

THE DEVELOPMENT AND MANAGEMENT OF COOPERATIVES IN MALAYSIA



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Kota Kinabalu • Sabah • Malaysia

<http://www.ums.edu.my>

2015

A Member of the Malaysian Scholarly Publishing Council (MAPIM)

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Perpustakaan Negara Malaysia

Cataloguing-in-Publication Data

Mohd. Khairuddin Hashim

THE DEVELOPMENT AND MANAGEMENT OF COOPERATIVES
IN MALAYSIA / MOHD KHAIRUDDIN HASHIM, SYED AZIZI Wafa
SYED KHALID Wafa.

Includes index

Bibliography: page 163

ISBN 978-967-0521-53-4

1. Cooperative societies--Malaysia. 2. Consumer cooperatives--Malaysia.

I. Syed Azizi Wafa Syed Khalid Wafa, Dr. II. Title.

334.09595

Typeface for text:

Chaparral Pro

Text type and leading size:

11/13.2 points

Published by:

Penerbit Universiti Malaysia Sabah

Tingkat Bawah, Perpustakaan

Universiti Malaysia Sabah

Jalan UMS

88400 Kota Kinabalu, Sabah

Printed by:

Percetakan Bunga Raya Sdn. Bhd.

Lot 50-A, Hiong Tiong Industrial Centre,

Lorong Buah Salak 5, 11.2 km,

Jalan Tuaran, 88450 Kota Kinabalu, Sabah.

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FOREWORD

Cooperatives play a key role in the Malaysian economy. Despite their important role in the national economy, the literature on cooperatives remained restraint. There are not many books written about them. The limited publication resulted from the lack of research emphasis on cooperatives. This book contributes not only to the existing literature on cooperatives but also reinforces the efforts of the Malaysia Co-operative Societies Commission in increasing the awareness of the importance of cooperatives in the country.

In Malaysia, cooperatives have received various support and assistance from the government since they were introduced in the country in the early 1920s. Today, the support and assistance have not only expanded but also the number of supporting agencies involved in their development and growth has increased as well.

Over the years, through various agencies, the government has developed and provided a variety of assistance to the cooperatives in the country. Among these include; funding, training and development, marketing, technical advice and consultancy. Undeniably, many cooperatives have benefited from these numerous assistance. Many of the cooperatives that received the assistance were able to grow as well as sustain their operations.

At the same time, however, it is also important to note that findings of previous studies on cooperatives have also indicated that these organizations faced various problems and challenges. The problems identified among the cooperatives include; adoption of low technology, inadequate human capital, inaccessibility to sources of financing, marketing constraints and lack of management talents, knowledge as well as skills.

This book explains not only the role and nature of cooperatives but also make aware of their important contributions to the economy

as well as the various issues and problems related to their management, development and growth. By providing this information, the book helps readers to know and better understand their significant functions in the Malaysian economy.

Without doubt, this book serves as a useful source of reference text for students studying cooperatives, management of cooperatives, policy makers as well as those involved in supporting the development and growth of cooperatives in Malaysia.

Fadzir bin Kamaruddin

Director

Malaysia Co-operative Societies Commission

Perlis Branch

PREFACE

Since cooperatives were introduced, they have gained tremendous growth and acceptance in both developed and developing countries. Given their uniqueness and successes, today, cooperatives have been recognized and emphasized as an important priority in many countries in the world.

The uniqueness and success stories of cooperatives as organizations have long attracted the attention and interest among academics, consultants, policy makers and politicians. The focus on cooperatives resulted from the realization that they play a key role in the social as well as the economic development of both developed and developing countries. As employers and investors, cooperatives are known for their social as well as economic contributions.

In this book, an attempt has been made to explain their nature, role and the contributions made by the cooperatives in the Malaysian economy. The book provides useful information concerning the cooperatives in the Malaysian context to help readers to better understand as well as to help manage them more efficiently.

This book contains eight chapters. The first chapter begins by examining how cooperatives are defined. More specifically, the chapter explains their definitions, registrations, types of cooperatives and their unique organizational characteristics.

In Chapter 2, the book presents the historical development of cooperatives in Malaysia. The chapter begins with the introduction of cooperatives in the 1920s and ends with their present development.

Chapter 3 of the book specifically focuses on the Malaysian government policy towards cooperatives. In particular, the chapter explains the first and the second National Cooperative Policy.

The strengths, weaknesses, opportunities and threats faced by the cooperatives are captured in Chapter 4. The information provided in this chapter helps readers to better understand the nature of cooperatives.

Chapter 5 proposes the need for cooperatives to adopt the strategic management approach to ensure their success. The chapter describes how cooperatives can manage their business in a more systematic and effective way through strategic management.

Chapter 6 provides a brief description of the various cooperative supporting agencies and the types of assistance as well as services they offered to the cooperatives.

Chapter 7 emphasizes on research in the area of cooperatives. Based on the review of the literature, the chapter identifies relevant research issues and proposes more empirical studies on cooperatives.

Finally, in Chapter 8, the book looks at the future of cooperatives in Malaysia. The chapter provides some insights into their future role in the country.

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June 2015

ACKNOWLEDGEMENTS

Writers often need help, support, encouragement as well as inspiration to write their books. In the case of this book, the help, support, encouragement and inspiration came from various people. To all these people, we would like to express our sincere appreciation, especially to those individuals who have personally taught us valuable lessons and given us their assistance as well as shared their real-life experiences.

Our colleagues and dear friends have also supported us in various different and meaningful ways. We would like to take this opportunity to personally say thank you to Dahlan Ismail, Ahmad Rakli, Mat Saad Abdullah, Romle Hassan, Mohd Yusof Khalid, Zainudin Sulaiman, Sa'ari Ahmad and the others for their assistance, kindness, continuous support and friendship.

Not forgetting, we are also grateful to the Directors and Officers of the Malaysia Co-operative Society Commission, the Cooperative College of Malaysia and the National Cooperative Organization of Malaysia. These wonderful people have not only provided us with useful information and literature but also have given their fullest cooperation as well as treated us well when we visited them.

In addition, we would also like to dedicate our fullest thanks and appreciation to Universiti Malaysia Sabah, especially to the staff of UMS Press for making this book a reality in preparing it for its final publication.

Finally, to our wives, sons and daughters, we would like to say thank you again for understanding, sharing and inspiring us.