

SCHOOL COOPERATIVES IN MALAYSIA

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ICA-UNESCO
Paris 17-19 December, 1979.

This paper outlines the rationale for developing a Cooperative Movement in secondary schools. Its examples are drawn from Malaysia.

Introduction

1. In the Malaysian context, there are at least four strong reasons for developing a Cooperative Movement in secondary schools.

(i) It will give students who are future citizens experience in the practice of democracy. The cooperative principles state, among other things, that each member has one vote irrespective of the amount of shares he has invested in the Cooperative, irrespective of his status (e.g. first year pupil or final year student or teacher) and irrespective of his race or religion (N.B. Malaysia is a multi-racial country). Adherence to correct procedures such as the observance of proper quorums, the passing and amending of resolutions, voting methods and the keeping of proper minutes and other records is important training for active future citizens whose faith in their democracy will be so much stronger by their activities in the School Cooperative.

(ii) It will give students practical experience in organizing and operating an economic enterprise. The keeping of books i.e. accounting, the clearing of stocks and the preparation of displays can be carried out by selective members. A Board or Committee will have to make decisions regarding qualitative and quantitative objectives so that the enterprise

may remain economically viable while it is giving members satisfactory service. If the Cooperative is large enough, it may have full time employees. This helps student leaders to realize their responsibilities as future employers or supervisors and also the problem of attending to the demands and needs of employees. Students learn how to manage money and become aware of the problem of cash-flow.

(iii) The Cooperative should be able to provide the students, the staff, the School itself and parents and possibly nearby consumers with a convenient supply of items at attractive prices. Members would benefit from patronage rebates. Fair prices, correct weights and genuine qualities teach students who are future adult consumers how cooperation can benefit society. In rural areas, the convenience of location can be of great significance. The monopolistic and monopsonistic exploiters (i.e. local small shopkeepers) may be considerably modified in their attitudes by a well organized School Cooperative. Bulk purchases from factory producers by a number of Cooperatives coordinated through the National School Cooperative Organization lead to lower prices for consumers.

(iv) Students learn the art of working together or cooperating for the benefit of the whole school or for particular groups in the school. Although this concept of working together has been widely practised in rural Southeast Asia for a long time, it is tending to disappear with the extension of cash transaction, money wages and the movement of young persons especially girls from the countryside to factory employment in the industrial areas.

The following is a brief description of School Cooperatives in Malaysia:

Legal Status

2. Legally the School Cooperative is a Cooperative Society registered under the Cooperative Societies Ordinance 33/48. It has

its own by-laws. These cooperatives are normally found among secondary schools although there are two primary schools with cooperatives.

Membership

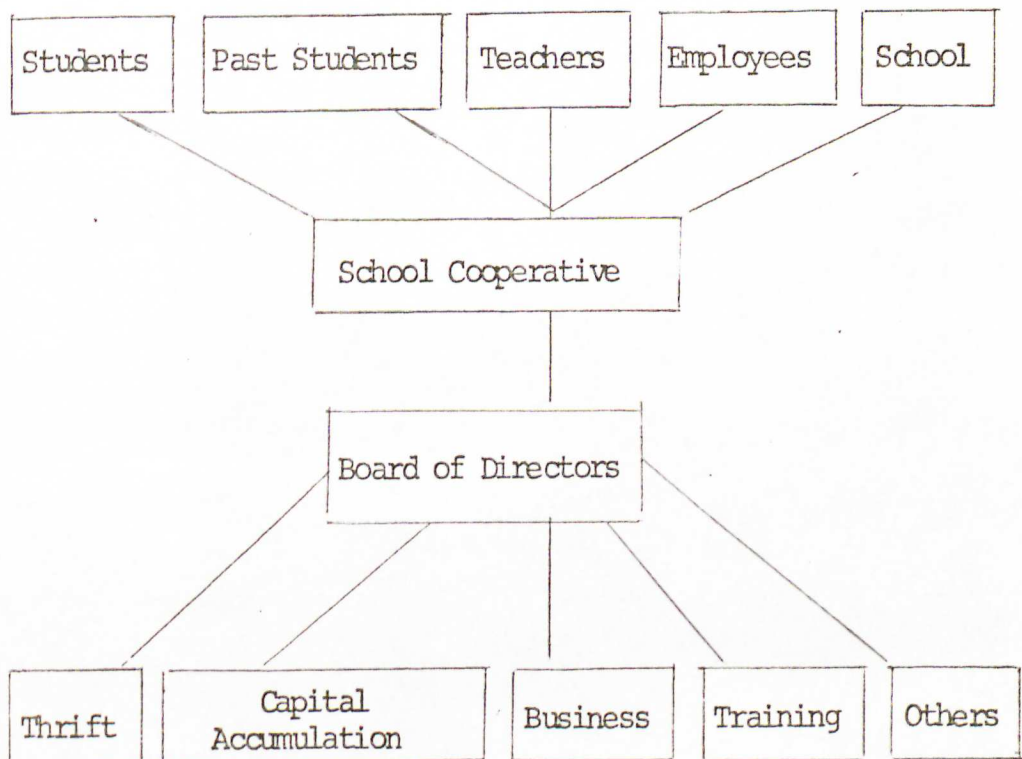
3. Membership of a School Cooperative is open to all students, past students, teachers, and employees of the School, as well as the School itself as an institution.

