



The Challenges and Resilience Of Cooperatives in Malaysia

By : Datuk Haji Mohamad Ali Hasan

BOD of ANGKASA

BOD Cooperative Housing International (CHI) ICA Global

Vice Chairman of KPMNJ

Country Representative Research Committee for ICA-AP



**THE 4TH COOP CONFERENCE
NATIONAL & INTERNATIONAL CONFERENCE ON
COOPERATIVES AND SOCIAL ENTERPRISES**

July 18, 2024, Amari Don Muang Airport, Bangkok, Thailand

TO SHARE

1. INTRODUCTION
2. COOPERATIVES IN MALAYSIA : NOW AND THE WAY FORWARD
 - i. Structure
 - ii. Statistics
 - iii. Malaysia Cooperative Policy 2030
 - iv. Cooperative Digitalization Action Plan
 - v. Establishment of Coop University
 - vi. Achievement
 - vii. Way Forward
3. CHALLENGES FACING MALAYSIAN COOPERATIVES
4. COOPERATIVE AND SUSTAINABLE DEVELOPMENT
5. COMPARATIVE ANALYSIS : MALAYSIA AND THAILAND
6. RECOMMENDATIONS FOR EMPOWERMENT
7. CONCLUSION AND CALL FOR ACTION ++

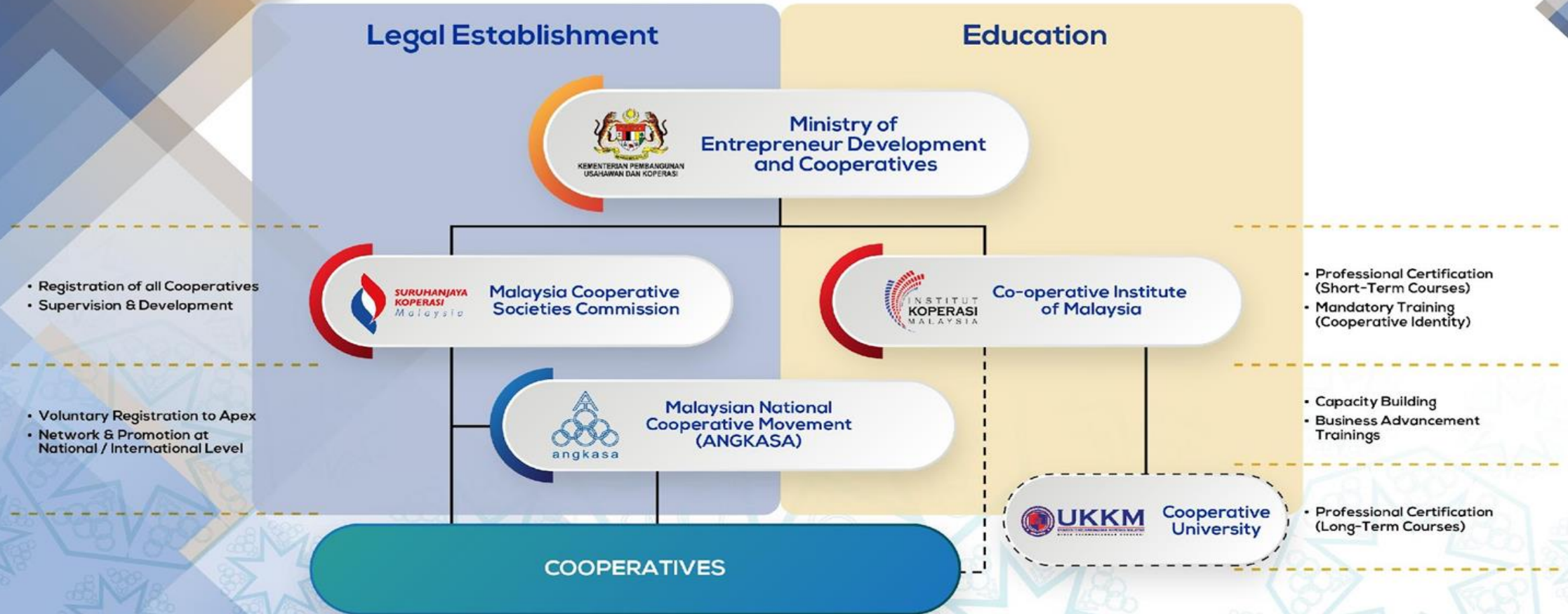
1. Challenges and Resilience of the Cooperative Movement in Malaysia

This presentation examines the challenges and resilience of the cooperative movement in Malaysia, focusing on the crucial role cooperatives play in advancing sustainable development.

