



GOOD AFTERNOON !



2-Day TIMETABLE

Day 2 – November 10, 2015, Tuesday

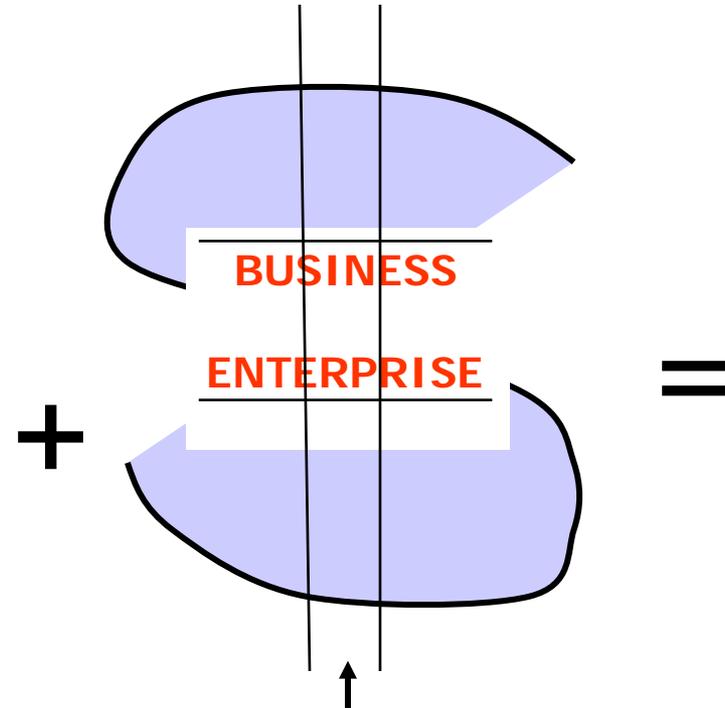
**1:30 – 3:00 pm – COOPERATIVE-ISM: A
MODEL FOR COMMUNITY DEVELOPMENT**

20-minute break

3:20 – 4:15 pm – Group Discussion

4:15 – 4:30 pm – Concluding Activity

COOPERATIVE: BASIC FEATURES



COOPERATIVE

"HEART & SOUL"

"BODY" = ECONOMIC POWER

"SOCIO-ECONOMIC
EDUCATIONAL DYNAMO"

- * **Common bond**
- * **Voluntary**
- * **Serve those in need**
- * **Self-help-mutual help**

- * **Well-run, growing *business ventures* w/ economic impact in:**
 - **Savings & credit coops**
 - **Distribution (retail, wholesale) coops**
 - **Marketing & production coops**

- * **Rochdale Principles:**
 - **Equality in ownership**
 - **Democratic control**
 - **Equity in benefits & risks**
 - **Learning together**

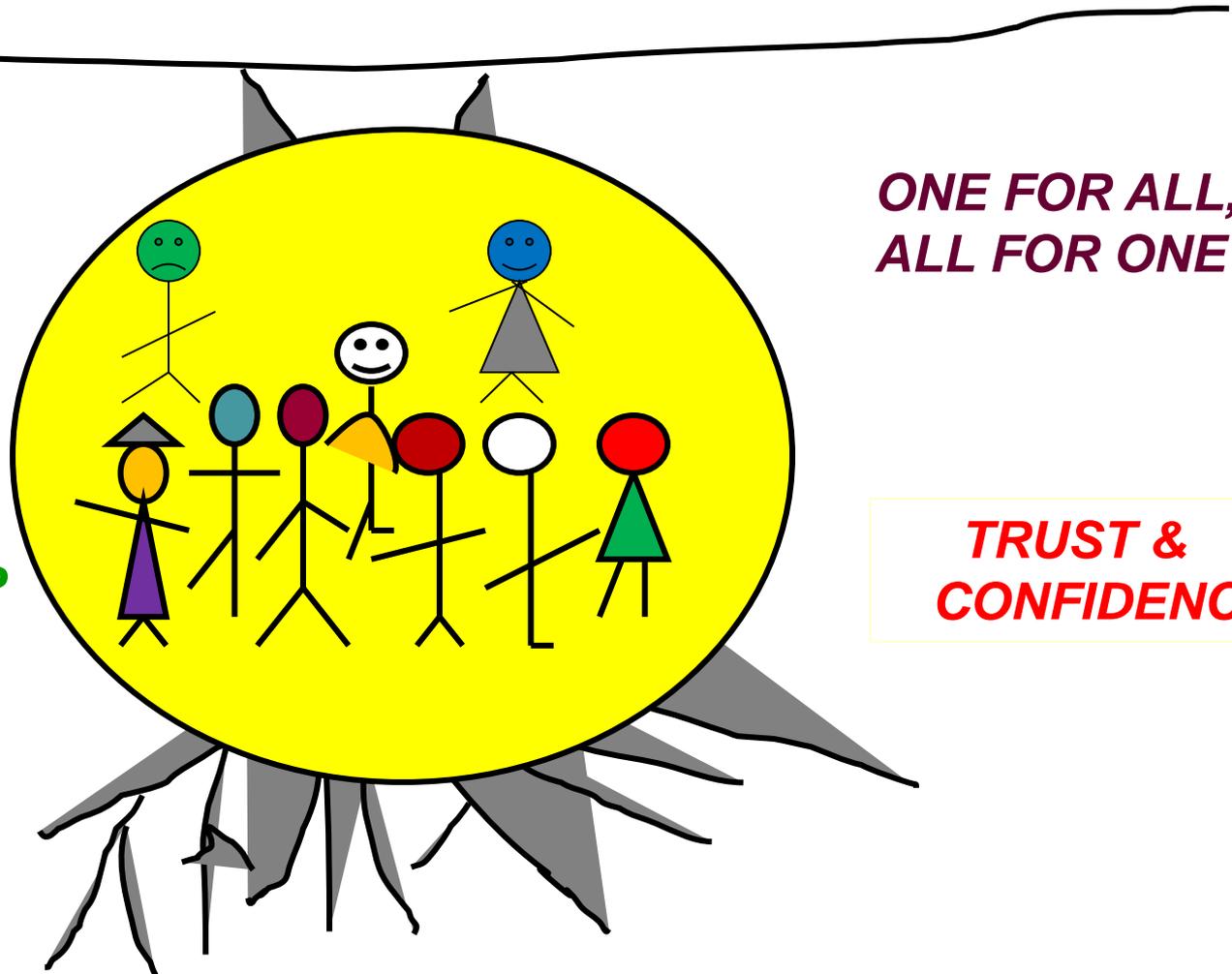
1. UNION OF PEOPLE (SHMH) = The "TAP ROOT" (The Foundation)

