

*GOOD AFTERNOON !*



# **2-Day TIMETABLE**

**Day 2 – November 10, 2015, Tuesday**

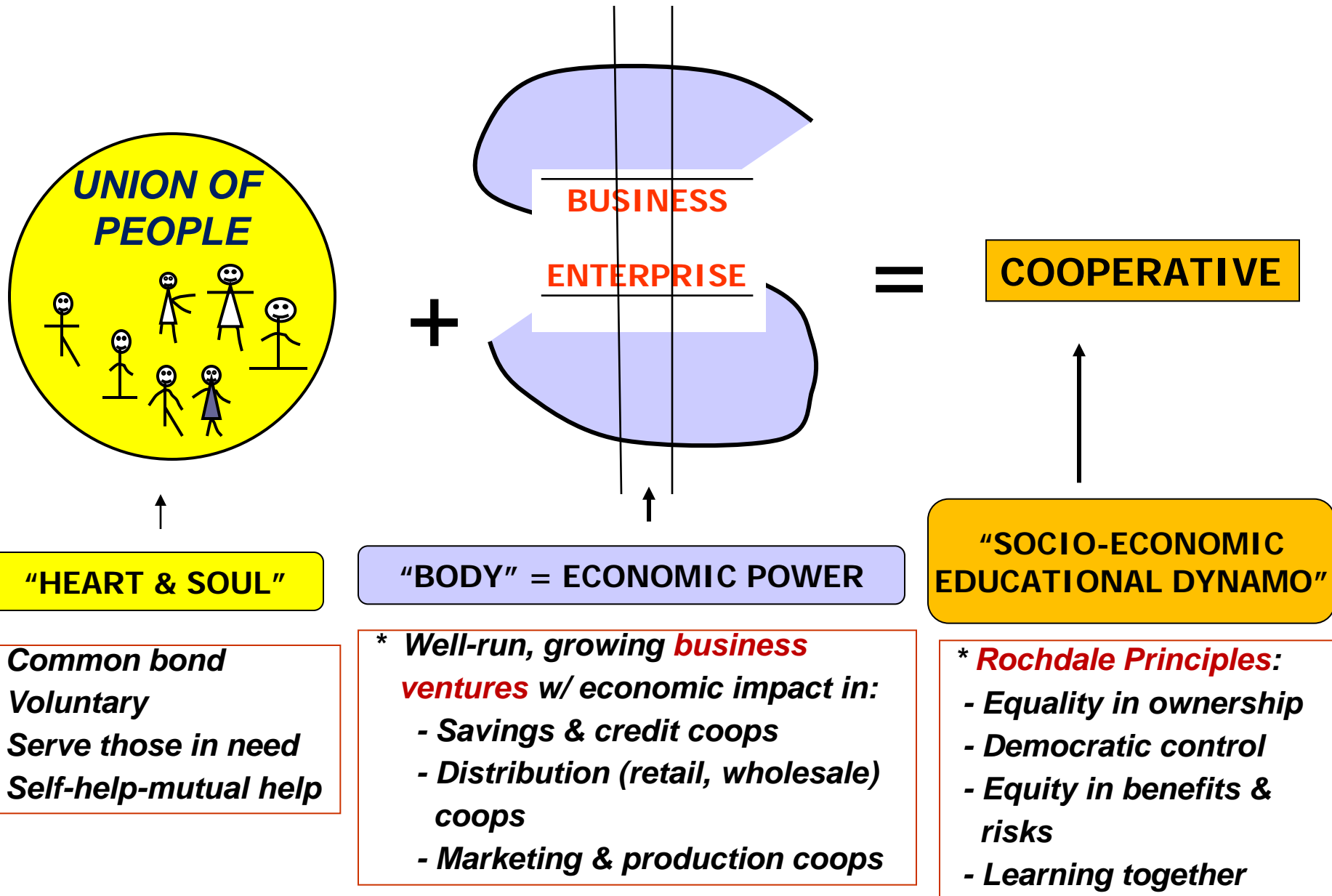
**1:30 – 3:00 pm – COOPERATIVE-ISM: A  
MODEL FOR COMMUNITY DEVELOPMENT**