The cooperative movement has long been a vital element of Malaysia's social and economic fabric, fostering economic opportunities and empowering communities. This presentation delves into the complexities and opportunities facing Malaysian cooperatives, exploring their contributions to sustainable development and identifying areas for enhanced effectiveness.



2(i) STRUCTURE OF THE MALAYSIAN COOPERATIVE MOVEMENT



2(ii) MALAYSIA'S COOPERATIVE STATISTICS



15,809
REGISTERED
CO-OPERATIVES



7.2 million
MEMBERS



USD3.7 billion
SHARES AND
SUBSCRIPTION



USD35.1 billion
WORTH OF
ASSETS



USD13.7 billion
TURNOVER

Source: Malaysian Co-Operative Commission 2023

2(iii) THE MALAYSIA CO-OPERATIVE POLICY 2030 (DAKOM 2030)

Building a resilient and high-performing co-operative sector

The Malaysia Co-operative Policy 2030 (DaKOM 2030) is the strategic direction for co-operatives' development in enhancing its economic performance and members' social well-being with the vision to position this sector as a key catalyst for Malaysia's socio-economic growth.

4 Policy Thrusts **20** Strategies

have been formulated to drive achievement of this vision.

Policy Targets

RM60 billion in turnover by **2025** and **RM73 billion** by **2030**

62% of active co-operatives by **2025** and **85%** by **2030**

IndeKA* score of **75** by **2025** and **80** by **2030**

Focus Industries

- Agriculture
- Business Services
- Consumer & Retail
- Finance Services
- Food & Beverages
- Healthcare
- Hospitality
- Manufacturing
- Transportation

*Indeks Kesejahteraan Anggota (IndeKA), an index developed, to measure the level of co-operative members' well-being

Vision

Co-operative sector as a catalyst for Malaysia's socio-economic growth

Policy Objectives

A Economic growth
To contribute significantly to Malaysia's economic growth

B Productive and vibrant
To form capable and established co-operatives accepted by all Malaysians

C Preferred business model
To position co-operative as the preferred business model in driving Malaysia's socio-economic development

Guiding Principles

UNIFY

DEVELOP

GROW

Policy Thrusts

1 Transforming co-operative support for more conducive and holistic ecosystem

2 Enhancing understanding and appreciation of the co-operative principles

3 Boosting co-operative capacity and capability

4 Advancing co-operative sector as a key socio-economic vehicle

Strategies

Strategy 1: Empowering the role of co-operative regulatory and development bodies
Strategy 2: Optimising the co-operative service delivery system
Strategy 3: Increasing industry involvement in advisory for business and economic development
Strategy 4: Solidifying co-operatives' social role through targeted supports

Strategy 5: Strengthening co-operative-centric mindset
Strategy 6: Encouraging an ESG (Environmental, Social and Governance) practice
Strategy 7: Developing a new generation of co-operative leaders
Strategy 8: Enhancing co-operatives' knowledge through collaborating co-operative facilitators' role
Strategy 9: Driving inclusion through the co-operative model

Strategy 10: Transforming co-operatives' approach towards operation and management
Strategy 11: Boosting key co-operative industries' growth
Strategy 12: Strengthening co-operatives' crisis preparedness and management
Strategy 13: Advancing co-operatives into the digital era
Strategy 14: Reimagining co-operative competitiveness through Innovation
Strategy 15: Building partnerships with global leading co-operatives

Strategy 16: Cultivating co-operatives' impact in socio-economic development
Strategy 17: Enhancing co-operative sector's contribution in industry
Strategy 18: Catalysing co-operative sector's growth through merger and hybridisation
Strategy 19: Accelerating new generation of globally competitive co-operative leader
Strategy 20: Fostering independent and self-sustaining co-operative sector

2(iv) COOPERATIVE DIGITALIZATION ACTION PLAN

DigiKOP
COOPERATIVE DIGITALIZATION ACTION PLAN

VISION

Driving a progressive, competitive and sustainable cooperative movement

MISSION

Adapting digitalization in cooperative management and business.