Governing Body

4. The highest authority governing the School Cooperative is the General Meeting of members. However, the by-laws of the School Cooperative provide that the Principal of the School or his Representative shall be the Chairman of the School Cooperative, and another Teacher shall be the Treasurer. The Secretary is elected from among the student members.

Structure and Functions of the School Cooperative

5. The structure and functions of the School Cooperative is diagrammatically shown below:



The objectives of a School Cooperative are:

- To encourage thrift and the spirit of self-help;
- To spread the knowledge of Cooperative Principles and the practice of Cooperation;
- To supply school requisites;
- To encourage handicraft and agricultural activities;
- To introduce economic enterprises;
- To provide a close link between students and the School.

Activities

7. Among the initial activities of a School Cooperative is the operation of the School Bookshop. The management of this bookshop is undertaken either by the students themselves working by rotation, or if the business of the School Cooperative is large enough to finance it, by a paid worker.

Progress

8. Progress of School Cooperatives can be seen in the figures below:

| | <u>1975</u> | <u>1976</u> | <u>1977</u> | <u>1978</u> | <u>1979</u> |
|-------------------|-------------|-------------|-------------|-------------|----------------------|
| No. of Coops | 121 | 154 | 202 | 223 | 260 |
| Membership | 24,943 | 31,838 | 50,675 | 60,760 | 100,000 |
| Capital | \$105,080 | \$167,470 | \$286,067 | \$306,863 | \$500,000 |
| Business Turnover | \$749,099 | \$1,370,762 | 1,703,496 | \$2,195,095 | 2,500,000 2.5m, m |

(All \$ are Malaysian Ringgit; \$2.20 Ringgit = One U.S. Dol.

Status of The National School Cooperative (KNS)

Status

9. The national School Cooperative is a federation of all School Cooperatives. It is registered as a secondary cooperative. Its

membership is only open to School Cooperatives.

The Governing Body

10. The governing body of the National School Cooperative is the Council of Representatives that is attended by representatives of all School Cooperatives. This Council holds its meeting once a year.

Board of Directors

11. The Council of Representatives elects a Board of Directors from among the representatives. The by-laws of the National School Cooperative provide for the appointments of representatives of the Ministry of Education, representatives of the Department of Cooperative Development, and ^arepresentative of ANCKASA (the National Cooperative Organization) to sit on the Board of Directors of the National School Cooperative.

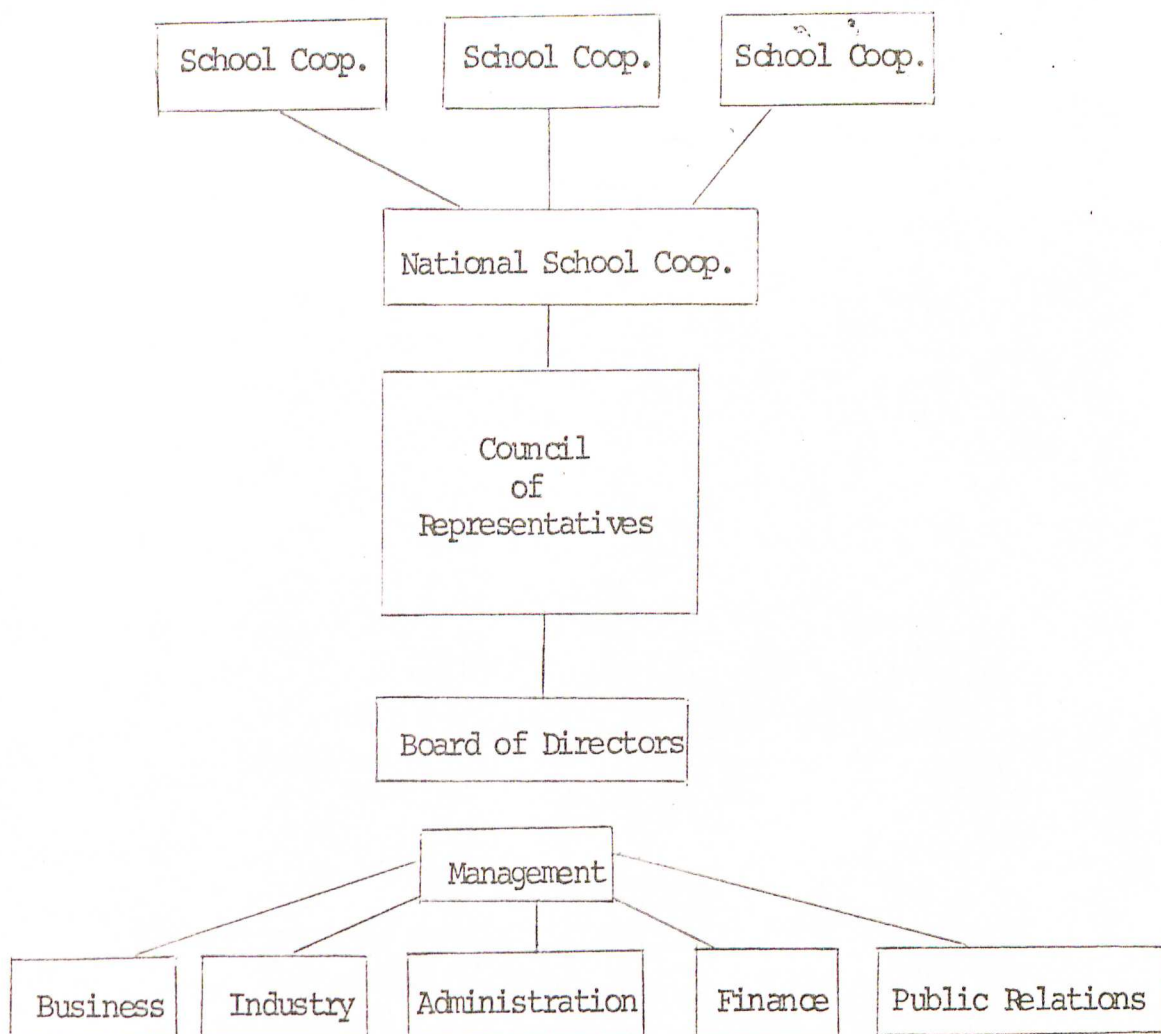
Management of the National School Cooperative

