

Socio-Economic Development of the Members of Two Multi-Purpose Cooperatives in Calapan City, Oriental Mindoro, Philippines

Asia Pacific Journal of Multidisciplinary Research
Vol. 4 No.4, 70-77
November 2016 Part II
P-ISSN 2350-7756
E-ISSN 2350-8442
www.apjmr.com

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Date Received: September 5, 2016; Date Revised: November 10, 2016

Abstract – *The study determined the members' socio-economic development of the two multi-purpose cooperatives in Calapan City namely Calapan Labor Service Development Cooperative (CALSEDECO) and Calapan Vendors Multi-Purpose Cooperative (CVMPC). The descriptive research design analysis was used by the researcher. The open-ended questionnaires were administered to purposively selected 30 members in each group of fiscal year 2016. Method of data analysis was thru qualitative analysis. The study found that the operations of CALSEDECO and CVMPC) were very satisfactory in terms of commitment, financial aspect, and business development program. The services rendered by CALSEDECO and CVMPC were extensive in terms of providential services, benefits from business operations, availability of credit facility and overall member satisfaction. The CALSEDECO and CVMPC contributed to the socio-economic development of their members in terms of social and economic development. The study lead to the favorable assessment of the direct socio-economic needs of the communities in terms of multi-purpose cooperative operation, services rendered and members' socio-economic development and consider a timely and appropriate technology to advancing cooperative industry usefulness, economic sustainability, capacity building program for the entire city to construe with the various national programs of the government. The study recommended the policy innovation and creativity by delivering a viable program proposal to the LGU to create an impact for the betterment of these underdeveloped communities in the Philippines.*

Keywords – *multi-purpose cooperative operation, services rendered and members' socio-economic development.*

INTRODUCTION

The cooperative idea is not new and it had a rich history of development. The Welsh utopian socialist Robert Owen's philosophy of self-help inspired the "Rochdale Pioneers" of 1844 in England. Rochdale Pioneers has shown the remarkable capacity in the amelioration of the social and economic condition of the poor. Likewise, such led to the formulation of cooperative association in different countries which becomes the forerunner of modern [1].

The inability of the established government institutions gives rise to the cooperatives and the so called non-government organizations including the people's organization. People feel that these organizations fill the void left by the government. These groups come to the rescue of the impoverished people thinking that their lives could be better improved.

Development should not be only restricted to economic growth, but also to human progress. Now, the challenge is to devise a program that develops in the people a broad understanding of interlinked and planned development program. Thus, cooperation between and among people should be given utmost priority to ensure better dispense of services to the public [2].

In the Philippines, the new millennium poses many challenges not only to the government but to the people as well. Both rural and urban communities cannot remain forever as end-users and recipients of government development efforts. They are now viewed as aggressive partners in local and national development and governance. Development planning and decision-making are taking on the bottom-up approach where the local leaders and citizenry participate in economic, environmental, educational and political activism [3].

Peet [4] reiterated dynamic role of government, non-government agencies and the involvement of people in policy development. To achieve sustainable development, it was suggested that it will require government around the world to make sustainable changes in institutional and economic structures. More so, the experts should make themselves as resource persons who contribute to but may not control the process. The outcomes of this include democracy and government and more sustainable societies.

Pomerada [5] found out that sustainable agriculture requires a fundamental change in attitudes of people and institutions to better value the future and thus make commitment with future generations. Recommendation of the study explains that achieving sustainability requires efforts that are multi-disciplinary, multipartidary, multi-sectoral and multi-national.

Findings of the study reveal that public and private entities should work in partnership; rural and urban organizations. These should assume their responsibilities to promote and commit to global goals.

Kikuchi's [6] focuses on the formulation of economic policies and programs for sustainable development in Asian countries... policies that use economic incentives such as changes and taxes are frequently more effective and less costly in meeting sustainable requirements than regulatory alternatives. Progress can be achieved also by increasing the efficiency of irrigation water use... research is needed to make these technologies more appropriate and workable.