OBJECTIVES

- Transforming cooperatives towards the use of technology & digitization in governance & business activities.
- To develop knowledgeable, efficient & competent digital talent capabilities.
- Establishing an inclusive, safe, and ethical digital ecosystem.

03

TARGET

Implementation Phase & Target Of Malaysia Cooperative Digitalization Action Plan By Sector & Number (Registered & Active Cooperativ



04

2021-2022
DigiKOP Development

2023-2025
Phase 1: Implementation- Launching & Adoption of Digital Foundation

2026-2028
Phase 2: Implementation- Driving Cooperative Digitization Growth

2029-2030
Phase 1: Implementation- Transformation Shift & Sustainability

COOPERATIVE DIGITAL DIAGNOSIS TOOL (CDDT)

A method to help cooperatives identify the current level of digital knowledge and use.

10 DIMENSIONS OF CDDT

HUMAN CAPITAL & MANAGEMENT	INTERNET ACCESS & USAGE	WEBSITE & SOCIAL NETWORKS	ELECTRONIC COMMERCE	CLOUD COMPUTING
BIG DATA	INTERNET OF THINGS (IOT)	ROBOTIZATION	BLOCKCHAIN	ARTIFICIAL INTELLIGENCE (AI)

2(v) ESTABLISHMENT OF COOPERATIVE UNIVERSITY

 **DaKoM 2030**

2



Enhancing understanding and appreciation of the co-operative principles

3



Boosting co-operative capacity and capability



UKKM Profile

- The first private higher education institution in Malaysia that focuses on cooperative entrepreneurship.
- The aspiration behind the establishment of UKKM is to become a leader in producing more professionals in this sector while transforming the landscape of the country's cooperatives.
- UKKM or Malaysian Cooperative Entrepreneurship University is a Higher Education Institution in Malaysia established on March 28, 2022, and received Registration Certification on March 29, 2023, under the Private Higher Education Institutions Act 1996(Act 555).



2(vi) **ACHIEVEMENTS** **PREMIER COOP**



Ranked
244
TOP 300 WORLD COOPERATIVE MONITOR
Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat)



KOPERASI ANGKATAN TENTERA MALAYSIA BERHAD (KOPERASI TENTERA)
Successful financing services offered to Small and Medium Enterprises



KOPERASI CO-OPBANK PERTAMA BERHAD
First cooperative bank in Malaysia

2(vi) ACHIEVEMENTS SCHOOL CO-OPERATIVES

2,485
Co-operatives

2.05 millions
individuals



2(vii)

WAY FORWARD:

“Empowering Cooperative Collaboration for Resilient Economic Development”

- Collaborate among cooperatives for resilient economic development, focusing on food security.
- Enhance Cooperative Principle 6 for optimized import/export processes.
- Prioritize enabling environments for cooperative-to-cooperative (C-2-C) trade.
- Collective support needed to enhance regional cooperation.
- Emphasize collective action for trade resilience.
- Provide conducive conditions for trade amidst rapid environmental changes.



3. Challenges Facing Malaysian Cooperatives



Access to Finance

Cooperatives in Malaysia face hurdles in securing financing. Stringent lending criteria and a lack of tailored financial products limit their access to capital. These factors hinder their growth and ability to invest in their operations.



Governance and Management

Many cooperatives grapple with weak governance structures and a shortage of professional managers. Inefficiencies and mismanagement can result from these issues, impacting the effectiveness and sustainability of these organizations.



Technological Adaptation

The rapid pace of technological advancement presents a challenge for cooperatives. They need to continuously upgrade their systems and processes to remain competitive, which can be particularly difficult for smaller entities with limited resources.



Market Competition

Cooperatives face stiff competition from private enterprises and multinational corporations. This can make it challenging to maintain market share and compete effectively in various sectors of the economy.

3. Challenges Facing Malaysian Cooperatives



Governance and Transparency

Malaysian cooperatives face challenges in governance and transparency. These include a lack of clarity in roles and responsibilities, inadequate financial reporting, and limited access to information for members.



