even cultural or a combination of these elements.

In order to be able to render efficient services to their members, offer competitive services in comparison with other enterprises, and promote good condition for their co-operative, members and member-delegates of co-operatives need **education** in practical manners, as well as knowledge and understanding of co-operative methods and of changes in the co-operative environment.

THE CONCEPT OF CO-OPERATIVE EDUCATION

Co-operative education, member education, co-operative training, co-operative development and co-operative extension are some of the commonly found phrases in co-operative literature emphasising the need for educating the members and leaders of co-operatives. As education is required and important to ensure effective functioning of their co-operatives, co-operative education is thus recognised as the life blood of the co-operative organisations, as much as their capital and financial structure.

In its Centennial Congress in Manchester, in (September 1995), the General Assembly of the International Co-operative Alliance (ICA) adopted a new 'Statement of Co-operative Identity'. Stated in the statement are co-operative core values and 7 co-operative principles. The fifth principle is on education, training and information.¹ This particular principle underscores the co-operative movement's long-standing and distinguished commitment to education, which transcends the usual concept of transmitting knowledge and engaging the minds of members, elected leaders, managers and employees to comprehend fully the complexity and richness of co-operative thought and action. In relation to co-operatives, education means imparting of knowledge about the principles, methods, aims and practices of co-operation among people and developing in them co-operative spirit and abilities to work together.²

Purposes of Co-operative Education

Co-operative education would be able to serve the following purposes:

- To bring people within the fold of the co-operative movement;
- To produce an entrepreneurial quality;
- To keep alive a sense of belonging for the co-operative and remind the members that the co-operative depends on them for efficiency and prosperity;
- To instill knowledge, motives and ability in the members, turn them into real co-operators and imbue them with willpower to assist in their joint enterprises;
- To assist in equipping the members with understanding of democracy in co-operatives;
- To protect co-operatives against non-co-operative ideas and counteract the propaganda of those who do not believe in co-operative principles; and
- To inform the general public correctly about the co-operative movement³

Aspects And Methods of Cooperative Education

There are three different aspects of co-operative education. They are:-

- education of the general membership, which includes committee members.
- training of employees, who are full time managers, supervisory personnel and rank and file workers.
- publicity and dissemination of co-operative information, which are directed to both members and non-members.

In various parts of Asia, co-operative education programme have been conducted in order to cater to the needs of the distinct target groups within the co-operatives themselves.

including government officers responsible for the organisation, supervision and development of co-operatives. Basically the methods to be applied in undertaking member education activities for co-operatives have to be adult-oriented. Some of the approaches and methods could be in the form of carrying out situational studies, designing and implementing action proposals, interaction with related agencies and organisations, study groups or study circles, meetings among members, mass media clubs, correspondence courses and audio visual aids and materials.

While it is generally accepted and recognised that member education is a continuous and on-going process, some co-operators have strongly argued in favor of distinguishing between efforts made at inducting new members and subsequent programmes, pre-membership education and seminars for new applicants desiring to become members in established co-operatives. Available resources whether internal or external should be exploited and utilised to the optimum. Agencies including the national and international organisations could be approached for assistance and advice in some critical areas, which are needed to strengthen the co-operative education and training structure.

TRAINING STRUCTURE FOR CO-OPERATIVE EDUCATION

Governments in Asia have actively encouraged the organisation and development of training structures for co-operatives. Broadly, these training structures can be categorised according to the body which administers them:

- directly administered by the government;
- administered by the semi-public/state-sponsored boards or autonomous bodies, departments of a university or similar centers of higher learning;
- administered by the co-operatives themselves.

Co-operative Training Structures Directly Administered by the Government

Co-operative training institutes under this structure are administered and financed by the governments, with target group on government staffs supervising local co-operatives, co-operatives' Board of Directors and co-operative employees. Their training programmes are on short-term general purposes certificate courses and long-term diploma level courses with focus on basic principles of co-operative management and the trainers are mostly government officers. Their major limitations and constraints are mostly the inflexibility in design and contents of courses, non-professional trainers, underutilisation of resources and the long duration of training modules.