SELF-HELP
(Personal
Development)

**ONE FOR ALL,
ALL FOR ONE**

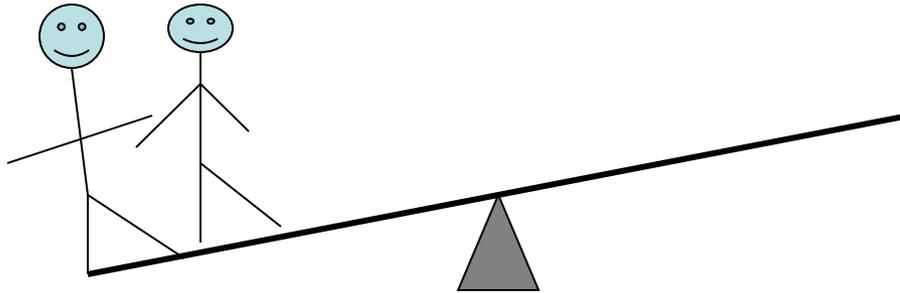
MUTUAL-HELP
(Brotherhood,
Mutual
Development)

**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**



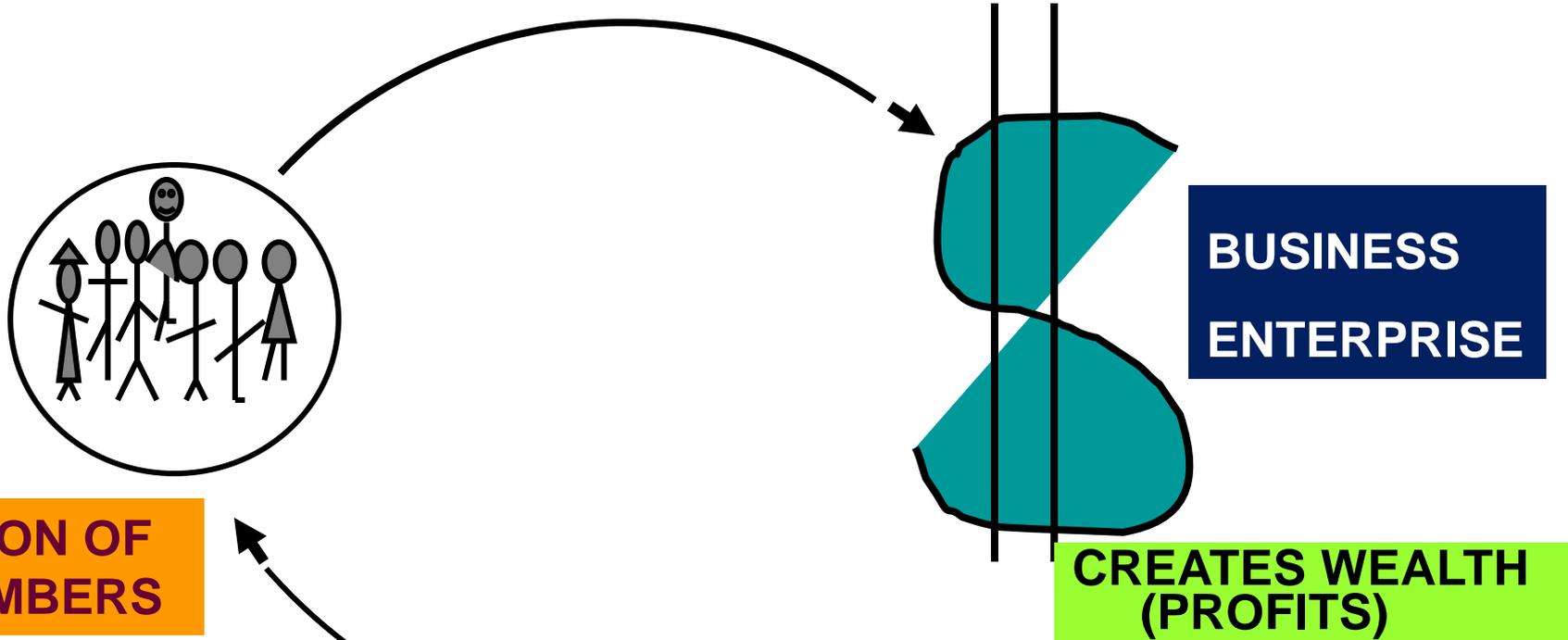
**Government &
Big Businesses**

PEOPLE POWER

A 3rd 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



- Equality of membership
- Democratic control

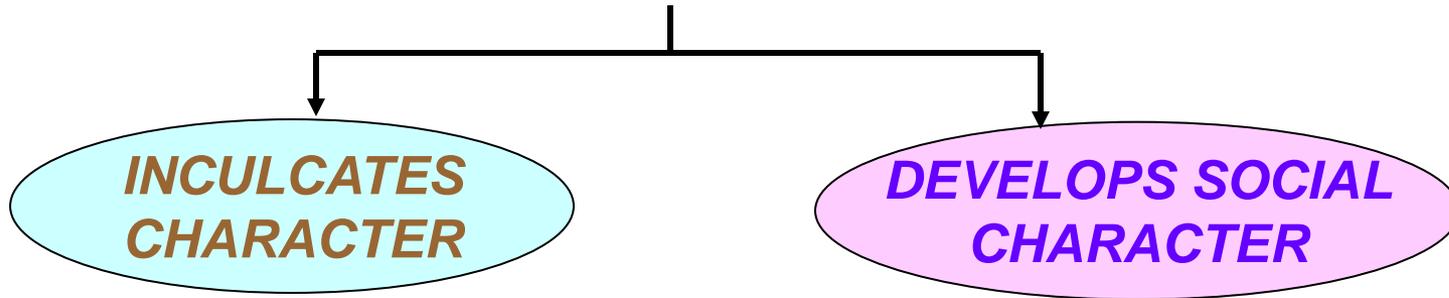
For members' benefit/service:

- Dividends
- Patronage refund

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**

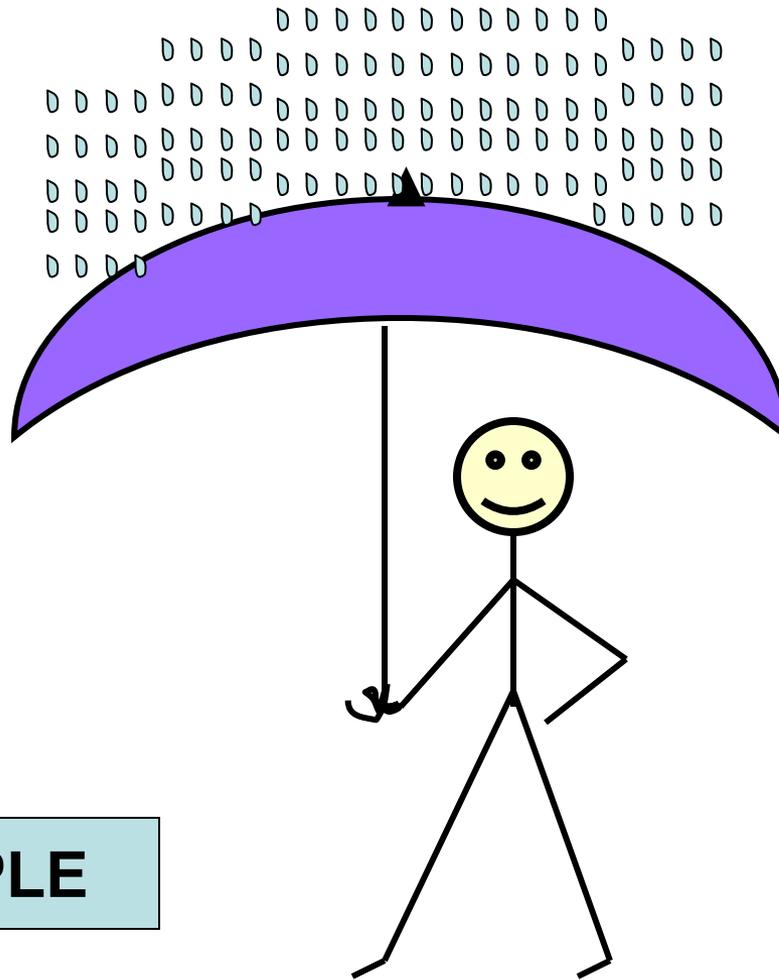
“NET SURPLUS” (Earnings) given back to members as:

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



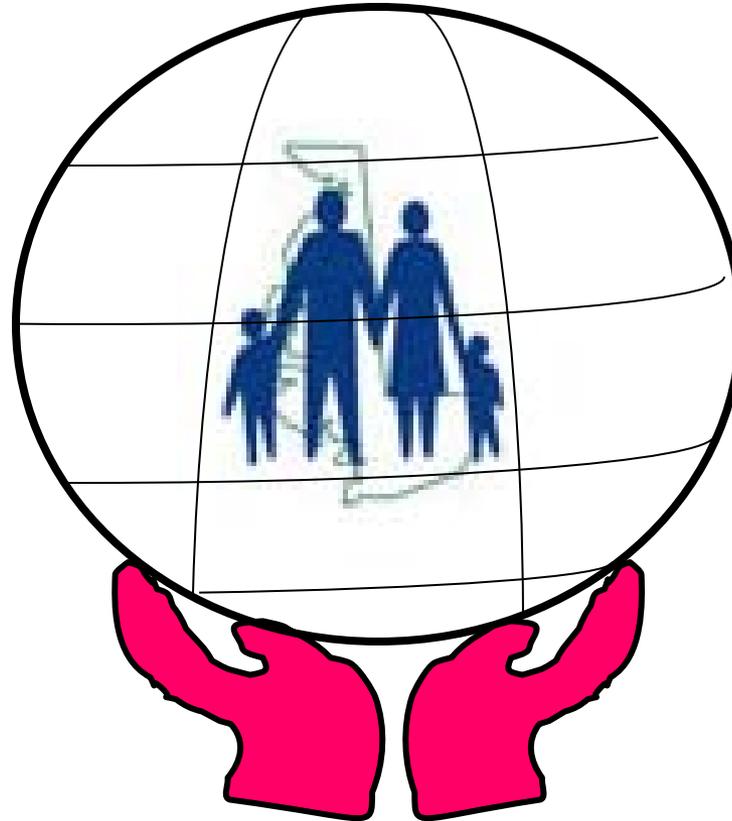
UMBRELLA

PEOPLE

A COOPERATIVE SYMBOL

COOPERATIVE MOVEMENT'S IMPACT

THE FAMILY



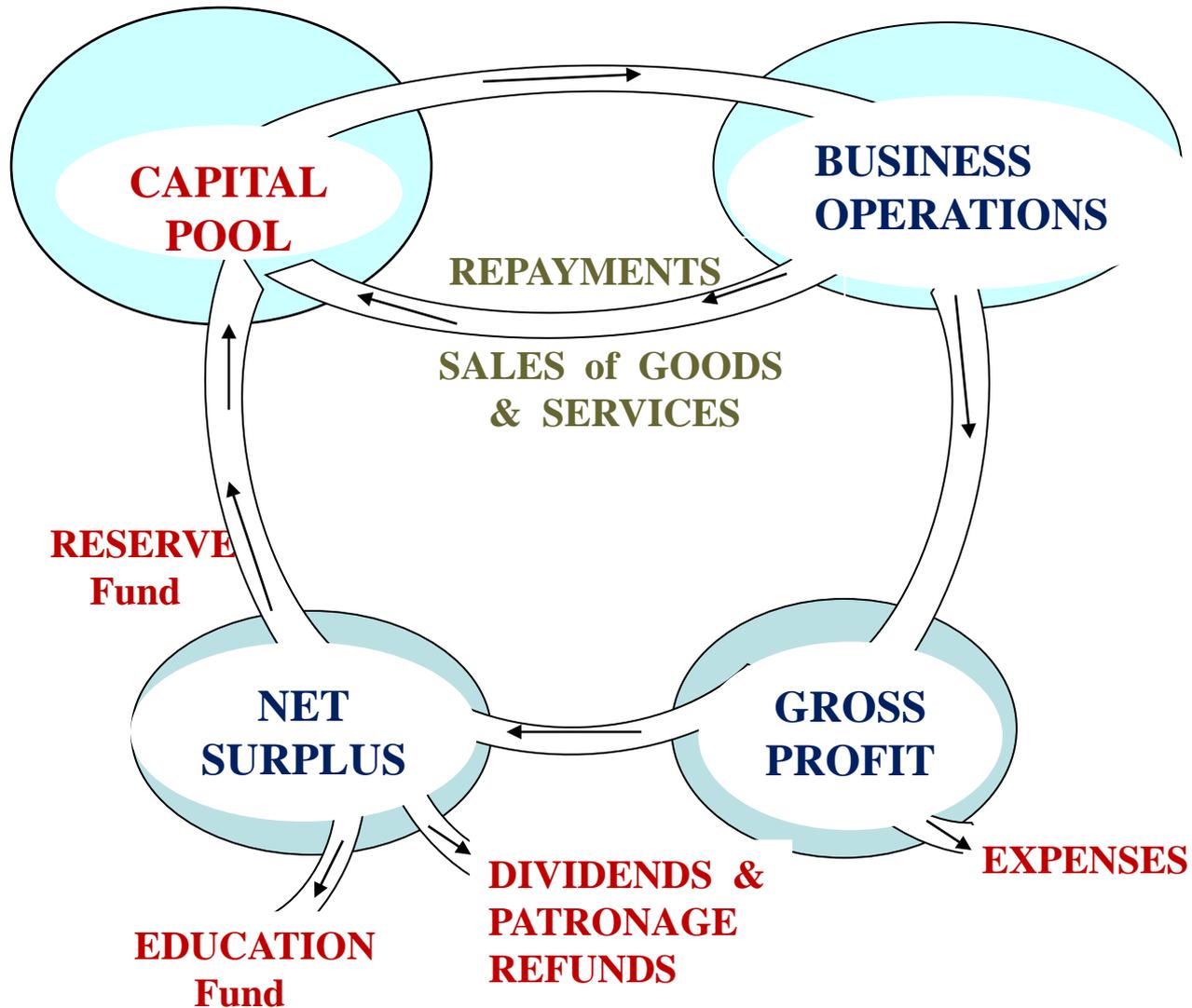
***THE
COMMUNITY***

PEOPLE POWER

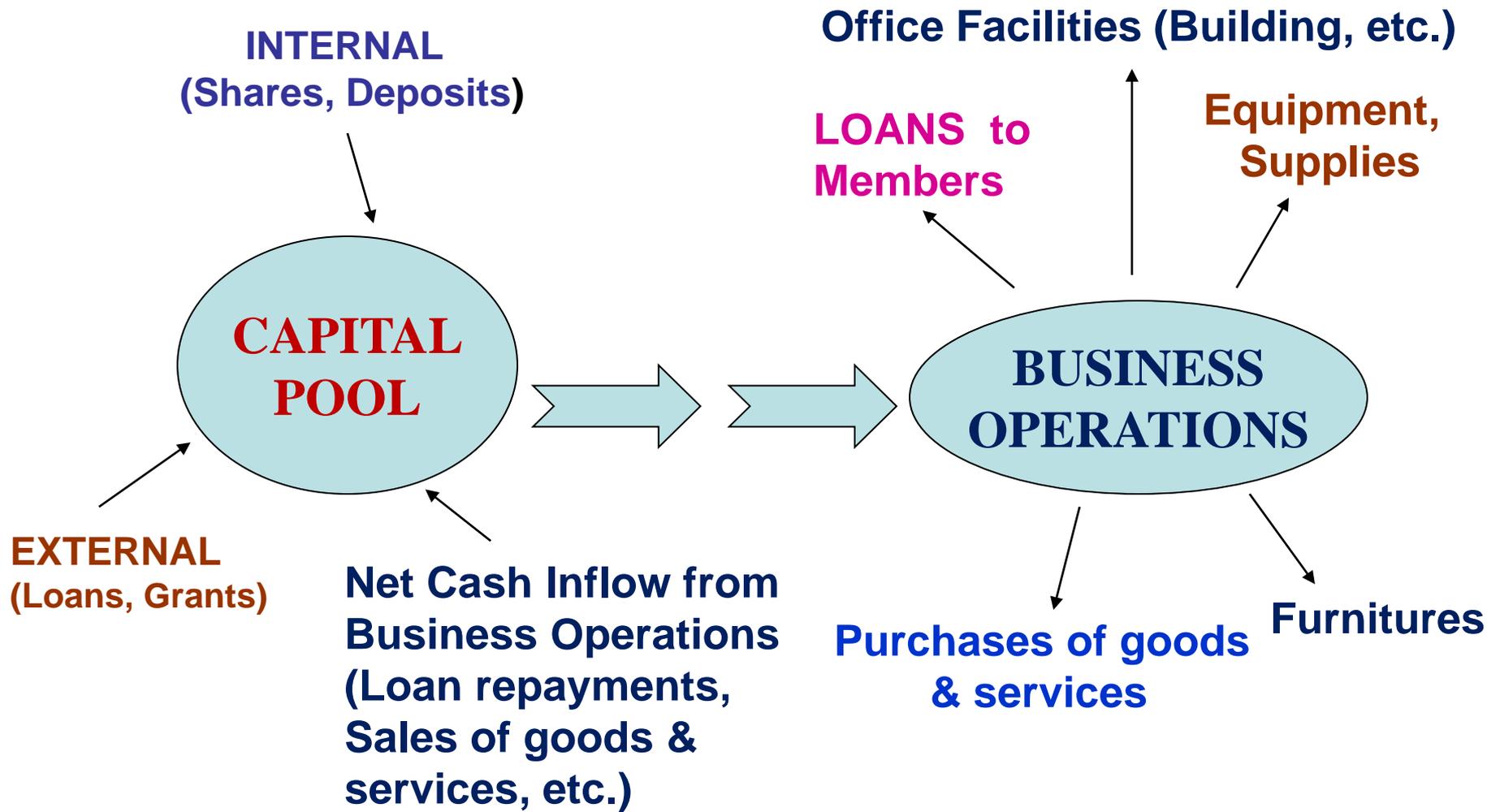




BUSINESS OPERATIONS OF A COOPERATIVE

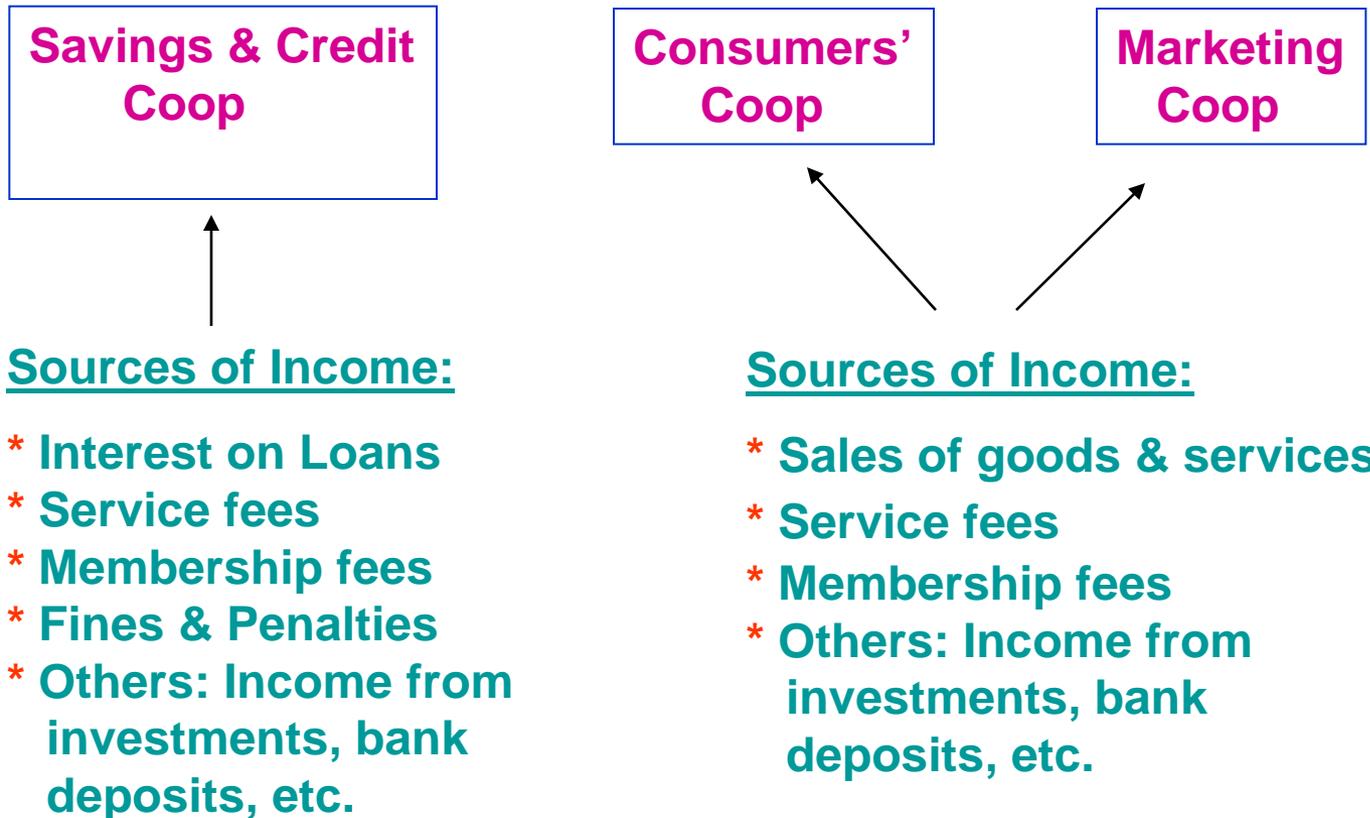