Competition and Market Dynamics

The Malaysian cooperative movement faces competition from large corporations and other economic actors. The changing market landscape, including technological advancements and evolving consumer preferences, also poses challenges.



Regulatory Framework

The regulatory framework for cooperatives in Malaysia can be complex and restrictive. This includes bureaucratic procedures, licensing requirements, and limitations on certain activities.



Human Capital Development

Malaysian cooperatives often face difficulties in attracting and retaining skilled personnel. There is a need for greater emphasis on training, education, and capacity building for cooperative managers and members.

Challenges and Resilience for Sustainable Development

Challenges and Resilience

This concept paper seeks to identify and analyze the primary challenges faced by cooperatives in Malaysia. It aims to evaluate the resilience strategies that cooperatives have implemented to overcome these challenges, particularly in the context of the COVID-19 pandemic. The analysis will also consider the impact of COVID-19 on the Malaysian cooperative movement.

Sustainable Development and Cooperative Empowerment

This paper will explore the potential of cooperatives in advancing Sustainable Development Goals (SDGs). It will investigate the role cooperatives can play in promoting sustainable practices and contributing to social and economic progress. Finally, it will offer actionable strategies for empowering cooperatives to enhance their contributions to sustainable development.

4. Cooperatives and Sustainable Development

Economic Growth

Cooperatives play a crucial role in promoting economic growth. They create jobs, enhance income generation, and contribute to local economies. They often operate in rural areas, supporting communities and fostering development.

Social Inclusion

Cooperatives promote social inclusion by empowering marginalized groups, such as women, youth, and indigenous communities. They foster community development and provide access to resources and opportunities.

Environmental Sustainability

Cooperatives can adopt sustainable practices in agriculture, energy, and other sectors to minimize environmental impact. They can promote green technologies, reduce waste, and conserve natural resources.

4. Cooperatives and Sustainable Development

1 Promoting Social and Economic Inclusion

Cooperatives play a vital role in promoting social and economic inclusion, particularly in rural communities. They provide opportunities for marginalized groups to participate in the economy and improve their livelihoods. Cooperatives are also known for their commitment to equitable distribution of profits and benefits among their members.

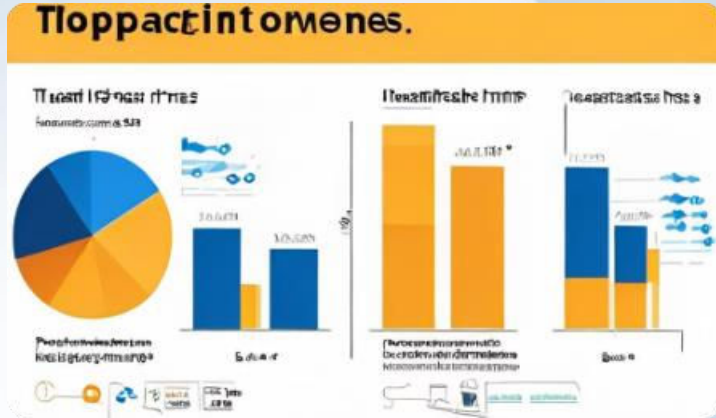
3 Strengthening Local Economies

Cooperatives contribute to the growth and resilience of local economies. They support local businesses and suppliers, creating jobs and stimulating economic activity within communities. By fostering local economic development, cooperatives help build stronger and more sustainable communities.

2 Environmental Sustainability

Cooperatives often prioritize environmentally sustainable practices. They are more likely to adopt sustainable production methods, reduce waste, and promote renewable energy sources. This commitment aligns with the broader goals of sustainable development and contributes to a healthier environment.

5. Comparative Analysis: Malaysia and Thailand



Cooperative Growth in Southeast Asia

Examining Thailand's successful cooperative movement provides valuable insights for Malaysia. Thailand boasts a robust cooperative ecosystem, characterized by a higher number of cooperatives and a greater membership base. This success can be attributed to government policies promoting cooperative development, coupled with a strong foundation of community engagement and trust.

Agriculturally Focused Cooperatives

Both countries have a strong agricultural cooperative sector, playing a vital role in supporting rural livelihoods and promoting sustainable farming practices. Thailand's experience in developing effective agricultural cooperatives, particularly in rice production, offers valuable lessons for Malaysia. Cooperative members share knowledge, resources, and expertise, enhancing productivity and market access.