*20-minute break*

**3:20 – 4:15 pm – Group Discussion**

**4:15 – 4:30 pm – Concluding Activity**

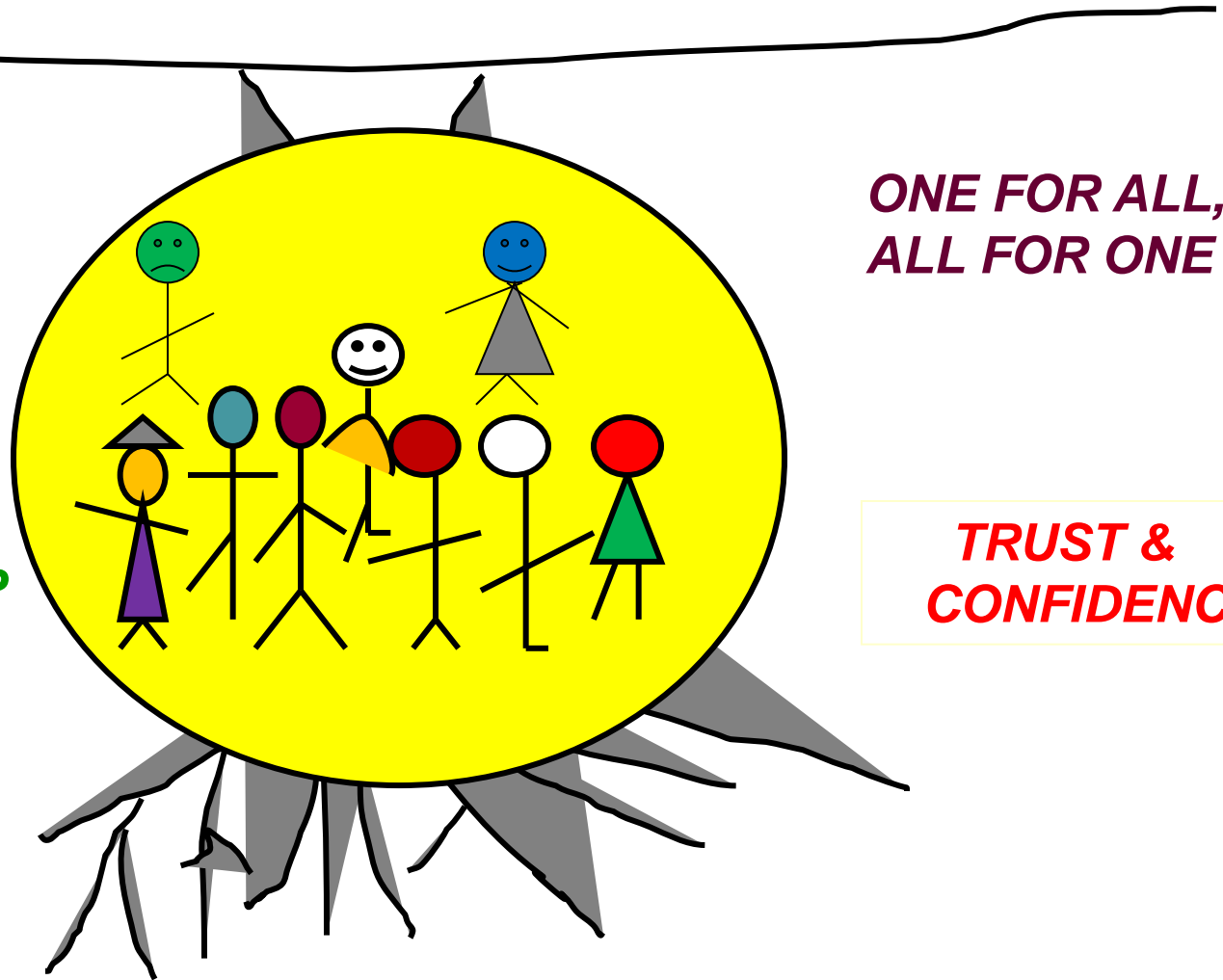
# COOPERATIVE: BASIC FEATURES



# 1. UNION OF PEOPLE (SHMH) = The “TAP ROOT” (The Foundation)

**SELF-HELP**  
(Personal  
Development)

**MUTUAL-HELP**  
(Brotherhood,  
Mutual  
Development)

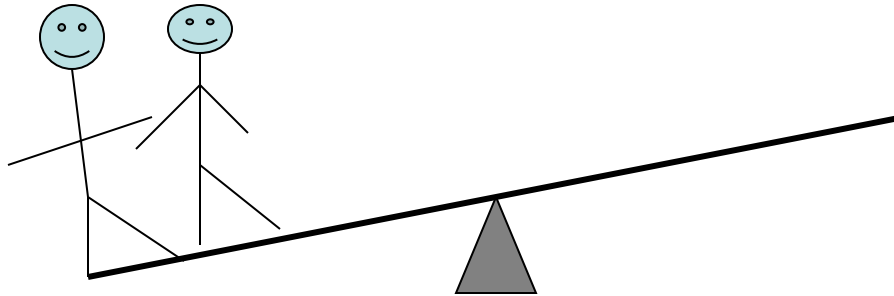


**ONE FOR ALL,  
ALL FOR ONE**

**TRUST &  
CONFIDENCE**

## 2. PEOPLE POWER FOR OWNERSHIP/CONTROL OF ECONOMIC RESOURCES

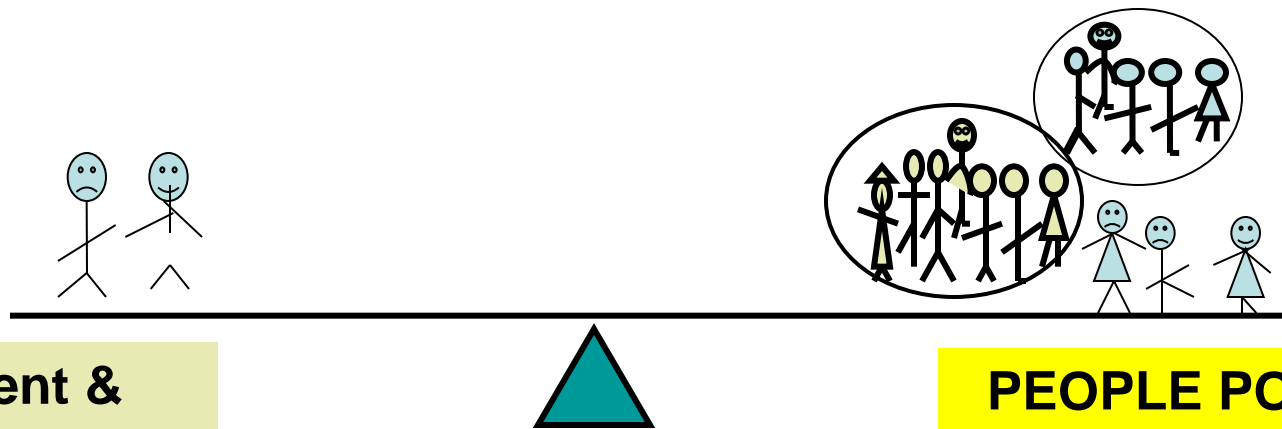
2 “giants” control decision-making & economy:



**GOVERNMENT &  
BIG BUSINESS**

**IMBALANCE**

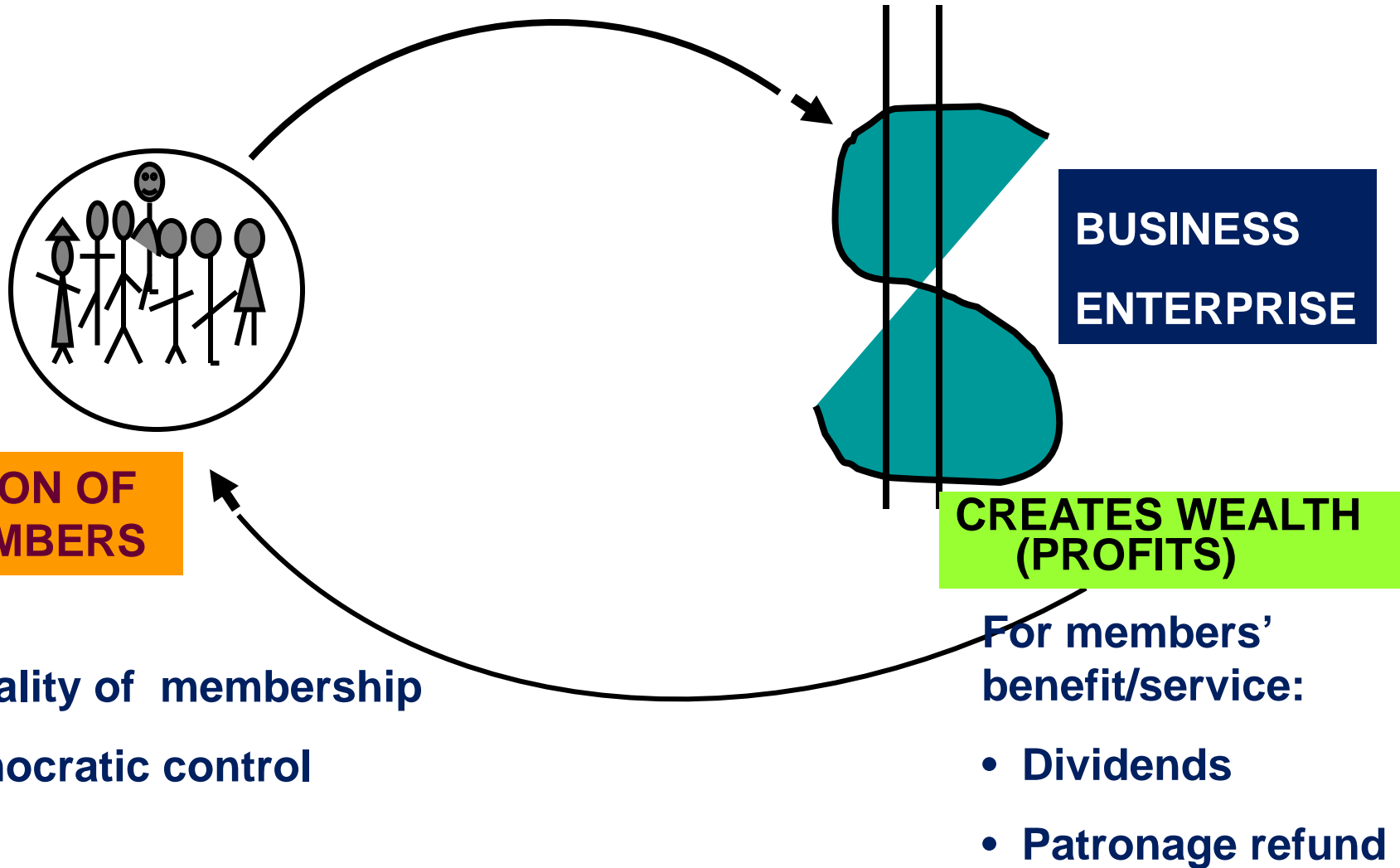
- \* ***IMBALANCE IN DISTRIBUTION OF RESOURCES & WEALTH***
- \* ***ABUSES & EXPLOITATION***



