

Social Determinants of Multi-Purpose Cooperatives in Zamboanga City: The Experiences and Challenges of Co-operators

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Abstract:- The achievement of measurable success of multi-purpose cooperatives lies in the consideration of social determinants. The Cooperative alone expresses the concept of "Alone we do so little, together we can do so much", and it is not tangible in the present. Moreover, multi-purpose centers and halls are mushrooming in the city and nearby municipalities, but still community development has a diminutive effect. This study utilized the Cooperative Development Theory (CDT) to identify social determinants that thrust to the success of the people's organization. The study also employed purely qualitative data based on the experiences and challenges of the members of the three (3) identified cooperatives in Zamboanga City. They were interviewed based on the following questions: a) What are your experiences and challenges being a member of a multi-purpose cooperative? B) How much earnings do you incur being a member of a multi-purpose cooperative, and lastly, c) Has being a member of that cooperative benefited you? The result of the study shows that members gained knowledge and skills on how to be an entrepreneur by attending trainings, workshops, and other relevant activities. Difficulties came after the engagement of the group in small-scale business such as members not paying their dues on time, and debt becoming frequent on the part of members that created conflict among them. The return on investment was only felt in the beginning and was not sustained in effect to the problem experienced by the cooperative. There were also recorded responses that benefits were less likely felt by the members of the organization. The behavioral issue was identified as the main social determinant that affects the achievement of the goal. Therefore, the study gleaned the idea that members' attributes must be emphasized before organizing any multi-purpose cooperative and the like. Scrutiny in accepting members must also be a priority.

Keywords:- Multi-Purpose; Cooperatives; Social Determinants;; Behavior; Experiences and Challenges; Co-Operators.

I. INTRODUCTION

Cooperatives around the world are formed by a small or big group of persons for particular purposes that serve their wants to achieve some things. Said purposes may

differ, and reasons may be for socio-economic purposes, or any other that generally derive development if not betterment of the lives of members. "Cooperative is a program of the government in attaining economic development. If properly nurtured, it can be the most potent force in nation-building because it can bring about unity and therefore empowered populace. It can address the problems that beset the country today such as unemployment or underemployment through livelihood entrepreneurship among members, moral regeneration through continuing education and value formation programs of the cooperatives, political stability through the provision of decent and legal way of life in the cooperatives and efficiency in the marketing of agricultural and non-agricultural commodities leading towards price stabilization" (Sangguniang Panglunsod ng Zamboanga, 2003). Manners to form a cooperative vary from one country to the other. In most cases, law require registration of the cooperative itself by bona fide members who are bound by rules and policies not only by the cooperative itself or by the law that governs it. In the Philippine setting, cooperatives first register with the Securities and Exchange Commission (SEC). Once registered, they become subject to the provisions of the Republic Act No. 9520, or the Philippine Cooperative Act of 2008. Some cooperatives have been successful, and others have not. Case studies on cooperatives have been done in the United States (Ling, 2012; Berner, et al, 2014; Severson and Schmidt, 2015), in Southeast Asia (Thuvachote, 2007; Sarinda, 2014; Indanon, 2011), and in the Philippines (Castillo, 2003; Perilla, et al, 2009; Sam, 2013).

There are 24,652 cooperatives registered in the Philippines as December 2014 (CDA, 2015). In Zamboanga City, as of 2003, "out of 743 cooperatives in Zamboanga City, only 271 are operating" (Sangguniang Panlungsod ng Zamboanga, 2003). While the number of cooperatives has increased since then, the actual number of cooperatives that are still active and in operation is still being monitored continually, since the administration of President Rodrigo Duterte. Majee (2011:48) stated that "cooperatives can be an effective participatory strategy to bootstrap low-income people into the socio-economic mainstream," that the cooperative business is a community development strategy, particularly in resource limited communities." Community organizing, or CO, "refers to the framework and methodology used by social development workers in empowering people's organizations as a way of addressing

poverty and social inequality” (Mendoza, 2007: 1). It is defined as “a social development approach that aims to transform the powerless and voiceless poor into a dynamic and participatory and politically responsive community” (Mendoza, 2007:1). Cooperatives most often involve community organizing, as they are “expected to provide a significant contribution in the objectives of creating a) rapid, inclusive and sustained economic growth, b) financial inclusion, and c) reduction of poverty” (Castillo and Castillo, 2017:3).