The foregoing foreign studies by Peet [4], Pomerada [5] and that of Kikuchi's [6] are partly parallel to the present research. This is evidenced by the studies' relevant findings about the need to develop agriculture, increasing productivity and farmers' self-reliance as mere required preconditions in the attainment of sustainable development agenda. Further development of cooperatives will obviously depend on the level of sustainability of agriculture.

In general, balanced development of various industries and agriculture can ensure strong survive of cooperatives because their support base come from people who conceive of the signs a sustained economic development. Recalling how most cooperatives start, the agriculture sector can be

considered virtue in the development of cooperative movements.

Multi-purpose cooperatives included in this research have already formulated their programs and plan of actions to pursue sustainable development. Calapan Labor Service and Development Cooperative is committed to engaging in agricultural productivity vying on the capabilities of its members. Certain small-scale programs are expected to bring about a quite noticeable level of improvement in the farmer-members of the cooperative. These ideas guide the cooperatives in looking forward to attaining self-sufficiency and economic confidence.

In the same manner, the Calapan Vendors Multi-Purpose Cooperative has lain its card and decided to venture in an Indian-patterned Grammin Banking. Fisherfolks, small-scale producers and a wide array of member-consumers will definitely benefit from the proposed program. The initiatives of the two cooperatives to march towards achieving sustainable development provide the parallelism to the previously reviewed studies.

Thus, this study determines the contribution of the two cooperatives in Calapan City, namely Calapan Labor Service and Development Cooperative (CALSEDECO) and the Calapan Vendors Multi-Purpose Cooperative (CVMPC) to the socio-economic development of their members. Their ultimate contribution to the improvement of the quality of life of their members is given due regard particularly some important domains of life as social, economic and political development.

OBJECTIVES OF THE STUDY

Generally, study determined the contribution of Calapan Labor Service Development Cooperative (CALSEDECO) and Calapan Vendors Multi-Purpose Cooperative (CVMPC) to the socio-economic development of their members. Specifically, the study described the operations of CALSEDECO and CVMPC in terms of commitment of Board of Directors (BOD), Business Operation Group (BOG) and members; financial aspect like liquidity, profitability and stability; and business development program such as expansion/diversification members' business financing support; and affiliation with cooperatives for business tie up agreements. The study described the services rendered by CALSEDECO and CVMPC in terms of providential services, benefits from business operations, availability of credit

facility, and overall member satisfaction. The study described the CALSEDECO and CVMPC contribution to the socio-economic development of their members in terms of social development-community bonding/cooperativism, and organizational leadership; and economic development- self-sufficiency, increase in income, increase in business opportunities, and livelihood program.

METHODS

The two multi-purpose cooperatives in Calapan City namely Calapan Labor Service Development Cooperative (CALSEDECO) and Calapan Vendors Multi-Purpose Cooperative (CVMPC) were the subject of the study covering fiscal period of 2016. The respondents of the study were the 30 members in each group CALSEDECO and CVMPC. Purposive sampling was used to get the appropriate sample size of the respondents. The data were gathered using open-ended questionnaire which was pre-tested to determine the clarity of the questions. The study was descriptive in nature and analysis was done using qualitative method. This identified and described the operations of the two cooperatives, the services rendered by the two cooperatives and the contribution of Calapan Labor Service Development Cooperative (CALSEDECO) and Calapan Vendors Multi-Purpose Cooperative (CVMPC) to social and economic development of their members.

RESULTS AND DISCUSSION

BOD members of Calapan Vendors Multi-Purpose Cooperative only need to get into the center of their jobs to effectively handle decision-making thrusts. Unless this is done, BOD members of CVMPC could not fully perform their respective duties and the development prospects for the cooperative would be delayed. The genuine and unqualified commitment of BOD members has much to do with the overall performance of the cooperative. It is conceived that BOD members play a very vital and dynamic role in getting a base of support from their members to be able to manage their division-making and planning functions. Close coordination with the Business Operation Group (BOG) and the members is also much deserved goals. This is because these two groups are tasked to implement or carry out policies and programs they formulate.