**A 3<sup>rd</sup> FORCE** to counterbalance

- \* To establish the “**Good Society**” = a proper mix of:
  - **Individual ownership** (homes, farms, etc.)
  - A large **Cooperative ownership**
  - **Government ownership** (public enterprises)
  - **Corporate ownership** (private enterprises)
- \* To alleviate poverty
- \* For more equitable distribution of wealth & resources

### 3. COOP TRANSCENDS PROFIT-MOTIVE to SERVICE

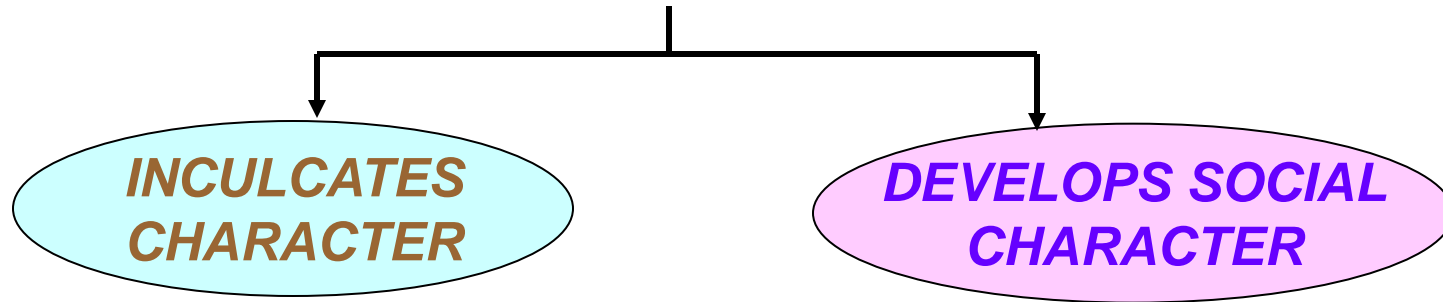


**The Cooperative cycle of economic operation & service**



## 4. EDUCATIONAL MOVEMENT FOR INDIVIDUAL & SOCIAL REFORM

### *CONTINUOUS LEARNING IN THE SCHOOL OF LIFE*



\* overcomes/liberates people from:

- “**the great default of the people**”
- “**3 kinds of bondage**” (external, internal, spiritual)

\* strengthen values: honesty, integrity, standing on one’s own feet

#### **How do coop members learn?**

1. **Seminars** (e.g., Pre-membership Education - an “eye-opener”, education for officers & staff, continuous education to deepen knowledge & skills)
2. **Actual & experiential**
  - fulfill financial obligations (invest in & patronize coop regularly)
  - participate in coop affairs
  - know more & upgrade professional/leadership skills

# COOPERATIVE ROCHDALE PRINCIPLES

## 1. Open & Voluntary

Open & voluntary to all who want to join

## 2. Democratic Control

- \* One member, One vote
- \* The General Assembly of members - final arbiter

## 3. Non-Discrimination

Neutrality to race, religion, partisan politics, economic status, etc.

## 4. Services to Members

Coop policies & operations designed to serve mainly the members

## 5. Coop Economic Returns to Members

- \* A “non-profit” business organization
- \* All surpluses (net of reserves) - returned to members -
  - \* **Dividends** (Interest on Capital)
  - \* **Patronage Refunds** (based on use of coop by members)

# **COOPERATIVE PRINCIPLES**

## **(Adopted from Original Rochdale Coop Principles)**

### **6. Financial Stability**

- \* Accurate and up-to-date records*
- \* Internal control system in place*
- \* Functioning Audit Committee*
- \* Set-up reserves*

### **7. Continuing Education**

- \* Pre-membership education is key*
- \* member should be kept informed of Coop trends & development within the coop*

### **8. Cooperation among Cooperatives**

- \* Established coops should help small & fledgling ones*
- \* Coops should form a network*

### **9. Social Responsibility**

- \* Members in Good Standing (MIGs)*
  - Regular depositors*
  - Wise use of resources (e.g., loans)*
- \* To remind fellow members of their responsibilities, duties, rights*
- \* To Sell the coop idea to others*

# **COOPERATIVE PRINCIPLES (a summary)**

## **EQUALITY**

- ☛ MEMBERS AS CO-OWNERS (VOLUNTARY)
- ☛ DEMOCRATIC CONTROL (ONE MEMBER, ONE VOTE)
- ☛ EQUAL ACCESS TO SERVICES
- ☛ COMMON COMMITMENT & RESPONSIBILITY

## **EQUITY**

**ECONOMIC BENEFITS  
PROPORTIONATE TO:**

- ☛ CAPITAL CONTRIBUTION (DIVIDENDS)
- ☛ USE OR PATRONAGE (PATRONAGE REFUNDS)

## **CONTINUOUS EDUCATION**

- ☛ UPGRADE QUALITY OF MEMBERS
- ☛ DEVELOP COMPETENCE OF LEADERS/STAFF
- ☛ PROMOTE COOP'S GOOD IMAGE & IMPACT ON SOCIETY

A “**COOPERATIVE**” is:

- a democratic business organization owned & controlled by member-consumers;  
(who have shared rights & responsibilities, duties & obligations, benefits & risks);
- governed democratically by elected officers;
- professionally managed/operated by professional staff;
- a model to redistribute wealth & resources for the common good.
- The **COOPERATIVE'S** main aim:  
**EMPOWERMENT of MEMBERS**  
**SOCIO-ECONOMICALLY**

# ***Advantages to the Members***

## **A. SOCIAL BENEFITS:**

**A COOPERATIVE IS DEMOCRATICALLY OWNED & CONTROLLED by MEMBERS**

**Members have responsibility, right & power ...**

- 1. To hear & be heard on issues/matters affecting them at the Members General Assembly.**
- 2. To demand for *transparency & accountability from management* regarding coop affairs & operations.**
- 2. To elect officers &/or representatives to govern & manage coop.**

## **B. ECONOMIC BENEFITS:**

**COOP - a NON-PROFIT BUSINESS ORGANIZATION.**

**“Profits”: 1) for operations costs; 2) to pay-off loans; 3) establish funds (e.g., Reserve Fund against losses, Education Fund, and other funds) for stability/security.**