Cooperative Market Presence

Cooperatives play a significant role in both countries' economies, facilitating market access for producers and providing essential goods and services to consumers. Thailand's well-established network of cooperative markets, particularly in urban areas, presents a model for Malaysia to emulate, supporting local businesses and fostering community development.

6. Recommendations for Empowerment

1 Policy Support and Incentives

The government should prioritize policies that support cooperative growth, including financial incentives, tax breaks, and streamlined regulations. These measures can attract new members and boost cooperative capital.

2 Capacity Building and Training

Investing in training programs for cooperative leaders and members is crucial. These programs should focus on management skills, financial literacy, and innovative business models. Effective training can enhance organizational efficiency and sustainability.

3 Access to Finance and Technology

Cooperatives often face challenges accessing affordable financing and adopting new technologies. Targeted programs to address these challenges, such as microfinance initiatives and technology adoption support, can improve cooperative competitiveness.

4 Collaboration and Partnerships

Fostering collaboration between cooperatives and other stakeholders, including government agencies, NGOs, and private businesses, is essential. Partnerships can leverage resources, expertise, and create new opportunities for growth.

6. Future Objectives and Strategies

Malaysia's cooperative movement is actively charting a course toward a resilient and high-performing future. This vision is anchored in the Malaysia Cooperative Policy 2030 (DAKOM 2030), which aims to transform cooperatives into catalysts for the nation's socio-economic growth. The policy emphasizes a strategic focus on digitalization to enhance efficiency, transparency, and member engagement within the cooperative sector.

The government's efforts to modernize and empower cooperatives are yielding notable results. Prominent examples include Bank Rakyat, which has secured a prominent position as the 244th best cooperative globally. Additionally, Coop-Bank Pertama and the Malaysian National Military Cooperative (Koperasi Tentera) are rapidly gaining recognition and advancing towards the top ranks of global cooperatives. These achievements underscore the potential of the Malaysian cooperative movement to play a significant role in the nation's future prosperity.

7. Conclusion and Call to Action

The Malaysian cooperative movement holds immense potential to drive sustainable development. Addressing present challenges and leveraging strengths can significantly contribute to economic growth, social inclusion, and environmental sustainability.

This symposium serves as a rallying call for all stakeholders to collaborate, exchange insights, and forge partnerships that empower Malaysian cooperatives to advance sustainable development.

We invite policymakers, cooperative leaders, researchers, and development practitioners to engage in this symposium, share their experiences, and contribute to the formulation of actionable strategies. Together, we can build a resilient and sustainable cooperative movement in Malaysia that leaves no one behind.





JORDAN Declaration

11th Asia Pacific Cooperative Ministers' Conference

**"PARTNERSHIPS BETWEEN GOVERNMENTS AND COOPERATIVES FOR RESILIENCE,
SUSTAINABLE DEVELOPMENT AND INCLUSIVE GROWTH IN ASIA PACIFIC, MIDDLE EAST AND NORTH AFRICA (MENA) REGION"**

*Crowne Plaza Jordan, Dead Sea, Jordan
28-30 April 2024*



The Asia Pacific Cooperative Ministers' Conference,

Having been convened at the Dead Sea area of Jordan by the ICA Asia and Pacific, the regional branch office of the International Cooperative Alliance and the Jordan Cooperative Corporation on 28 and 29 April 2024, and

Extending its participation for the first time to the governments of countries in North Africa

Recognising, the International Statement on the Cooperative Identity (the Statement) of which the International Cooperative Alliance (ICA) is the global custodian, reflects the centrality of people in the cooperative enterprise form, and through the seventh cooperative principle on 'Concern for Community', the aspect of sustainable development of communities through policies approved by members;

Noting, the Statement confers on the ICA and its member organizations, as well as the wider cooperative movement worldwide, the responsibility of building meaningful partnerships and alliances with all stakeholders, particularly the Governments, in accelerating the attainment of the UN Sustainable Development Goals by 2030;

Considering, cooperatives have been recognized as key partners in delivering social justice, reducing economic and social inequalities, and promoting equitable enterprises that build positive peace and inclusive development,