Co-operative Training Structures Administered by the Semi-Public Bodies

Training institutes under this category are administered by semi-government bodies, state-sponsored boards or co-operative organisations themselves. They are normally financed by the governments and some by the co-operative movement, with target group comprising of government staffs, co-operative employees or students seeking career in co-operatives. Their training programmes are on long-term courses leading to degrees, diploma and certificates as well as short-term general-purpose courses. They focus their training modules on basic principles of co-operatives and business management, while the trainers come from the institutional employees. Their major limitations and constraints are reflected on the gaps in what trainees learn and what co-operatives really need. In long-term courses, many under utilisation capacity and large-scale wastage occur when qualified trainees do not get absorbed into co-operative employment.

Training Structures Administered by the Co-operative Organisations

These training institutes are administered and financed by the co-operative federations themselves, with their target group on co-operatives' Board of Directors and staff. Their nature of training programmes is more of short-term job oriented courses, with focus of training on current problems of co-operatives, issues of contemporary concerns and skills required to improve performance in co-operative management. The trainers are mainly sourced from the staffs of business side of the movement. Their limitations and constraints are the paucity of their financial resources, and during times of financial stringency, training activities usually get neglected.

MEMBER EDUCATION FOR CO-OPERATIVES IN THE INTERNATIONAL CONTEXT

Member education programmes in co-operatives can be found in many parts of the world including in developed countries. A study conducted in various established co-operatives in developed economies of Canada, Japan, Sweden, Great Britain and Italy suggests that all co-operatives which had participated in the study have implemented certain form of educational and training programs aimed at helping members (and sometimes the general public) in understanding and appreciating co-operatives.⁴ For instance, *Coop Atlantic*, a second tier co-operative, ranked among the top 50 Canadian non-financial co-operatives. conducts educational activities through its Member Relations Department. Aimed at promoting participatory democracy among members, programs are conducted in the form of workshops on topics such as what it means to serve on a Board, orientation workshop for

first time delegates to annual general meeting, co-ordinates and provide fund for directors'-training and develop own newsletter. The *Saskatchewan Wheat Pool* (which is among the largest agricultural co-operative in Saskatchewan, Canada) co-operative organises member education programmes, in the form of seminars and workshops for delegates on knowledge and skill development. Apart from sending delegates to industry and co-operative conferences, the co-operative also supports the Co-operative Youth Programme and encourages local committees to sponsor youth development activities. The co-operative also publishes weekly newspaper addressing farm policy and related information for members and non-members as well as makes available audiotapes covering topics on policy updates, marketing, commercial and educational information to members.

In Japan, *Co-op Kanagawa* which is among the oldest consumer co-operatives put much effort in the cultivation of 'member instructors' for the 'Sakura Schools'. These schools train the members' own teachers on wide ranging subjects such as the history of co-operatives, methods for promoting member activities, the role and methods of committee procedures, food products, peace and newsletter editing.

The Co-operative Wholesale Society (CWS) of Scotland currently the main cooperative retailer in many regions of the United Kingdom organises training for branch committee members through courses on cooperative background, structure and their specific roles. Upon completion of the course, the participants can continue to undertake 'Capability Certificate' which builds on the basic information they have received and may eventually enroll into Director Course, organized through the Co-operative College at Stanford Hall.