**\* A registered COOP is tax-exempt**

**“NET SURPLUS” (Earnings) given back to members as:**

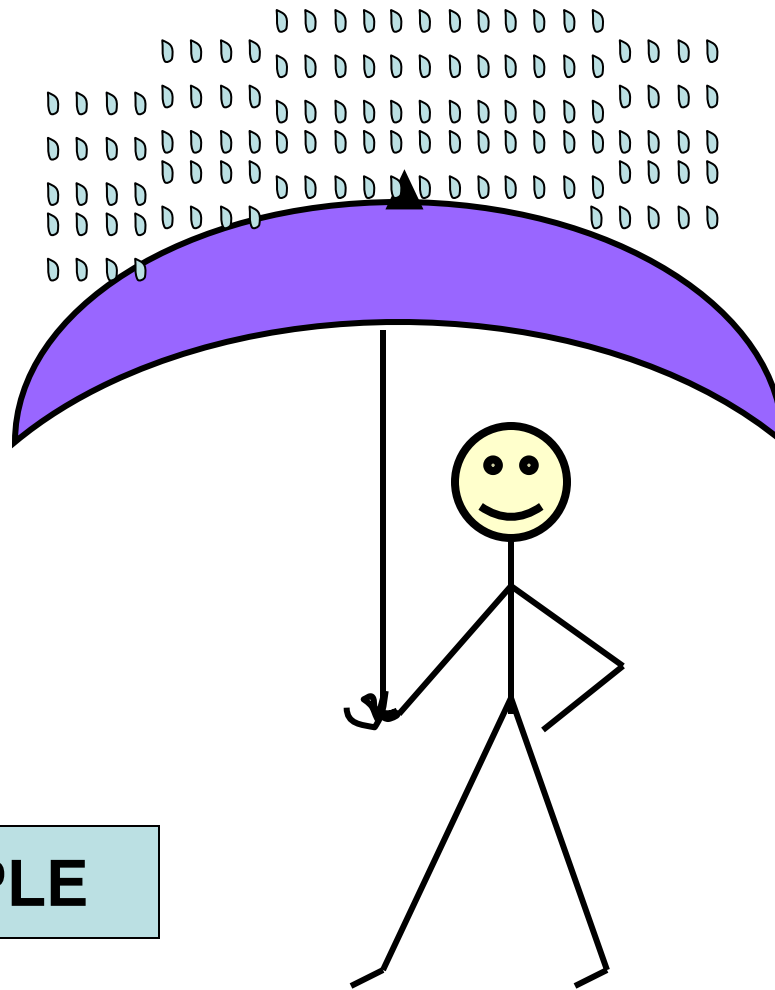
- 1. DIVIDENDS** for capital shares or investments of members
- 2. PATRONAGE REFUNDS** based on patronage or use of consumer-members of coop
- 3. Coop may directly lower costs of goods** (besides the patronage refunds) if business performance is good.

# ***ADVANTAGES TO THE COMMUNITY***

- 1. Devolution of power from a Government-Owned- or Corporate-owned business to a Consumer-Owned-Controlled-Cooperative for the common good.**
- 2. Primary motive of coop - to *serve the community* (not for profit) to provide goods & services efficiently & effectively.**
- 3. Communities will learn from experience of working together & addressing community issues & concerns by mobilizing their own resources -- a very positive approach.**