Because of that, many among those who joined cooperatives saw their respective organizations as means to alleviate themselves from their economic state which are most often in the poverty line. Cooperatives operate in different sectors, namely, agriculture, fishing, farming, education, crafts and trade, to name a few. The classification of cooperatives has grown in time and it made its own success stories and like. These changes and development also create difficulties not only of the financial aspect of the organization but also on the human side of the practice. Moreover, this problem will be the focus of the discussion. The questions other possible social determinants that causes multi-purpose cooperatives to boom or to be doomed. The use of Cooperative Development Theory become an important vehicle for community development because they mobilize local resources into a critical mass and their structure allows them to be more community-oriented” (Zeuli and Radel, 2005:1). This theory makes use of the standard definition of a cooperative which is “user-owned, user-controlled business that distributed benefits based on use, combines the model’s three fundamental principles: user-ownership, user control, and the distribution of net income based on patronage rather than investment” (Zeuli and Cropp, 2004). Under this theory, cooperatives contribute to community development paradigms: self-help, asset-based, and self-development. These paradigms greatly impacted the multipurpose cooperatives under study as such various behavioral issues were identified in the study. In line to this, addressing the concern can still be achieved as cooperatives are flexible and can be and can be used in community development initiatives as a way to create locally—owned and controlled businesses, providing an alternative to the more traditional business recruitment strategy (Zeuli and Radel, 2005). following the example. Some components, such as multi-leveled equations, graphics, and tables are not prescribed, although the various table text styles are provided. The formatter will need to create these components, incorporating the applicable criteria that follow.

II. METHOD

The paper made use of interviews using interview guide questions. The interviewees came from the three (3) identified members of multi-purpose cooperatives in Zamboanga City. Majority of the respondents were officers of the said organizations. The multi-purpose cooperatives were situated in the 1st Congressional district of the city namely; Santa Catalina, Sinunuc, and in the community of Ayala. These cooperatives are duly licensed and registered under the Securities and Exchange Commission (SEC).

Moreover, this interview conducted adhered to the conduct of all ethical practices in research, and believes in honesty and proper attribution of the contribution of the participants of the study. The results of previous related social behavioral and educational research, as may be applicable to this study were reviewed in line with its relevant to the study objectives of the paper. Moreover, participants of the study were properly informed according the standard set forth. Renumeration, in-kind and other material resources was not provided to the participants of the study. The researcher assured the respondents that the research remains confidential and that no participant who is a minor may be allowed to participate in the research, nor the participants exposed in any way to risk of their safety. Participants were assured of their safety, that the data they shared will not be revealed without their consent, where the research and the conduct of data-gathering is concerned. Participants were informed of their right to have access on the results, even as they had the right to withdraw during their data gathering. However, no one withdrew during the data gathering process.

III. RESULT

➤ *Qualitative Data Presentation*

The three (3) multi-purpose organizations shared the succeeding data as follows:

- *Santa Catalina Multi-Purpose Cooperative*

The Santa Catalina Multi-Purpose Cooperative began its operations in 1982. It has the following objectives: (1) To have seminars, trainings and symposia or similar activities for members; (2) To support members in their individual and joint activities that will benefit the community; (3) To allow members who are experiencing difficulties in the individual or joint business; (4) To provide opportunities to the members for economic development especially with government support of assistance from non-government organizations.

- *Caragasan Tabu Multi-Purpose Cooperative*

The Caragasan Tabu Multi-Purpose Cooperative started in 2000, with 15 members as members. At present, there are 62 members and having different small businesses, mostly in retail, and associated with fishing, and farming whether directly or indirectly. When it began, it was for the purpose of mainly providing services and support among themselves. The goals were for members’ contributions to be grown as start-up capital of their individual businesses which should benefit the community.

- *Micro-Entrepreneurs Multi-Purpose Cooperative*

The Micro-Entrepreneurs Multi-Purpose Cooperative started 16 years ago, in 2002, with 112 members. While the cooperative members then were just intending to assist its members in the start-up capital of their individual business interests, later they revolved the capital for small loans for members and gradually to the public, although applicants were also screened carefully and required references and background investigation to make sure that the finances were guarded, returned, and revolved as a standing fund.

- *On the Multi-Purpose Cooperative's Organizing as A Community*

All the multi-purpose cooperatives in this study started with "less than 20 members" adhering to the requirement on minimum number of members per legal guidelines. The organization grew through the years because of recruitment, invitation, and application of individuals who later became members. There were commonalities among three, and there were differences, but comparison and contrast are not the purpose of this study. Rather, for the respondents to share their stories as a community in the MPC they have been part of for years; to share best lessons, and even the worst challenges.