COOP: BUSINESS OPERATIONS

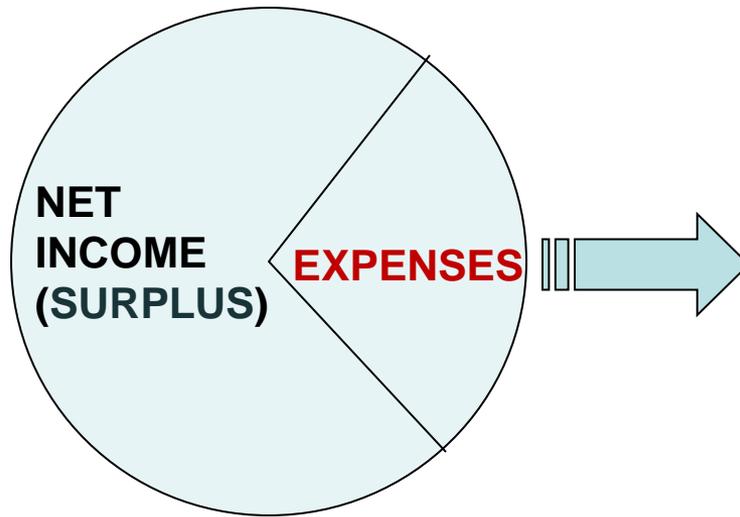


COOPS: WHAT THEY DO WITH PROFITS

GROSS INCOME

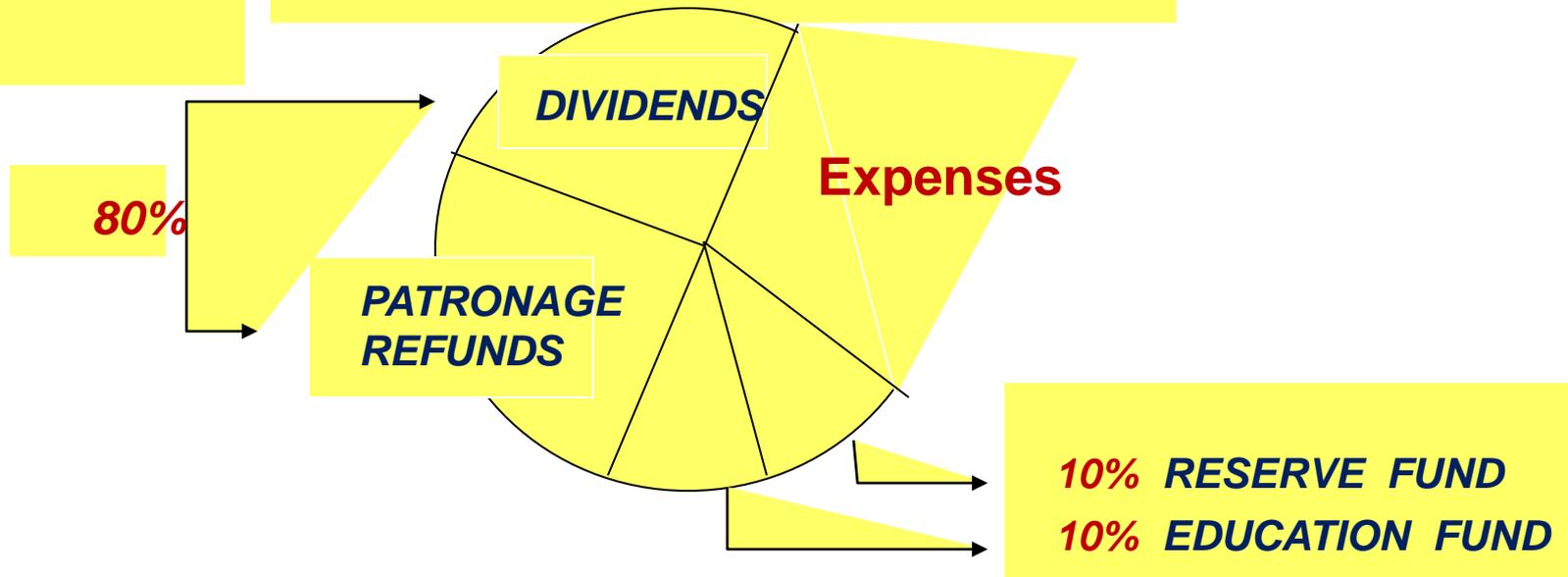


GROSS INCOME



- * *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)

* Overall management
(policy-making, &
problemsolving)

TEAM
EFFORT

MANAGER

COMMITTEES

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