**RAIN**



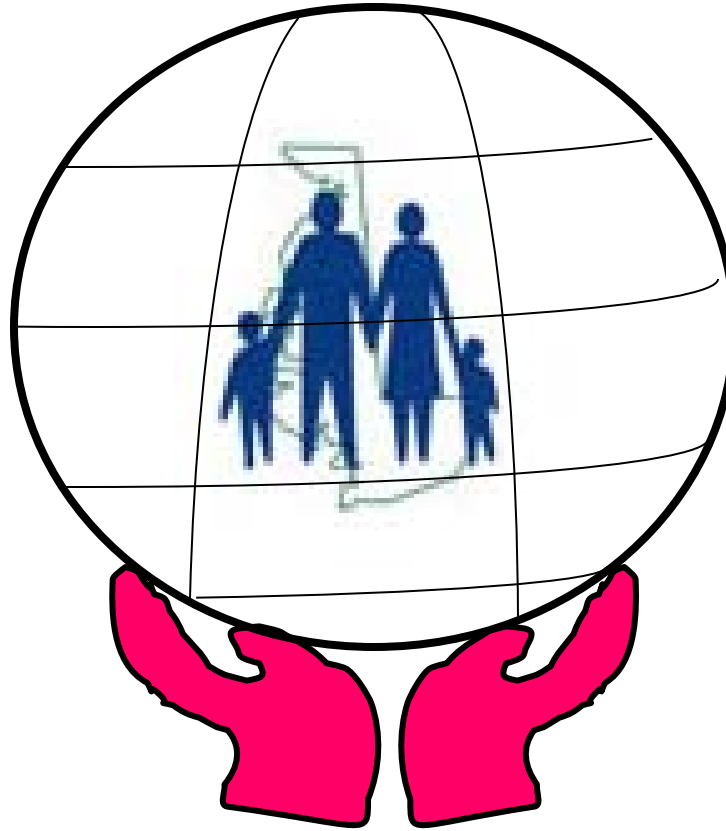
**UMBRELLA**

**PEOPLE**

**A COOPERATIVE SYMBOL**

# COOPERATIVE MOVEMENT'S IMPACT

***THE FAMILY***



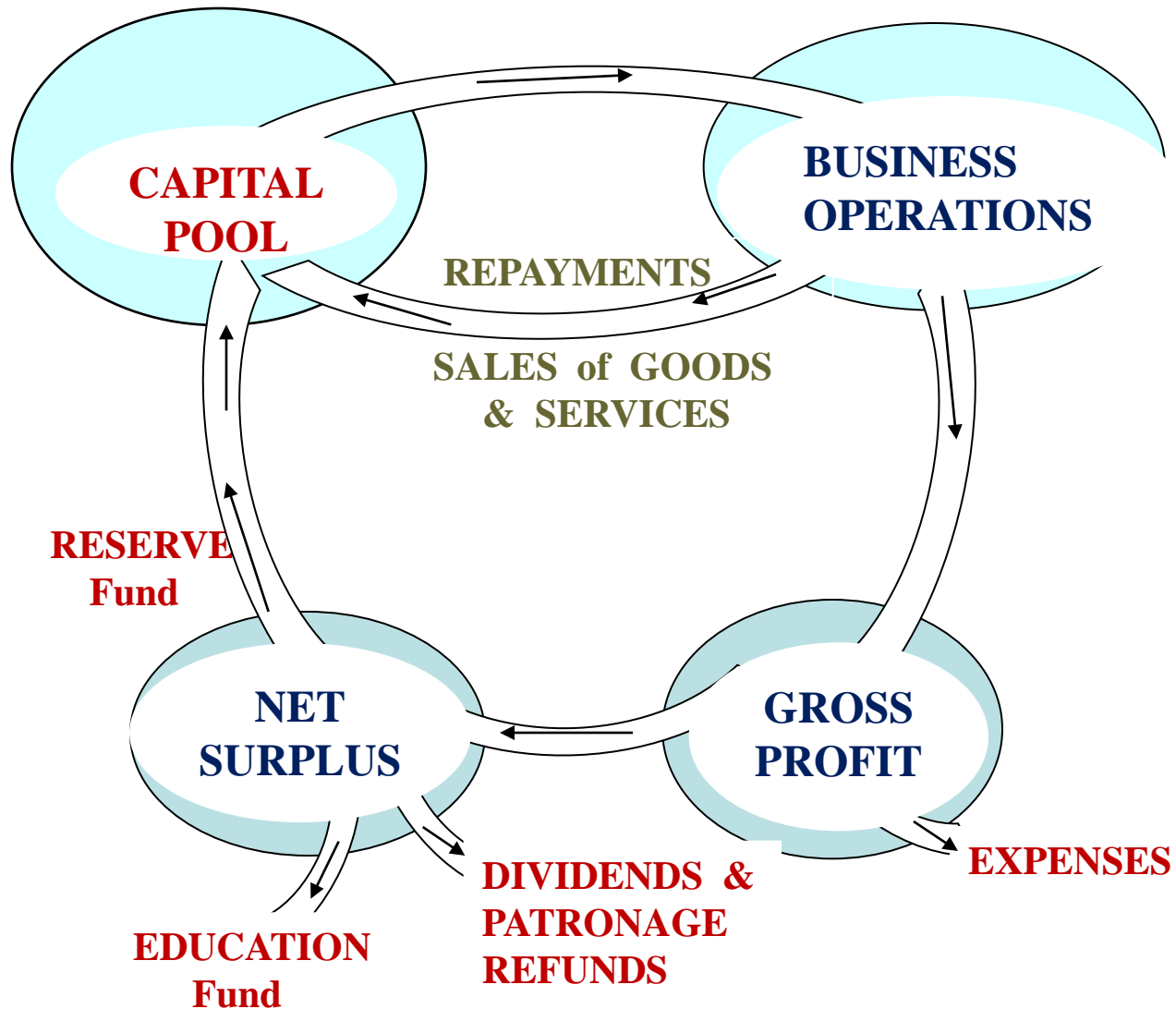
***THE  
COMMUNITY***

***PEOPLE POWER***

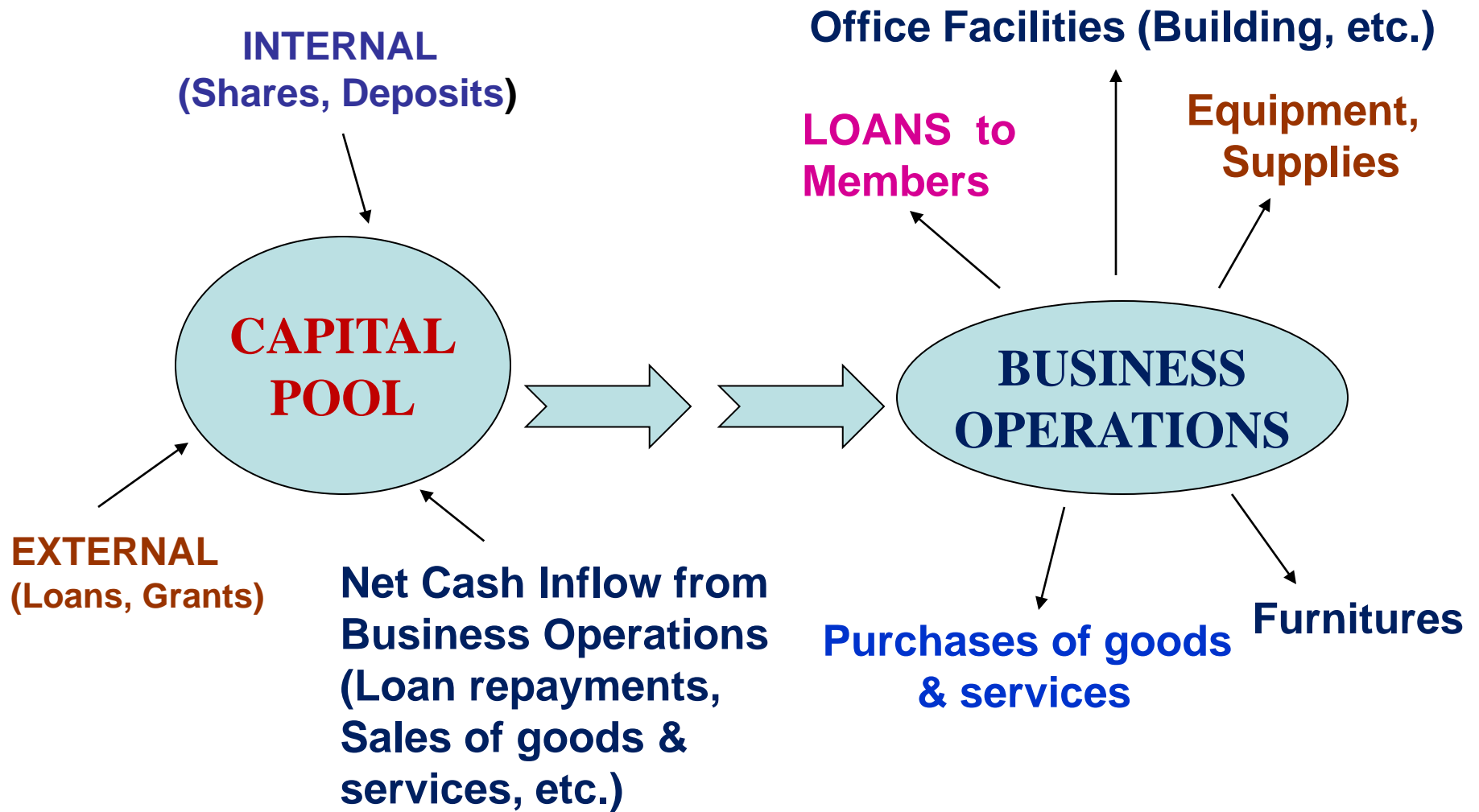




# BUSINESS OPERATIONS OF A COOPERATIVE

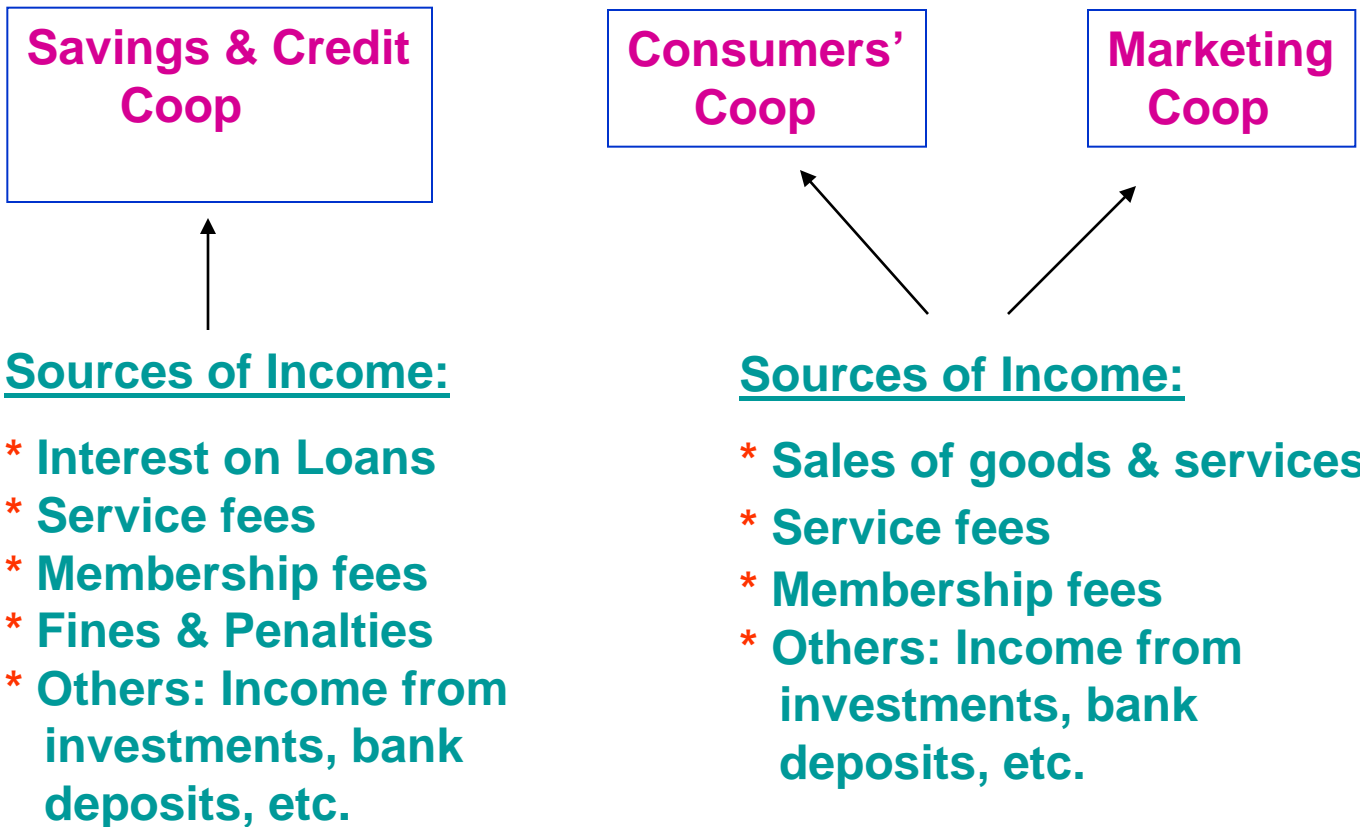


# COOP: BUSINESS OPERATIONS

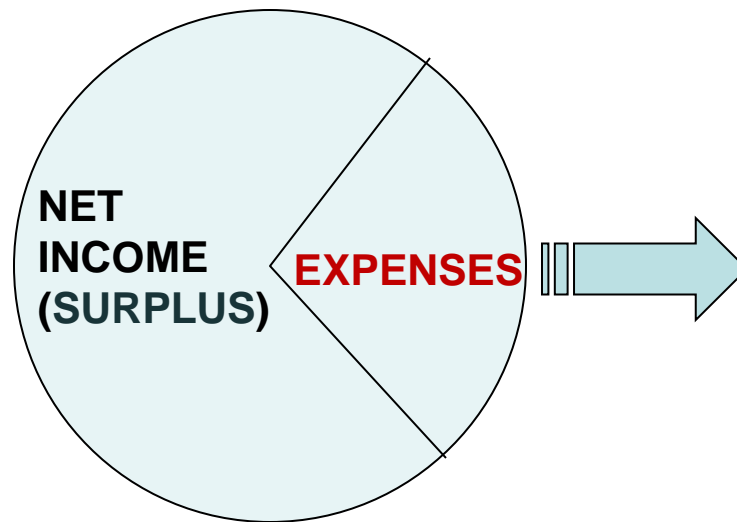


# COOPS: WHAT THEY DO WITH PROFITS

## GROSS INCOME

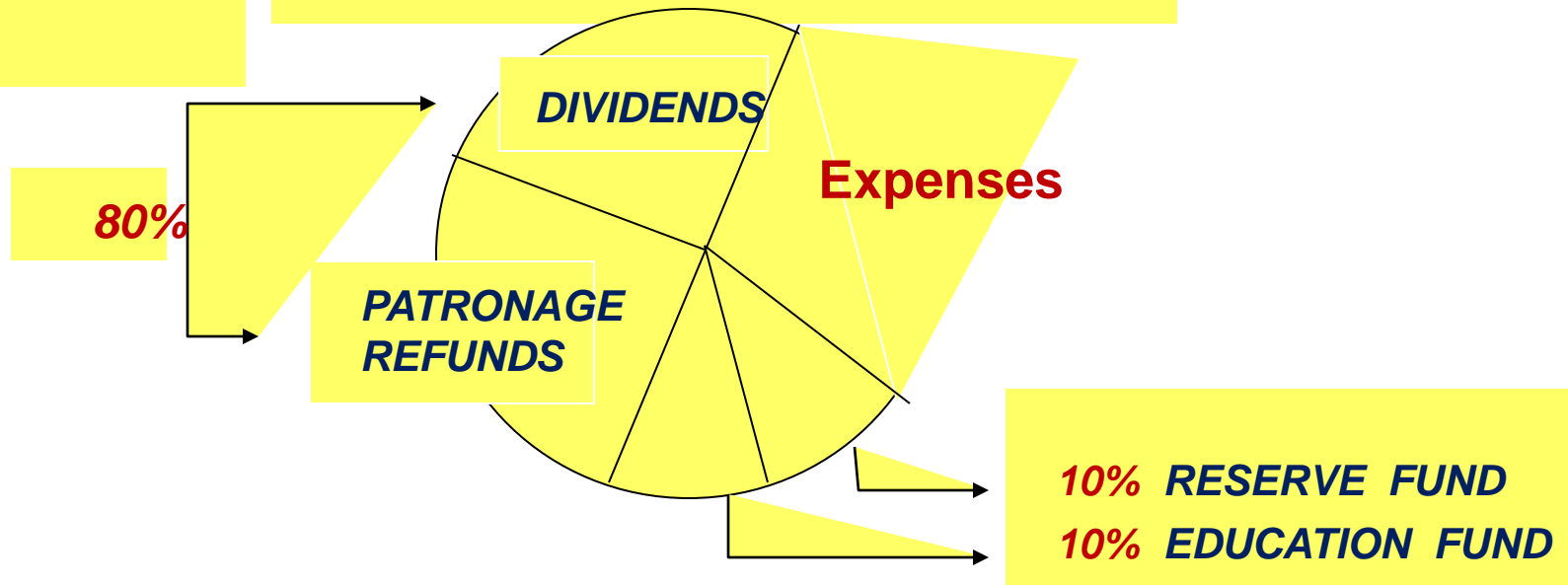


# GROSS INCOME



- \* *SALARIES & WAGES*
- \* *RENTS*
- \* *ELECTRIC & WATER COSTS*
- \* *TRANSPORTATION*
- \* *MAINTENANCE*
- \* *DEPRECIATION*
- \* *INTEREST ON DEPOSITS*
- \* *ETC*

## NET INCOME ALLOCATION TO MEMBERS







# MANAGEMENT OF COOPERATIVES

BOARD OF  
DIRECTORS

*\* Overall leadership  
(vision, directions  
internal/external  
linkages)*

TEAM  
EFFORT

*\* Overall management  
(policy-making, &  
problemsolving)*

MANAGER

*• Day-to-day management  
(business operations,  
growth, services,  
accounting)*

*\* Executive functions:  
(implements policies on  
personnel & management)*

COMMITTEES

*\* Credit Com, Audit Com,  
Education Committee,  
Election Com, etc.*

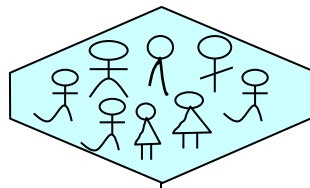
*\* With specific functions*

Compensation:

1) "Tangible" (e.g., salaries, wages, honoraria, allowances, etc.)