Their purposes why they organized, or why they joined, and why they supported the activities of the multi-purpose cooperative were both common and varied. Respondents all attended orientation meetings, not only because "it is required," as some of the responses indicated, but because "they wanted to learn information," and that they "wanted to know more about the services offered," or "about the benefits of being member," and know possibilities "to increase investment." Respondents who were farmers said they joined because they wanted to sell their rice products. A respondent said, "The cooperative started in Barangay Sta. Catalina, but because of the approach in agriculture as a service given to the members they were relocated to Barangay Guisao." Respondents were invited to become member of the cooperative, but "some interested persons were applying to become members of the cooperative." While the agreements on record require attendance on annual or quarterly meeting, respondents said they "also had informal meetings which were more regular and productive because details are discussed fully." Another respondent said that he "did not attend regular meetings because every Saturday some of the members are meeting informally, because Saturday is tabutabu day." One respondent specifically answered: "The cooperative members are setting a community meeting twice a month, they are talking of the development of the coop. members and how to improve the services of the cooperative to the members. Also, the cooperative is asking the facts for the proper farming from other expert agencies of government and non- government." Another interviewee said, she "attended the orientation that she may understand how to use the capital loaned from cooperative."

These responses further indicate the sincere interests of the members not only on the cooperative operations but also on the processes where they may improve their means of livelihood. In relation to this, the researcher found out during the interview with one respondent that: "My neighbor recruited me to become a member of the cooperative. Then after we formed a group the Development Officer of the Cooperative having individual credit and background investigation, then if we qualified we can be a member." Another interviewee said, "I encouraged and recruited my friends to join the cooperative. I invited them to witness the cooperative meeting every week until some of them decided to join the membership." The others gave similar answers.

Predicaments on debts, capital needs, savings, and collectibles were also noted. These were the times that their social relations were sustained. A respondent also said, "As a member of the cooperative, I am availing the services by the cooperative to the members, specifically by helping individual and community overcoming the problems on livelihood and income.

- *On Leadership and Fiscal Management*

Leadership is an issue among the members, especially at the end of the year, and when they would assemble to discuss issues of the cooperatives. This section presents their responses during the interviews. Few members were critical of their leaders, referring to the officers and account managers of the multi-purpose cooperative. One said, "The leadership is in need of more attention and focus so that the number of members will be regained, because as of now it is decreasing." She further said that, "The cooperative needs a strict checking and balancing of funds," feeling unsatisfied and very critical with the leadership and financial management of the multi-cooperative. But there were few others who also expressed positively on the handling funds, and the fiscal management especially of the loans. According to one member who has been there for more than ten years, "The cooperative is giving opportunity to the member and community to become self-reliant, the cooperative gives land to the members for them to cultivate it and use to have a source of income." He added that this is because the cooperative believes on the ability of its member." A member of three years already said that she is "also satisfied" and "did not regret" joining the multi-purpose cooperative because the lending staff hired were also trained, being the frontlines of the organization. "They served as well, the staff are well trained and they treat even customers and us members nice. "The last person interviewed said, "Depending upon the situation of the member, if the member has business, and capacitated to run small businesses, then the cooperative gives them a sufficient amount, but if not qualified then, the cooperative gives them a deserving amount for their capacity." In all these responses, the interviewees showed their concern and sincerity with their members that they were serious with their cooperative membership as a source of their livelihood, that even their social circle evolved in the cooperative. During Christmas Parties, they bring their children, contribute foods, and have parlor games.

IV. DISCUSSION

The paper delves in the discourse on the identified social determinants that affects the functionality of registered multi-purpose cooperatives in Zamboanga City Philippines. The paper therefore identified various social determinants in the implementation of said cooperative and one which is the human behavior. This affects indirectly the functionality of an organization which is targeting the relationship among members and officers of the group. There were also significant findings that may affect the functionality of the group and these are the following:

➤ *On the Economic Impact to the Members' Families*

The questions on the economic aspect were actually made the respondents at first hesitant, as matters on financial records have to be agreed “by majority vote” or “two-thirds vote” by the general membership. But the researcher has assured prior to the data gathering that only the objectives of this study are focused. An interviewee shared, “As a member my income from the services offered by the cooperative increase intomore or less 1,500 a month.” Another said, “My income increases since I was a member of the cooperative. It increases up to 2,000 pesos a month. “To this interviewee, the gain of five thousand is no longer “little” but she shared that “it is always helpful” to her family. Another respondent said, “My savings also increases for almost 100 percent since I started to become a member of the cooperative. Aside from savings from cooperative I have also personal savings.” An interviewee became a member upon invited or recruited by a pioneering member. She said, “My livelihood on buy-and-sell of dried fish was expanded since I was a member of the cooperative” and she said it was her “only business” and “only means of livelihood” referring to her dried fish business. An interviewee said, “I availed the loan of 50,000 pesos and I saved the 5 percent of my loan,” when asked what service she had availed of. A respondent who also loaned said, “Aside from that I also save monthly from the income in my small business.” A respondent, who said she was a mother of five, said she gained at the end of the fiscal year, “more or less eighty thousand pesos.” A respondent said she “answered in the questionnaire ‘no gain at all’” but during the interview she elaborated that she did, but not substantial. “In cooperative business, I have no sufficient savings, I think it is only 4,000 pesos. But I have savings in my personal pocket, my personal savings are 5,000 a month,” she said. This indicates further that there could be possibilities that some of the respondents to the questionnaire did not really earn “zero” but just ticked “no gain at all” or “no savings at all” because they found the figures or the amount as “little” or low income. A response from a vendor was: “The area where I sell my fruits served as my livelihood, every week I earned not less than 3,500 pesos, the most is every Saturday during tabu- tabu day.” Another respondent answered similarly, only referring to the selling of fruits and rice. A small-scale businesswoman having a retail store in her barangay said, “I am investing the amount of 500 to 1000 pesos a month.” She explained that it was not much gain and she cannot feel the savings because there are also those who do not pay on time and she would need capital to roll the business. Gains were a private issue for them to discuss, except for their dividends at the end of the fiscal year, which are reported during the Year-end Assembly or the Annual Meeting. Their answers differ: “more or less 15,000 pesos,” “twenty thousand,” or “five thousand and seven hundred pesos last year,” and “more or less 50, 000 pesos.” Another answer was, “I am investing the amount of 1000 to 2000 pesos a month to the coop. but sometimes if I have money I invest much more than that amount.”

A respondent who was a founding member said, “Giving capital for the entrepreneur, then the coop itself are

monitoring their members to know whether they used their capital to the businesses.” While the cooperative members are not all engaged in the loans business, having invested in lending, they said that there are also problems when there is no payment returned by the borrowers. This makes management important. “The income of the member is based on how diligent they are, the product came from the different crops they planted served as their income. In my case I can gain from 50- 80 thousand pesos a year and that is my net income.

It is increasing.” A past officer of one cooperative shared that it could be on a case to case basis. “My savings are depending on the production, like for example I have a good production this year, then it is depend upon me as a member if I put some money to the cooperative, it is voluntary upon us as a cooperative member, but those money we gave to the cooperative will serve also as my savings, as of now I have estimated 40, 000 pesos savings to the cooperative and it is increasing.”

The gains and savings depend on the business invested on, and the extent of support of most members. Means of livelihood differ so the needs also are relative, example, when the livelihood of the member of the cooperative is farming, selling of root crops, and selling of vegetables. Another interviewee shared: “The cooperative gives each member from 200 square meters up to the maximum of 400 square meters the members leases it for the amount of 417 pesos a month for 10 years they can plant any crops in that land and that serves as livelihood and source of income. In my case, I am increasing my income from farming livelihood for the estimation of 7 thousand pesos a month but it is depending also to the weather condition.” This particular service is availed by vegetable farmers as they are planting root crops, vegetables, and fruits.

➤ *On the Social Dimensions as Members of Multi-Purpose Cooperative*

This section presents the responses of multi-cooperative members affecting the social dimensions. Most of the multi-cooperative members who availed of loans said that they also are “patronizing” the business of the cooperative. According to one respondent, “I am patronizing the cooperative by availing the loan. He added, the loan that I availed was invested to small enterprise, which is buy and sell of dried fish.” To patronize the coop’s business also allows the members to foster harmonious relations for as long as they would return back the loaned money with the pre-agreed interest, which is reasonable and legal according to law. This also indicates support to the community. As one interviewee said, “Yes, it is very helpful to me and my family, because without the cooperative I cannot get that sufficient amount to start my business.” As a whole, the friendly or harmonious relations that the members were strengthened by the cooperative members among themselves as they share their concerns during their “informal meetings” which they say are “pouring out moments” or when they share their stories on their experiences and aspiration in their engagement with the cooperatives.

V. CONCLUSION

The paper therefore concludes that multi-purpose cooperatives do not only need skills, knowledge and financial capital. Attitude and relational process are also evidently significant as discussed in the paper. Moreover, recruitment of members, trainings, seminars and the like are hereby recommended to be able to grasp the full potential of members and therefore issues on human interactions will be evaded.

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