Studies on co-operative education programmes in several developing countries of Asia had shown that such activities were facing difficulties. In India, co-operatives are developed as an instrument of government planning for development, enjoying patronage in terms of initiative and direction; hence, the responsibility to educate lacks in the national co-operative structure. Co-operatives in the village level are resource-poor, while co-operative organisations at the federal level are not so independent. Education efforts are becoming more of centrally sponsored activities and are largely dependent on government grants.⁵

Education programmes for co-operative members in countries like Indonesia, Bangladesh and Republic of Korea shows lack of enthusiasm among the co-operators themselves with regard to conceiving and implementing co-operative education. Co-operatives face the problems of weak bases, lack of facilities and inadequate finances. What is more appalling is educators are also devoid of integrated and need-based member education programmes. Past experiences on member education programmes among co-operatives in Asia have also indicated that they focused more on ideology and the conventional orthodoxy of co-operatives. They often failed to generate interest of ordinary members, as these were far

from the realities of daily life they normally experienced. Therefore, it is of utmost importance that co-operatives in Asia initiate moves to involve youth in the co-operative movement. This can be done through systematic exposure to co-operative thought and practice in the mainstream education system at the school and college levels.⁶

CO-OPERATIVE EDUCATION IN MALAYSIAN CO-OPERATIVES

In the 1920's, the co-operative movement of Malaysia provided little attention to co-operative education as co-operation was not a voluntary movement but introduced by the government. Early co-operatives were formed by the colonial government aimed at meeting one particular goal, to get farmers and workers out of the clutches of moneylenders. Therefore, funds and facilities were not available. Individual co-operatives themselves could not conduct their own educational programmes. There were lack of qualified personnel and acute shortage of literature and materials too. The government through the Department of Co-operative Development was the main body for conducting organised educational programmes in the country. With limited resources, their programmes on co-operative education affected very limited number of co-operators.

However, organised education programmes for co-operatives started to take place in this country with the establishment of the Co-operative College of Malaysia or Maktab Kerjasama Malaysia in 1956. There were also various seminars and conferences arranged by the secondary co-operatives such as Co-operative Union of Malaysia (CUM) in 1960's, and a decade later co-operative education activities in this country were enhanced with the formation of the national co-operative organization or ANGKASA in 1971.

Between 1970's to early 1990's, Malaysian government introduced various policies to eradicate poverty and to correct the economic status imbalances among the races in the country. This led to the involvement of many co-operatives in new business activities. However, the emergence of mismanagement cases in certain co-operatives had somewhat tarnished the image of co-operative in the country. As a response to this phenomenon, co-operative education in this country, especially the training programs conducted by the Co-operative College of Malaysia (CCM) and ANGKASA, was focused on basic and fundamental aspects of co-operation such as inculcation of co-operative knowledge and principles, co-operative management and compliance to co-operative laws.

In tandem with the amendment and implementation of the new Malaysian Co-operative Act 1993, co-operative education activities in the country were given greater emphasis with the establishment of CCM branches in Sabah and Sarawak. Apart from seminars and "tea talks" for co-operative leaders and members on topics pertinent to co-operative movement, CCM

introduced for the first time in 2002 specially tailored programmes for the board members of co-operatives throughout the country known as Board Members Basic Education Program. In 2003, MKM organised 51 courses under this particular programmes throughout the country involving 4,200 members from all types of co-operatives.

ANGKASA had also organised and conducted education programmes for co-operative members, although their programmes are focused more on the ordinary members of school co-operatives. For example in the period of 2002-2003, ANGKASA had organised many programmes of this nature involving 71,709 members of school co-operatives in the country.

MEMBER EDUCATION ACTIVITIES IN THE MALAYSIAN CO-OPERATIVE SECTOR

The statistics on co-operatives for the year 2002 indicated that there were 5.02 millions co-operative members in Malaysia representing a total of 4,330 registered co-operatives under the Department of Co-operative Development Malaysia (DCD).⁷ Although in terms of percentage the number of co-operative membership in this country looks substantial compared to the total population of this country (which is about 25%), the quality of the members is considered as somewhat not satisfactory.

The majority of co-operatives in the country are small in terms of capitalisation, comprising of inactive members. In many cases, the management and administration of co-operatives rely to a great extent on the voluntary services of their Board members. Members also shows lack of interest in their own co-operatives. Under such scenario, the government of Malaysia in 2002 had introduced the National Co-operative Policy (NCP) with the objective of enhancing the understanding of co-operative ideology amongst the people so that co-operatives can function as organisations, which could contribute meaningfully towards the economic and social development of the people and the country.