12. The Department of Cooperative Development lends its officers (at the moment 3 persons) to manage the business of the National School Cooperative.

Structure and Functions of the National School Cooperative

13. The structure and functions of the National School Cooperative is given in the diagram below:

STRUCTURE OF FUNCTIONS OF THE NATIONAL SCHOOL COOPERATIVE



Objectives of the National School Cooperative

14. The objectives of the National School Cooperative are:
- to act as a central pool of funds of School Cooperatives and to invest such funds;
 - to provide credit to School Cooperatives;
 - to supply School Cooperatives with school requisites;
 - to organise training courses for officials and members of School Cooperatives;
 - to spread the Cooperative knowledge.

Activities

15. The National School Cooperative undertakes the following activities:

supply^{ing} School Cooperatives with school requisites especially through bulk purchases from the producers.

go^{ing} into joint-ventures with other organisations for the purpose of obtaining supplies;

import^{ing} of school requisites;

encourage^{ing} and assist^{ing} in the formation of School Cooperatives;

organise^{ing} training courses for members.

Progress of the National School Cooperative

16. To date the National School Cooperative has a paid-up capital of (M) \$20,060.

17. Volume of Sales in the past 5 years:
(in Malaysian dollars)

| | |
|------|---------------------|
| 1975 | \$ 82,974 |
| 1976 | 500,977 |
| 1977 | 412,903 |
| 1978 | 321,000 |
| 1979 | 400,000 (estimated) |

Future Policy

18. It is intended to extend the membership of Cooperatives throughout the 780 secondary schools. Since Malaysia is a Federation of States, in each state in the office of the Director of Education, there is a designated Desk Officer who attends to the problems of School Cooperatives. For its part, the Department of Cooperative Development which is under the Ministry of Agriculture, has designated officers who assist School Cooperatives while they administer the affairs of the National School Cooperative.

19. The main problems concerning the Schools' Cooperatives are:

(i) Overcoming cash-flow difficulties

Individual School Cooperatives are sometimes slow in settling their accounts. This places a heavy burden on the KNS. Better methods of debt collection need to be developed. There should be a greater sense of responsibility which has to be instilled into the minds of teachers and especially Headmasters of Schools. If necessary, the general membership should be made to understand the problem of cash-flow and debt settlement in so far as their own School Cooperative is concerned.

(ii) Overcoming rising competition from the private sector especially in the purchase of stocks of paper for the production of exercise books. Successful examples in the bulk supply of shoes and ball-point pens have been experienced.

(iii) Women's production cooperatives and farmers' multi-purpose cooperatives could be organised to produce and supply school uniforms to secondary schools through the School Cooperatives. A working paper on this has been prepared. This would be a good example of inter-cooperative training.

(iv) More effective auditing facilities are needed. This is a problem that pervades the whole movement and is a source of weakness in the quality of decision-making.

(v) There is a need to develop the organization of inter-cooperative activities along the lines of the French School Cooperative Movement.

20. The Cooperative Movement through ANGKASA publishes a monthly magazine 'PELANCAR' in the Malaysian language. This describes successful activities in individual School Cooperatives and also articles of interest to students in secondary schools.