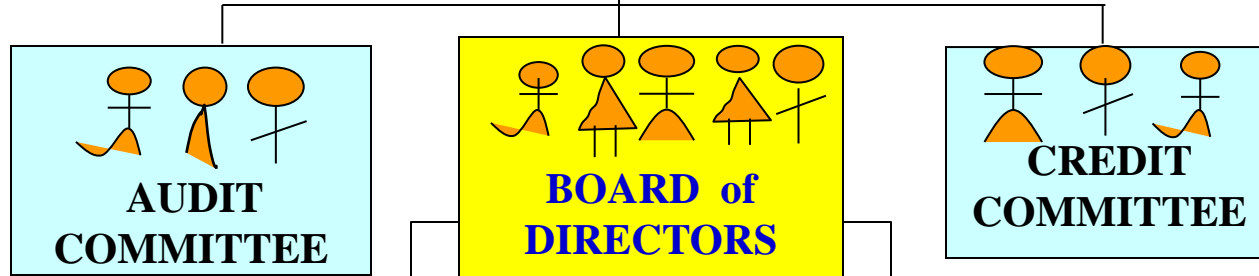
2) "Intangible" (e.g., honor, prestige, status symbol,  
opportunity to serve, skills developed, experiences gained , etc.)

# ORGANIZATIONAL STRUCTURE of a COOPERATIVE



## **GENERAL ASSEMBLY of MEMBER-OWNERS**

**ELECTS**



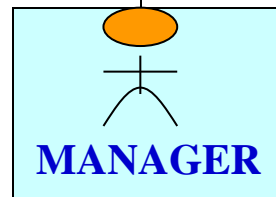
**APPOINTS**

- Chairperson
- Vice Chairperson
- Secretary
- Treasurer
- Other Board Members

**APPOINTS**



**APPOINTS**



**STAFF**



# GENERAL ASSEMBLY of a COOPERATIVE

## Roles & Powers

### 1. HIGHEST DECISION-MAKING BODY

- \* *final authority, final arbiter*
- \* *can amend bylaws, pass resolutions*

### 2. REPRESENTS OWNER-MEMBERS

- \* *legitimate assembly (with quorum)*
- \* *democratic decisions & collectively accountable*

### 3. SOURCE OF LEADERS

- \* *identifies /elects leaders w/ 3 "C's" - credible, capable, committed*
- \* *removes "undesirables"*

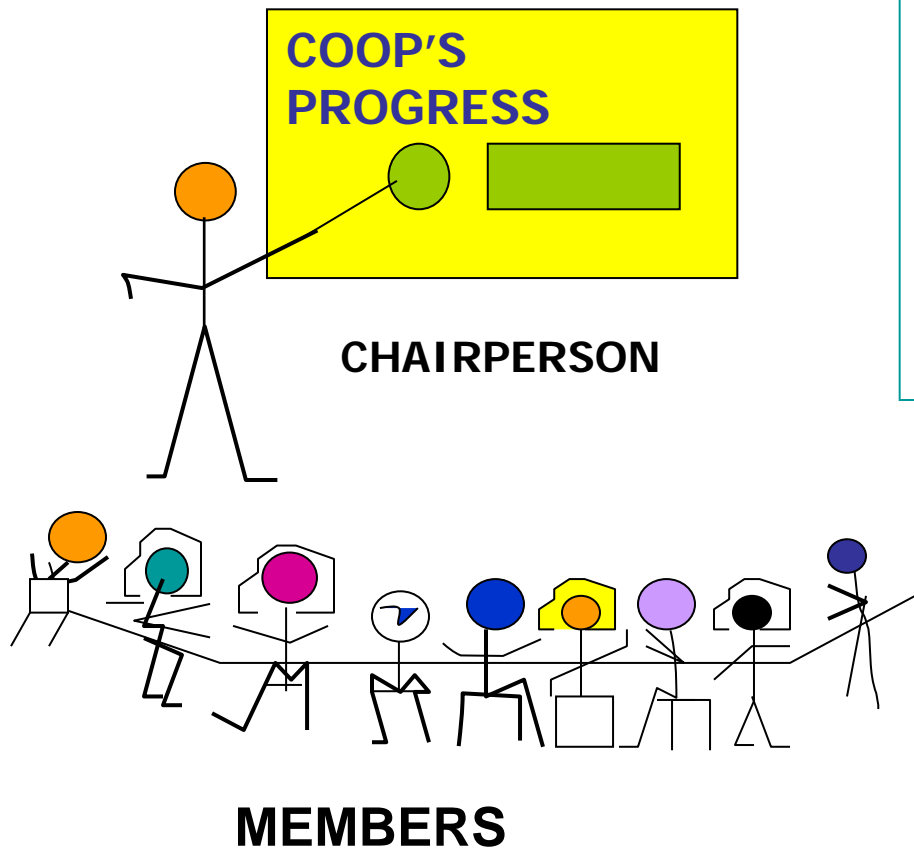
### 4. EDUCATIONAL FORUM

- \* *learns group decision-making (democracy in action)*
- \* *increases understanding of coop operations*

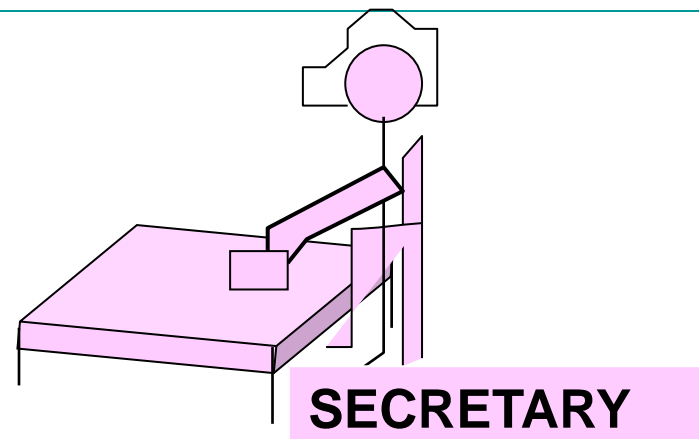
# COOP MEMBERS' GENERAL ASSEMBLY

## HOW IT WORKS

### USE BASIC SIMPLIFIED PARLIAMENTARY PROCEDURE



1. **CALL TO ORDER**
2. **DECLARATION OF QUORUM**
3. **PREVIOUS MINUTES**  
(TO BE READ, CORRECTED, APPROVED)
4. **REPORTS**  
(TO BE READ, DISCUSSED, APPROVED)
5. **OTHER MATTERS:**
  - OLD BUSINESS
  - NEW BUSINESS  
(TO BE PRESENTED, DISCUSSED, DECIDED)
6. **ELECTIONS**
7. **ADJOURNMENT**



# WHO CAN PARTICIPATE in the General Assembly?

\* **MEMBERS** in **GOOD STANDING** (**MIGs**), in **ATTENDANCE**, **NO PROXY**

The **MIGs** are...