One of the strategies formulated under the NCP is to “ensure that the co-operative principle and philosophy are understood and practiced in the co-operative movement of the country”. Towards the implementation of the NCP, the policy state that intensive efforts need to be taken according to various sectors, including the areas of education and training, giving the improvement of co-operative knowledge among co-operators in the country as the main strategy.⁸ With regard to its implementation, the NCP has devised a detailed plan of action to be implemented by various government agencies and interested organizations. The first strategy is to ensure the co-operative principles and philosophy are understood and practiced in the co-operative movement in this country. The recommended action laid out under the NCP is to undertake training and educational programs on co-operative principles and

philosophy for co-operative leaders, internal auditors, employees and general members of co-operative in the country. The implementing agencies involved under this strategy are the DCD, CCM, Farmers Organisation Authority and Fisheries Development Authority of Malaysia and other relevant government agencies. The tasks are to be undertaken immediately and on continuous basis.

MEMBER EDUCATION FOR CO-OPERATIVES IN MALAYSIA - THE PREVAILING ISSUES

- **Co-operative training structure** - Co-operative training structure can be categorized as semi-public bodies type in this country, as shown by the significant role of MKM as the major training provider for the co-operative movement. This kind of co-operative training structure is basically noted for their major limitations and constraints in the form of gaps between the training contents being offered and the real training needs of the co-operative members. under capacity in the utilisation of the long term courses and wastages when trainees do not get absorbed into the co-operative employment opportunities.
- **Target group** - Member education in Malaysia is indeed one area, which requires serious consideration and attention from those related parties for the sake of the development of co-operative movement in the long run. Even though co-operative movement in this country is blessed with strong government support and commitment to the co-operative development (with the introduction of the NCP), the task of educating co-operative members in Malaysia is seen as not an easy task considering for instance the total number of co-operative members in this country is huge, comprising of almost 20 % of the entire population.
- **Resources and capacity** - So far various government departments and agencies like CCM and ANGKASA as the national co-operative organization itself, have carried out member education activities for the co-operative movement in Malaysia. Although their contribution is considered as vital and helpful, in the long run they certainly need tremendous resources and capacities to undertake the uphill task to educate the entire co-operative members in the country. Unless and until the above mentioned organisations that really have their capacity and capability greatly upgraded and enhanced and have the ability to conduct such programmes in very co-ordinated manner nationally, the task of educating the co-operative members in this country is still considered to be an uphill battle.

- **Involvement of the movement** - As co-operative is a true voluntary membership based organisations, the degree of success and effectiveness of those training programmes in the country as envisaged in the NCP, to a certain extent, truly depend on the level of commitment and participation of co-operative leaders and members from the co-operative sector themselves.
- **Co-ordination among training providers** – Although member education programmes have been implemented through specific education and training activities by the related government agencies (like CCM) and the national co-operative organisation itself (through the role of ANGKASA), the level of co-ordination among the training providers in the country (in term of types of training, number of programs, target group identification and allocation of resources) is yet to be identified and explored, in order to create synergy for the benefit of the movement itself.

CONCLUSION

As membership based organisations, co-operative organisations wherever they may be, need to emphasise and conduct educational and training programmes for their members failing which could jeopardise the level of commitment and support from their members towards the enterprises. In addition, the continued existence of co-operatives themselves as viable and competitive enterprises in today's globalisation era could be at stake.

As the experiences of co-operatives in some developed economies would suggest, co-operatives in developing countries as well as in Malaysia should emphasise and implement education programmes for their members continuously and systematically. What is utmost important is that co-operatives, as a member based organisations should display clear commitment in this regard and should not rely too much on the government departments and agencies. Undoubtedly, this is very much in line with one of the co-operative principles itself i.e. the responsibility of providing education, training and information for the members and the public actually rests on their own shoulder.

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