Members of CVMPC have their quite different perception compared to CALSEDECO over the level of commitment manifested by their BOG members primarily due to some frequent shortcomings they themselves observed. The irregular visit and inquiry of CVMPC members to their office to get informed of the cooperative's day to day transactions performed by BOG may aptly account for this matter. To correct the perception of CVMPC's members on the level of commitment shown by their BOG members, a fair and updated dissemination of vital information for public consumption should be made judiciously. However, it should be a broad concern of the cooperatives' Business Operations Group members to regularly collaborate with their BOD and member counterparts to ensure effective performance of operation and management activities. CALSEDECO has its very close tie up and close linkage with its BOD and members leading to the obvious high performance of technical jobs entrusted to its business operation group members. In due fairness to Calapan Vendors Multi-Purpose Cooperative, the vendor-members might just have misconstrued the manner their BOG members perform their job which is probably a result of the latter's incapacity to satisfy members' expected service. While the BOG functions as the subordinates of BOD based on their organizational structure, it has been credited as the tough pillars of the cooperatives. Implementing mechanism this group uses shall be fully supported by members and monitored or overseen by the Board of Directors, so that expected outputs are attained based on the original framework of plans and activities.

Cooperative members of CALSEDECO and CVMPC are precisely aware of their role and its importance. This could be attributed to the manner by which they have been critically trained on performance of their duties and responsibilities which are explicitly defined by their guiding laws and principles. By being members of a cooperative is not as tedious and hard as everyone conceives of. It is because they have anyone from both the BOD and BOG groups to lean on for support and guidance. Both cooperatives have capably honed their members' leadership, commitment and sincerity for the purpose of improving their organization. Their full understanding of the power behind members is enough to prove their quite high level of commitment with which they greatly contribute to the aspired organizational development and prosperity.

The cooperative's principal personnel concerned with financial performance are basically looking at the value of efficiency in monetarial terms. Both cooperatives conceive of the significant contribution of liquidity because their primary concentration is to be financially stable amidst defined profit stance. This is so because the service functions and programs for development planned by the cooperative could never be accomplished when their liquidity status has not been fully treated with discreetness. These cooperatives need to plan better and feasible programs geared towards improved liquidation wherein their BOD, business operation groups, particularly the treasurer and members should be required to take active parts.

The cooperatives' intense desire to be of great service to their respective members because of the efforts they show towards gaining a significant profit from business operations. Cooperatives, as self-sustaining organizations, resort to optimum utilization of their resources in planning, implementing and managing business operation activities for enough profit. As an influence, these cooperatives would precisely enter into cost-effective business ventures and sometimes take minimal risks insofar as any amount of cash they dispose is as important as anything valued by cooperative members.

Both cooperatives are very optimistic over expansion and diversification of business operation. But obviously, each one of them has much concentration on easy return of capital and investment.

In the case of CALSEDECO, although it has a similar program, its members are very well selected. Majority of its members are busily engaged in rendering port-related services. If ever, financing support services are required, a set of criteria are prepared which are too stiff to comply with.

CVMPC puts less emphasis on this nature of program and service because the organization anticipates lots of risks posed by this approach.

CALSEDECO is much optimistic on possible results of business financing programs. Its strict selective policies results to quality expected output. However, CVMPC is much concentrated on improving its capital and financial position not by much putting cash outlays on members' businesses but on its ordinary transactions involving micro lending, product distribution and sales. Instead, it provides relatively significant trainings which project

beneficiaries entirely need. This mode of program could be enhanced when CALSEDECO's members are not mostly in the field of stevedoring and portorage. CVMPC could be of great contribution to its vendor members if it has sufficient capital and explicit guidelines to follow. The cooperatives could only possibly engage in such type of program if both of them have found one successful pilot project.

CALSEDECO desires outstanding organizational performance because it is absolutely growing in terms of membership and capitalization. CVMPC, on the other hand, is concentrating to become a tough agent for economic development of vendor-members. This, being new in the cooperative movement, claims to structure well its internal affairs following some challenging scenario it faces incessantly.