Recalling, the recognition of cooperatives as vehicles for transforming the world, and in advancing Sustainable Development through the UN Agenda 2030, the 2015 Addis Ababa Action Agenda on Financing for Development, as well as the 2022 ILO Resolution on Decent Work and Social and Solidarity Economy and the 2023 UN General Assembly Resolution on the Social and Solidarity Economy, and

Having acknowledged that, cooperatives worldwide comprise 3 million enterprises and 1 billion members, and generate more than 280 million direct and indirect work opportunities, and

Recognizing the significant contributions of cooperatives in the Asia Pacific region to economic growth, job creation, poverty alleviation, social inclusion, and environmental sustainability and acknowledge the unique democratic and people-centered nature of cooperatives, and their ability to empower individuals, communities, and marginalized groups;

Affirming that the Asia-Pacific Cooperative Ministers' Conference established in 1990, as a quadrennial conferencing instrument provides an effective platform for cooperatives and governments to discuss current and emerging issues and set a common agenda towards the establishment of new forms of cooperation between them,

Reaffirming the commitment to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), particularly in relation to ending poverty (SDG 1), promoting gender equality (SDG 5), fostering decent work and economic growth (SDG 8), and combating climate change (SDG 13), and

Appreciating the resilience and adaptability evidenced by cooperatives during times of crises, such as economic downturns, multi-dimensional conflicts, natural disasters, and public health emergencies, by taking all measures required to supporting their members and communities, and

Noting with great concern that the overall progress towards attaining the UN Sustainable Development Goals has not been on track, and

Noting further, the Asia Pacific region is home to more than 50% of young persons, and

Committing to accelerating towards the UN-SDGs with the help of meaningful and result-oriented partnerships between cooperatives, government and other relevant stakeholders, with the aim to achieving resilience and inclusive growth,

Committing further, to advancing and promoting the idea and practice of cooperation, as a virtue for peace-building, and that cooperation has no geographical and political boundaries,

adopts this twenty ninth day of April of the year two thousand twenty four, the following declaration which may be cited as the ICA-AP Declaration for Partnerships for Sustainable Development.

The Ministers and Heads of Delegations responsible for cooperatives, gathered in Dead Sea, Jordan from April 28 to 29, 2024, for the 11th Asia Pacific Cooperative Ministers' Conference (APCMC), do hereby declare our intention to:

Foster meaningful and strategic dialogue between governmental bodies and cooperatives, as complementary equals, to understand mutual goals, challenges, and opportunities for collaboration, and to create an enabling environment for cooperative development;

Emphasize the critical role of cooperatives, rooted in and owned by communities, in promoting inclusive development and ensuring that no one is left behind in our pursuit of sustainability, and in addressing the needs of marginalized and vulnerable groups;

Recognize the importance of bringing inclusivity and diversity for cooperative development and governance through equal participation and inclusion of women, youth, and indigenous communities, with accountability through regular reporting on participation in decision-making roles;

Review and revise, where necessary, cooperative policies and legal frameworks at the national and international level, to advance strategic objectives to build a better world, such as gender-equality, education, equitable trade and peaceful communities, and further, strengthen partnerships between cooperatives and governments, and facilitate the inclusion of cooperatives into national development plans, recognizing cooperatives as key partners in achieving sustainable and inclusive growth;

Promote partnership and align efforts towards achieving UN SDGs and in so far as possible, address collectively, goals concerning eradicating poverty, meeting gender equality, advancing decent work and productive employment, acting on environmental protection and climate change, by harnessing and maximizing the potential of cooperatives and the wider Social and Solidarity Economy;

Promote actively, the cooperative-difference and the advantages of the cooperative enterprise form, its universal values and principles to ensure its value in addressing global challenges and fostering resilient, sustainable and inclusive communities is recognised more widely;

Accelerate steps for governments and cooperatives to deepen their partnership, while also maintaining cooperative autonomy and independence, in pursuit of inclusive sustainable development through capacity-building, community involvement, sharing of best practices, knowledge-sharing, access to finance, and the promotion of cooperative principles and values; Promote cooperative culture, particularly through digitalization and digitization especially for communications, education, and training, with the aim to foster the 5th Cooperative Principle on Education, Training and Information, and in the context of the UN International Year of Cooperatives 2025, generate awareness among youth, members of the general public and young opinion leaders on the benefits of cooperation;