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

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

* With specific functions

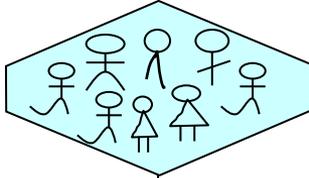
Compensation:

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

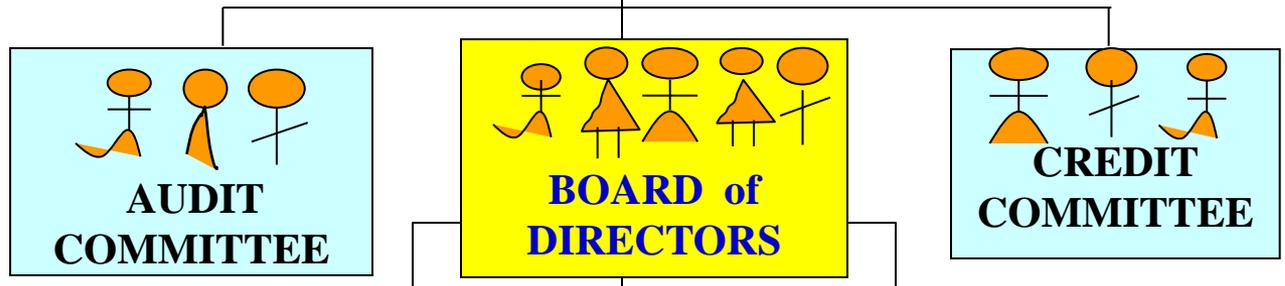
2) "Intangible" (e.g., honor, prestige, status symbol,
opportunity to serve, skills developed, experiences gained , etc.)