The extent to which management techniques, support base and training development for CALSEDECO including stabilization of operation for CVMPC are moderate may mean that these cooperatives have significantly improved. They are geared towards full development and feel confident to compete with other cooperatives outside Calapan City due to the formidable position in which they are in. These cooperatives seem not fully dependent on federations of cooperatives for administration and management which they themselves could handle. One reason why affiliation couldn't be greatly attended to is the cooperative's pool of sufficient resources they utilize for these purposes. Generally, affiliation, as perceived may not be of great impact to organizational development. Aside from this fact, there are much technical assistance available in the locality which provide them room for stability and recognition. Local federation of cooperatives make credit facilities available for long-term loans not including the Land Bank's financial assistance for its Bank Assisted Cooperatives (BAC's).

What is good with the two cooperatives is their desire to protect their personnel and members, however, these organizations need better financial performance to provide all these services equally and promptly. As could be implied, cooperative members would show enthusiasm to improve their organization's accumulation of assets by actively performing their tasks of paying debts and update their voluntary cash contributions. This is because members themselves are solicitous to get all variety of providential services particularly insurance, disability and pension so that their ultimate desire for security is

achieved. From these conditions, cooperatives are not only for profit venture but which also provide providential services that give members the human face of sustainable development as their welfare is promoted.

Both cooperatives operate very effectively in their respective businesses rendering them capable to give members their due benefit on time. Business operation management has been well attended to by the Business Operations Group because such is a very essential means to make the organizations survive. By being effective in business, BOG and all cooperative members fully know well they could reap the fruits of their ventures. The active participation of BOG and members and the efficient formulation of business programs by the Board of Directors could best account for this outstanding performance shown by the cooperatives.

For the best interest of members, the cooperatives could find way to make credit facilities available for everybody on time. This could be accounted for the highly manifested concern of the cooperatives to promote the economic welfare of their members. The effective management of credit availment program by the two cooperatives gives rise to their successful provision of credit facilities to members who are in dire need of such services. This may be attributed to the full and sincere support shown by their respective member borrowers to the micro lending program from which both of them had actually started. The two cooperatives had managed well their credit programs and services due to some desirable credit policies formulated by the Board of Directors and were successfully carried out by the Business Operation Group, particularly by the Credit Committee. These cooperatives could further improve their credit program if continued support from their members and the maintained performance of BOD and BOG would be generated.

CVMPC is increasing its membership and just starting to diversify its business operation. These loudly speak of their members' morale since the older the cooperative, the stable it may be. The experiences and the pool of resources each of the cooperatives possesses stress the difference in the members' morale towards their organization's stability. Generally, the two cooperatives are in equal footing considering their members' level of satisfaction which implies that a greater solid support from their membership base is quite needed to perform far off better in all terms.

Both cooperatives would be planning out new and timely program of actions that lead them to enhance their members' support for enhanced and much felt satisfaction over the organizations.

The cooperatives have actually played their role as agents for unity of people who, when bonded, serve as the society's catalysts for change and development. This scenario could be better accounted to the way by which the cooperatives have developed in their members the values of good interpersonal relationship and mutuality. This could be explained by their previous experiences where an easily and successful completion of tasks are achieved through joint efforts and initiatives of the members. Members of both cooperatives could be further developed to be high performing individual and groups provided they could be continuously enlightened by the benefits they derive from bonding and unity.

These leadership practices and attitudes that prevail in the two organizations may be a result of the leaders' full understanding of leadership theories. These guide them to formulate strategies and techniques that allow them to make their subordinates effective followers and leaders in certain situations. Cooperatives, at times, do not have permanent sets of leaders wherein others get a chance to exercise their leadership potentials once given the opportunity. Certain examples that vivify this situation happen when committee chairmanship positions are entrusted to the capacity of ordinary members. Cooperatives have defined their function of developing leadership capabilities of members which they possibly do through legitimate trainings and orientations. Both the cooperatives could create new breeds of leaders since being one of those in the three key composite sectors of cooperatives like the Board of Directors, Business Operation Group and even being members serve as an ideal venue for good leadership. This is attributed to the fact that development of cooperatives solely depends on effective leadership and management styles.