**ECONOMICALLY  
SUPPORTIVE**

- **SAVE  
REGULARLY**
- **BORROW WISELY**
- **REPAY  
PROMPTLY**

**ORGANIZATIONALLY  
INVOLVED & PARTICIPATIVE**

- **in COOP AFFAIRS**
- **USE VOTING  
POWER**

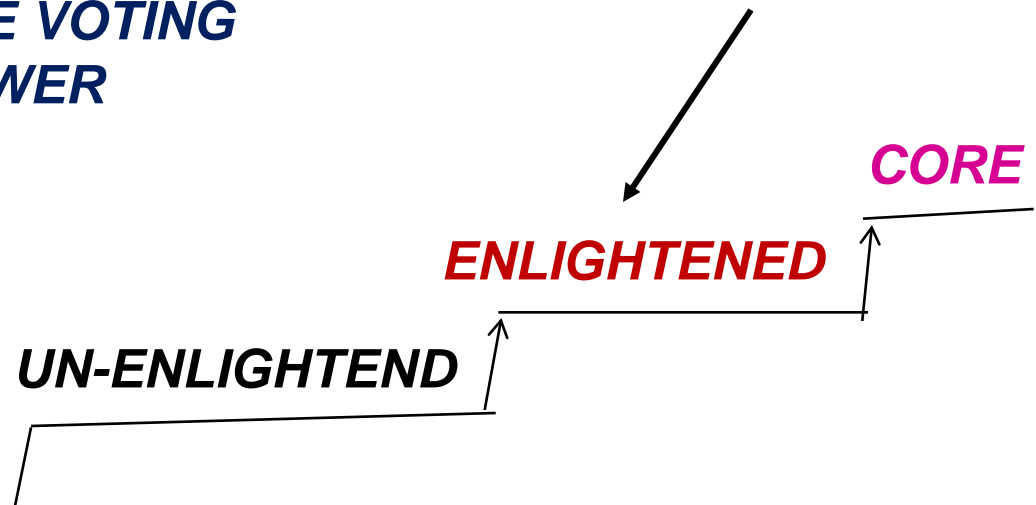
**SOCIALLY  
ENLIGHTENED**

- **QUALITY MEMBERS**

**ENLIGHTENED**

**CORE**

**UN-ENLIGHTEND**





# RELATIONSHIP of TYPES OF COOPERATIVES

(A Vision)

**PEOPLE - MEMBERS**

*Organize, Own & Control  
Economic Institutions*

**CREDIT UNIONS  
(Coop Banks)**

*Respond to:*

- \* *Depository for savings*
- \* *Credit*
- \* *Teach people to operate coop*
- \* *Develop leadership/management skills*

**PRODUCERS' &  
MARKETING COOPS  
(village & district levels)**

**CONSUMERS' COOPS  
(retail & wholesale levels)**

*Respond to producers' need:*

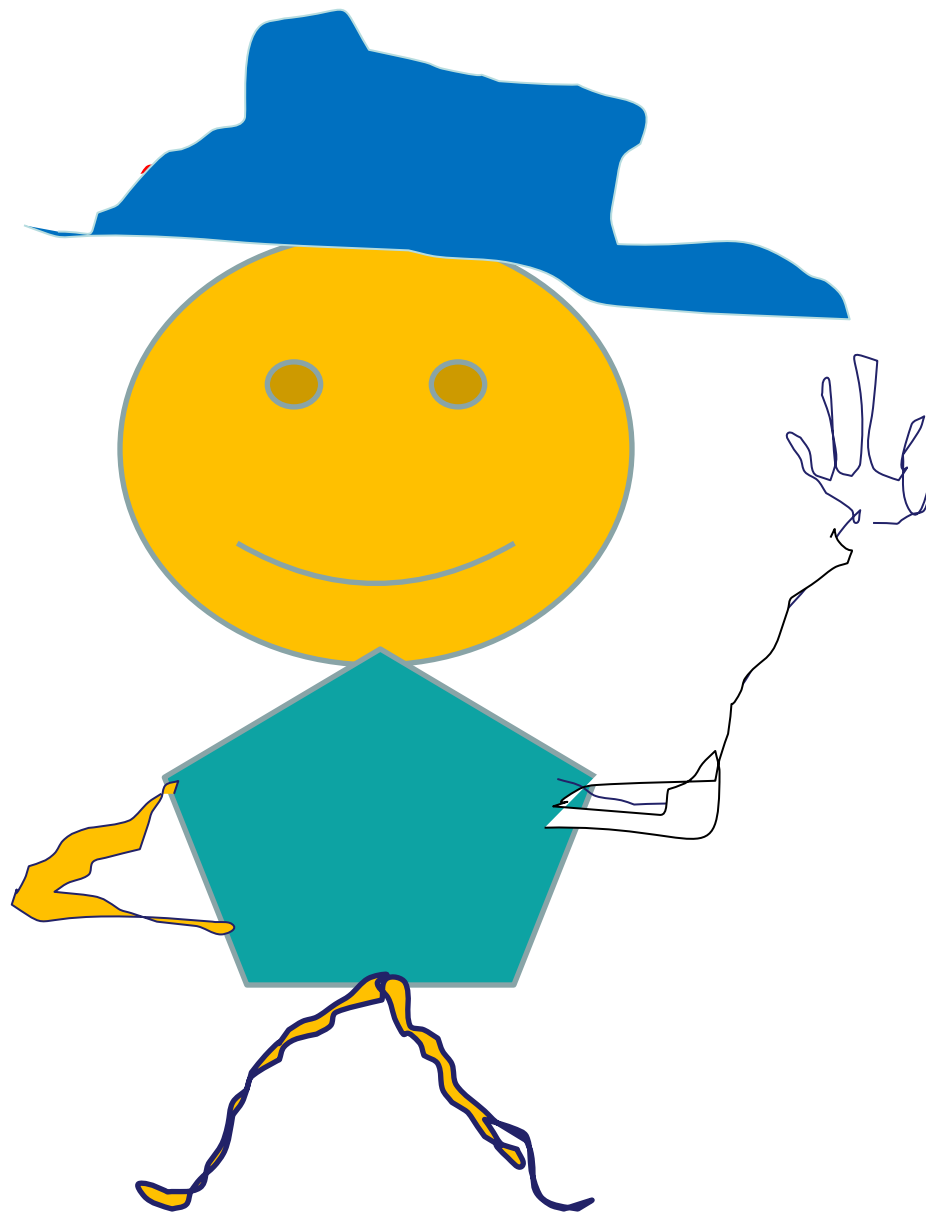
- \* *Production to increase income*
- \* *Production inputs (farm needs)*
- \* *Marketing of products*

*Respond to consumers' need:*

- \* *Household basic consumption goods with quality & at reasonable prices*

**Coop Interrelationship responds to needs & situation in an agriculture economy to enhance food production for food security, to alleviate poverty & empower the people.**





***Thank You !***