ORGANIZATIONAL STRUCTURE of a COOPERATIVE

GENERAL ASSEMBLY of MEMBER-OWNERS



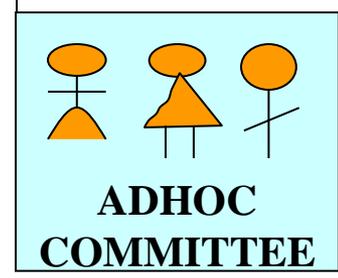
ELECTS



APPOINTS

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

APPOINTS



APPOINTS



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"*

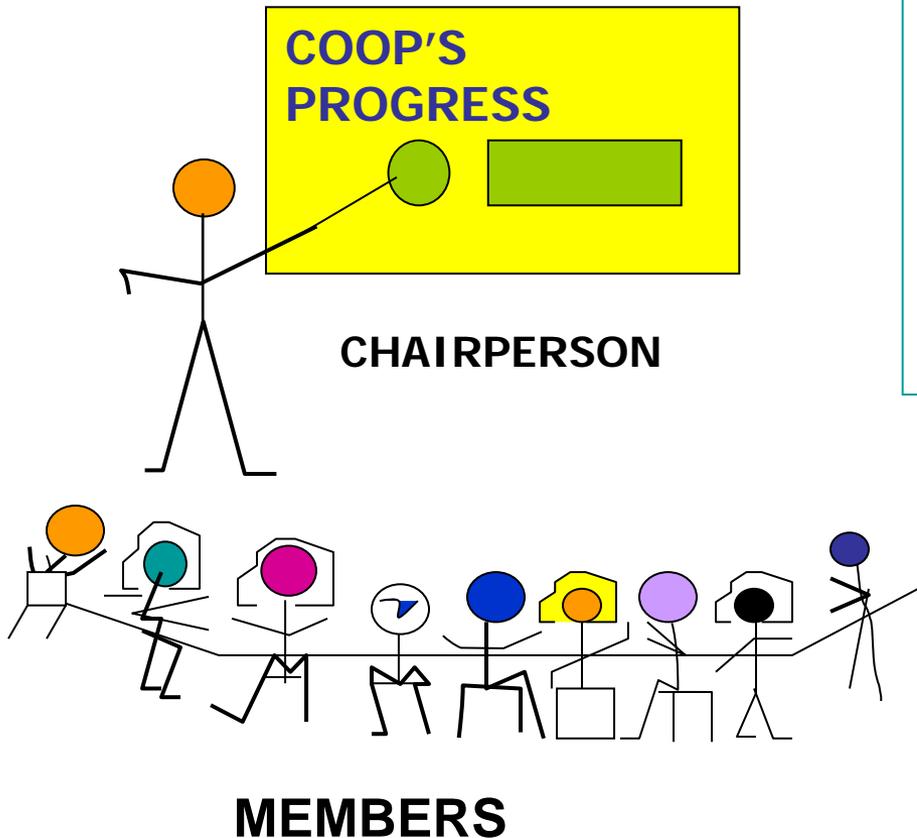
4. EDUCATIONAL FORUM

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

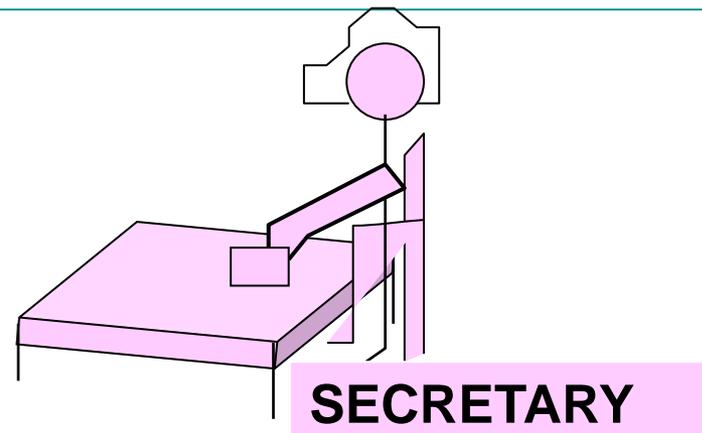
COOP MEMBERS' GENERAL ASSEMBLY

HOW IT WORKS

USE BASIC SIMPLIFIED PARLIAMENTARY PROCEDURE



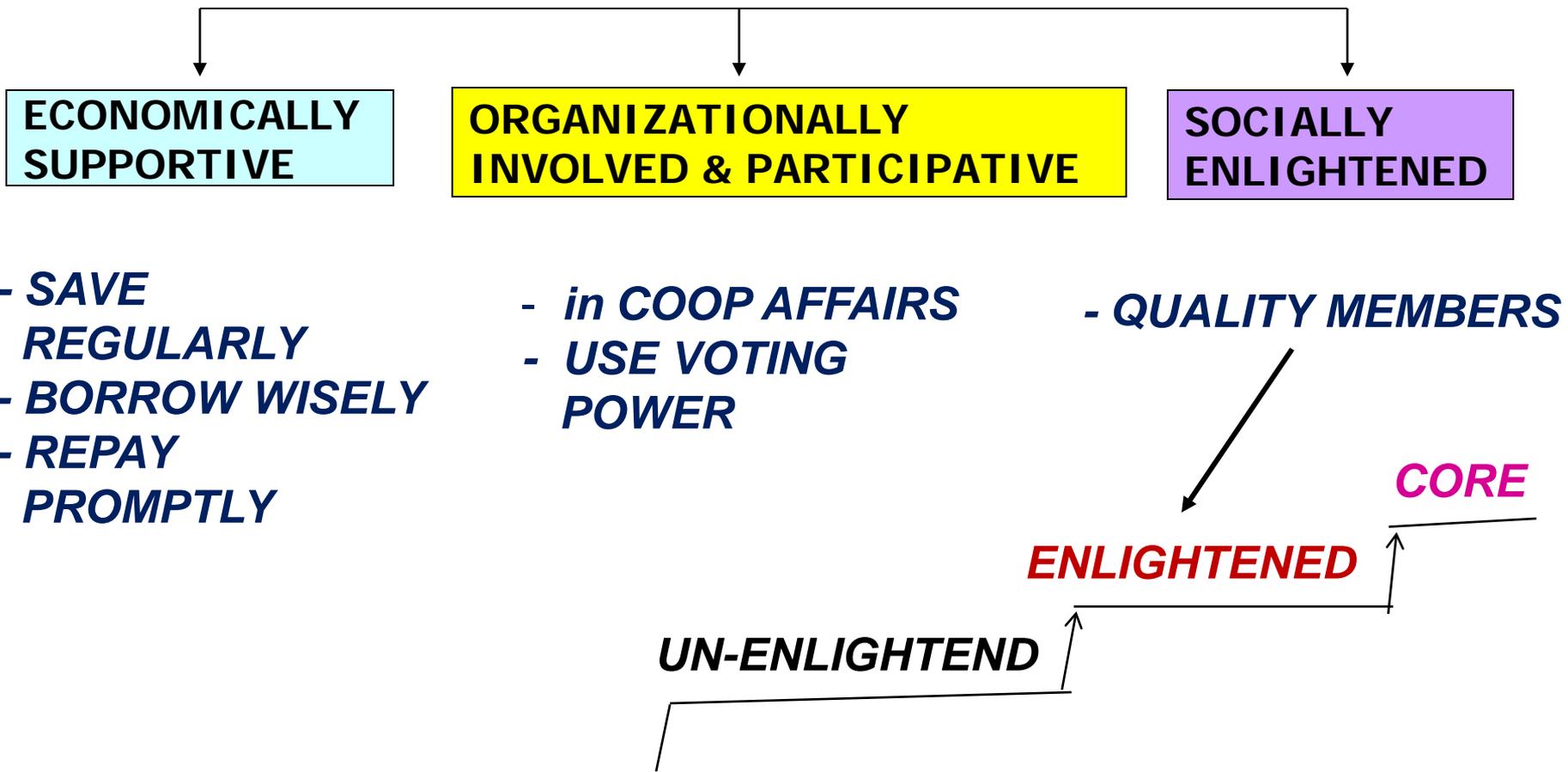
1. **CALL TO ORDER**
2. **DECLARATION OF QUORUM**
3. **PREVIOUS MINUTES**
(TO BE READ, CORRECTED, APPROVED)
4. **REPORTS**
(TO BE READ, DISCUSSED, APPROVED)
5. **OTHER MATTERS:**
 - OLD BUSINESS
 - NEW BUSINESS
(TO BE PRESENTED, DISCUSSED, DECIDED)
6. **ELECTIONS**
7. **ADJOURNMENT**