The cooperatives have effectively induced members to feel self-sufficient. The economic organizations have actually been able to provide their members with high level of self-esteem needed for human existence. These conditions may imply that cooperatives, provided they are guided by cooperative principles and objectives, truly serve as ideal venue for self-sufficiency. Leaders of both cooperatives tenaciously adhere the ideals of cooperative

management who disregard their own vested and pecuniary interests cooperatives could generally provide.

The cooperatives offer a wide array of opportunities for members' economic welfare. This will only be possible if the groups' economic policies and business development plans are properly instituted and effectively implemented. The two cooperatives have so far been performing very well as regards their policy formulation, implementation and management tasks. These account for the development of the groups' respective businesses leading members to be truly interested and supportive to all of the groups' endeavors. In return, the members will equally gain benefits compensatory to the efforts they contributed.

The two cooperatives prove to be oriented in business in which they have achieved feasible growth targets through consistently innovated business management practice. Without the support of business operation group and the members themselves, business operations of the cooperatives that provide enough opportunities will never be successful and possible.

The cooperatives could further gain improvements in their desire to be outstanding in business when these groups are continuously motivated by high-performing members.

Both cooperatives show sincere concern to create alternative sources for their members which are only possible by livelihood programs. This is what the data actually mean. The groups conceive of the significance of livelihood activities as good back up for existing business operations of the cooperatives.

Full development of business is perceived by both cooperatives as bold manifestation of the leaders commitment to liberate members from the clutches of poverty.

CALSEDECO's operations had never created a considerably felt impact on the social development of members (community bonding/cooperativism and leadership) and economic development (increase in income, increase in business opportunities and livelihood programs). CALSEDECO had undertaken some programs which purported community bonding/cooperativism and leadership. CALSEDECO seldom engage in social activities because majority of its members cannot voluntarily attend. In certain circumstances, their members take part in various activities whom members are out of duty or when

such is made compulsory. As may be expected, organizational leadership can never be fully developed considering that CALSEDECO's entire membership depends on the capacity and integrity in leadership of its chairman, manager and members of Board of Directors. As a large scale cooperative, CALSEDECO has an organized set of officials and personnel who serve the members in their most effective and efficient manner.

CALSEDECO has been so far focused in developing its members' economic condition, determined by self-sufficiency. Sound economic development programs characterize the above result because, the ultimate goal of any cooperative should be to open opportunities for its members' sustainability. This factor is very essential to gauge the effectiveness of CALSEDECO in repudiating its poverty-stricken members from the cycle of poverty. Third World economic experts suggest that for any socio-economic program to deliver the impoverished sector, the program shall be packaged according to the diversified needs of the beneficiaries.

The quality of life achieved under the principle of self-sufficiency is life sustaining where people find comfort from being able to comply with their basic needs. CALSEDECO is firmly subscribing to this notion because it has its high regard to the dignity and economic liberty of human being. It desires to create an environment of just and free society for the people it serves. Like CALSEDECO, CVMPC's operations did not significantly bring effect to the members' social development which also includes economic development in terms of increase in business opportunities. CVMPC had initiated relevant programs geared towards improvement of its members macro and micro qualities of life. This is evidenced by the fact that CVMPC members achieved self-sufficiency, increased in income and benefited from various livelihood projects. CVMPC also possesses the intense desire to promote the socio-economic condition of its members. This gives CVMPC the reason to work hard in developing a very sensible implementing mechanism to carry out their projects.

The cooperative has its positive outlook on the innate capacity of its members to grow and develop through collegial effort. The proof of which inspires more of its members, then transformed as participative and highly conscious in sharing time and effort to produce desirable results.

CALSEDECO faced deficiencies in planning and implementing service-oriented programs which purport income generation of its members. The cooperative may be said to have encountered some critical problems in showing its effectiveness in delivering basic services for social development and economic development defined or determined by the income drawn could not have been fully attended to. This is because CALSEDECO members are much concentrated in their individual jobs as stevedors. CALSEDECO's services had been effectively carried out that positively affected members pursuit for self-sufficiency. As regards that, this means that its nature of services concentrated in improving the macro quality of life of members. From this, CALSEDECO is said to be showing with sincerity the fulfillment of its mission to make the majority of its stevedor-members economically empowered, capable of achieving self-sustenance.