Commit to striving towards a safe environment in local and global communities by upholding peace and humanity while ensuring dignity and freedom for all;

Encourage regional and international cooperation among governments, cooperatives, and other stakeholders to share best practices, exchange knowledge, and foster an enabling environment for cooperative resilience and growth across the Asia Pacific region, with a redoubled effort to ensure that the strengthening of the cooperative sector in the Small Island States and land-locked countries is supported; and

Honor the spirit and substance of the rich contributions and cooperation at this conference by holding ourselves accountable to deliver and track progress arising both on an annual level through ICA-AP Board meetings and through reporting at the next Asia Pacific Cooperative Ministers' Conference or any other similar ICA conference organized earlier, while also recognizing that the UN International Year of Cooperatives in 2025 provides a special opportunity to make meaningful progress on our shared ambitions.

Thus, in consideration of the foregoing declaration, we call upon all stakeholders, including governments, cooperative organizations, civil society, non-government organizations, and the diverse private sector, to cooperate with the APCMC in this endeavor, and work collaboratively towards a more resilient, sustainable, and inclusive future for the Asia Pacific, Middle East and North Africa (MENA) region.

Adopted in Dead Sea, Jordan, on April 29, 2024 in draft form pending comments from Heads of Delegations.

ANGKASA CORPORATE VIDEO



MESYUARAT AGUNG PERWAKILAN ANGKASA 2024

22 JUN 2024

LANGKAH PADU SETERUSNYA

1. Kuantiti+ Kualiti + Integriti + MAQASID SYARIAH + Tadbir Urus Baik/Good Governance/Tata Kelola Baik.
2. Dana Khas Gerakan Koperasi ANGKASA & Hartahan / Perumahan & Belanjawan Tahunan.
3. Belia, Wanita, Keluarga, Komuniti & Profesional diperkasa dalam Koperasi.
4. Senator/Ahli Majlis PBT daripada ANGKASA/Gerakan Koperasi.
5. Koperasi Sekolah Rendah & PIBG + Koperasi Sekolah Agama & Koperasi Agensi + KKM Semarakkan.



6. Jurang Koperasi bandar & luar bandar dirapatkan : bimbingan & mentorani + Koperasi tak aktif & dorman
7. Laksana & pantau sepenuhnya Resolusi 3K (Kongres Koperasi Kebangsaan) 2024.
8. Jatidiri + SDGs + ESG + Zakat + Infaq + Wakaf manfaat sepenuhnya.
9. Blueprint & Pelan Tindakan Perniagaan Koperasi Negeri & Negara & Laksana PELAN 2050.
10. Niaga Berjemaah Koperasi 2030 & Gaya Hidup Koperasi 2050

CALON NO.1

DATUK HJ. MOHAMAD ALI HASAN



Facebook, Instagram, YouTube, and Twitter icons followed by @AngkasaCoop

www.angkasa.coop



Sekalung Tahniah

kepada

**DATUK HAJI
MOHAMAD ALI HASAN**

yang dipilih semula sebagai
ANGGOTA LEMBAGA ANGKASA

pada

**MESYUARAT AGUNG
PERWAKILAN ANGKASA
KE-38 (MAPA 2024)**

22 JUN 2024 (SABTU)
WISMA UNGKU A. AZIZ,
KELANA JAYA, SELANGOR

daripada:

Presiden, Timbalan Presiden,
Anggota Lembaga ANGKASA,
Jawatankuasa Tadbir Kebangsaan,
Jawatankuasa Audit Dalaman
dan Seluruh Warga ANGKASA serta Koperasi

KOPERASI MENYOKONG AGENDA



KOPERASI PRIHATIN
SEJUTA POKOK
PERSEKUTUAN MALAYSIA
www.sejutapokok.coop

#KitaKoperasi
#MenjulungAspirasiKoperasi
#SejutaPokokCoop

THANK YOU
ขอบคุณ (KHABKUN)
謝謝 (XIE XIE)
MERCI
ありがとう (ARIGATO)

E-mail: alihanangkasa@gmail.com / datuk.alihan@angkasa.coop

Mobile : +6019 – 282 8847