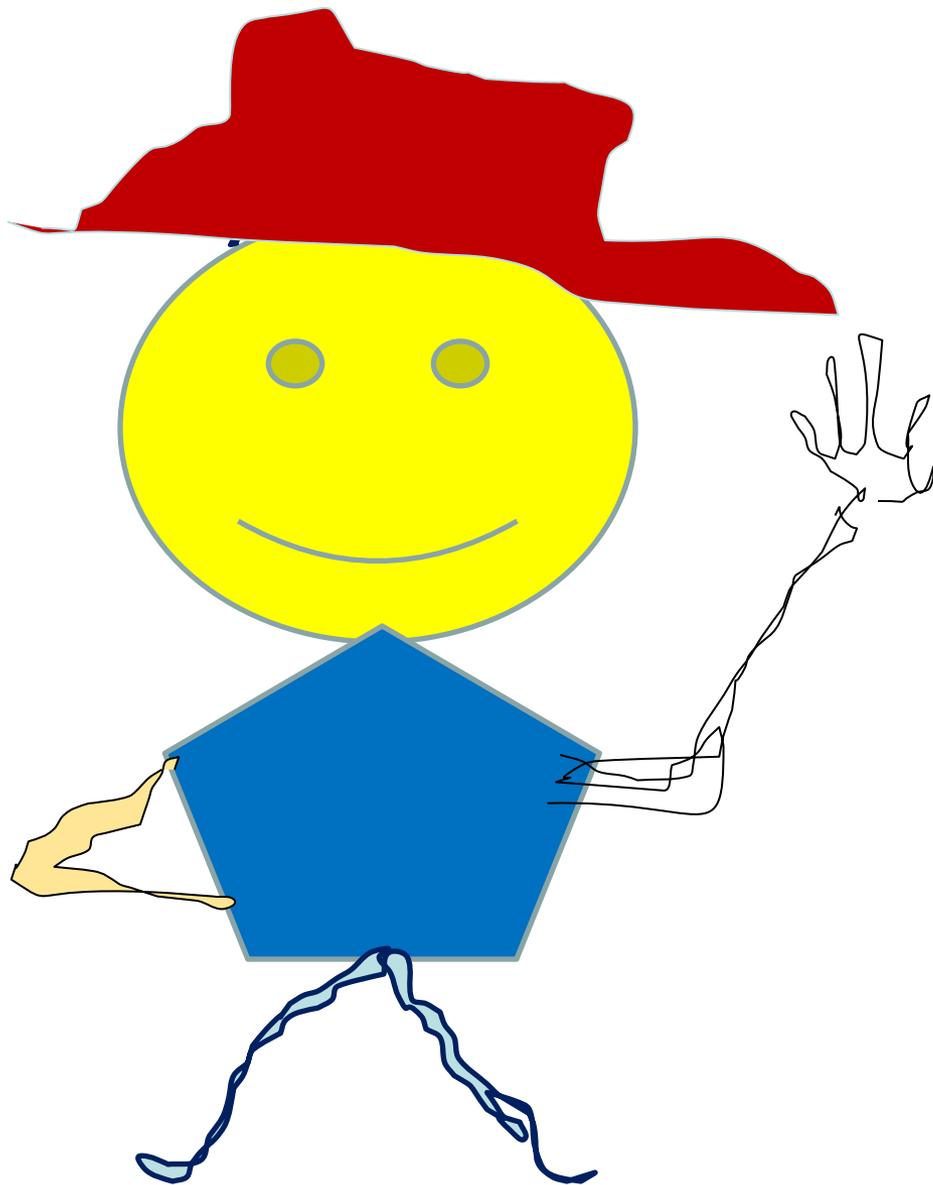


WHO CAN PARTICIPATE in the General Assembly?

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

The **MIGs** are...





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)**

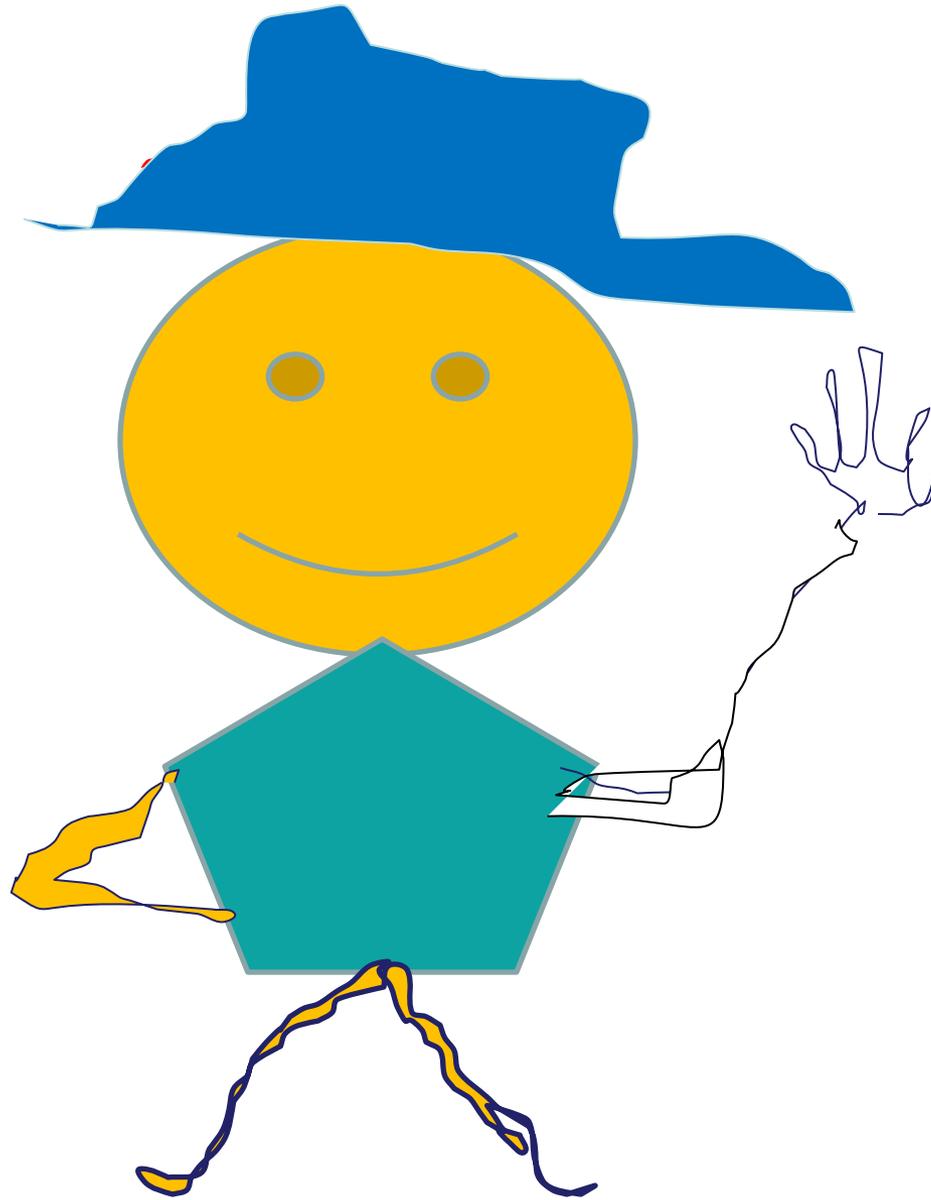
Respond to producers' need:

- * *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!