CVMPC had failed to bring about tangible socio-economic changes on the lives of its members. This condition could be refuted by several key factors both internal and external in nature. For example, CVMPC is relative young that all its members couldn't immediately determine the extent of rewards (monetary) they get from its services. Considering external factors, the cooperative may apparently be running short of capital to finance the most relevant service-oriented programs. The present management, however, continues extending financial assistance to its members. It also is operating a self-run merchandising business doing both retail and wholesale trade. Based on actual interviews, the cooperative is sincere in its plan to provide, even for a short period of time, insurance benefits to some employees. The programmed expansion of coverage may definitely be dependent on who are willing and how the Board of Directors will come to decide on this critical issue.

CALSEDECO in contrast to CVMPC, may be just doing sound decisions, trying hard to develop positive habits and character, has inspired members and that had inspired improved methods. In terms of financial performance, particularly liquidity, shows that CALSEDECO issues notices to update delinquent debtors more often than CVMPC. In the same manner, it conducts its periodical review of its liquidation processes/activities employing more competently trained employees which renders it capable to determine its weak and strong areas. Along

this line, CVMPC is not so aggressive as CALSEDECO in investing its capital resources in profitable activities. It has still much apprehensions in doing a risky endeavor due to relative lack of experience in business operations and managements. This, in the process, limits its legitimate capacity to expand and finance members' business activities and operations.

What seem very common with the two cooperatives are their attitudes toward affiliation. Each of them is focused in stabilizing their connections with individuals and groups both in the local, provincial, regional and national level as well. They perceived affiliation is a tough ground upon which the cooperatives could really stand on the respondents perception on them. The existing difference could be justly proven by the members' premise perception on services offered by the cooperatives. An ordinary member who lacks trainings may think that cooperative services are given without limit that may go contrary to those who had gotten concrete ideas about services. One concrete disparity in the two cooperatives is indicated in how will CALSEDECO offers wide array of services like insurance, pension, housing and food allowances, not including scholarship and hospitalization.

CVMPC could not fully extend to these types of services to its members because it runs short of cash capital to finance one. As such, CVMPC just ensures that members' benefits from business operations and credit facility are made readily available in times of emergency needs.

This condition proves that the two cooperatives have been able to define properly their duties and responsibilities based on the perceived social and economic significance of cooperatives. These, being considered as social catalysts, provide the proper and conducive environment for bonding and leadership whereby certain values that lead members to cooperate and participate to the cooperative's social functions are developed and adhered. In the same manner, CALSEDECO and CVMPC could have rightly executed the economic principles underlying cooperative movement stated like this: cooperative is a strongly dependable of the marginalized sector to spontaneously recover from economic distresses.

CONCLUSION AND RECOMMENDATION

The study lead to the favorable assessment of the direct socio-economic needs of the communities in

terms of multi-purpose cooperative operation, services rendered and members' socio-economic development and consider a timely and appropriate technology to advancing cooperative industry usefulness, economic sustainability, capacity building program for the entire city to construe with the various national programs of the government.

The study recommended the policy innovation and creativity by delivering a viable program proposal to the LGU to create an impact for the betterment of these underdeveloped communities in the Philippines. In the most cost effective manner, CVMPC should create a committee from its members to discreetly screen prospective members, explicitly institute screening policies/procedures and implement them with objectivity. Bold efforts to expand and strengthen CALSEDECO and CVMPC's should establish affiliation with local, regional, national and international organizations. CVMPC should improve its provision of members' providential services through preparing a plan action in including members in the list of insured pensioners. A dialogue on this with the Social Security System (SSS) is highly recommended. Finally, the researcher recommends that the cooperatives should, with due concern to their operations, services and relative socio-economic importance, set specifically defined objectives, find appropriations thereto and keep the habit of conducting a regular performance analysis and review.

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