

# THE MALAYSIAN GOVERNMENT AS CO-OPERATIVE ADVOCATE



International Co-operative Alliance  
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and General Assembly**

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Co-operatives: Putting People at the Centre Of Development

**BY**

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# SCOPE

1. EVOLUTION OF CO-OPERATIVES IN MALAYSIA
2. NUMBER OF CO-OPERATIVES
3. GOVERNMENT AGENCIES
4. CO-OPERATIVE LEGISLATION
5. NATIONAL CO-OPERATIVE POLICY (NCP) 2011-2020
6. WAY FORWARD AND IMPLEMENTATION IMPACT



The background features abstract, expressive brushstrokes in shades of blue and purple, creating a dynamic and artistic feel. The strokes are thick and textured, with some overlapping and fading into the background.

# **EVOLUTION OF CO-OPERATIVES IN MALAYSIA**

# EVOLUTION OF CO-OPS IN MALAYSIA



- ✚ In 1922, thrift and loan co-operatives were introduced to overcome:
  - ~ **problems encountered by farmers in the rural areas** who were oppressed by middlemen under the “padi kunca” scheme; and
  - ~ **indebtedness among public servants in urban areas**
- ✚ Followed by **formation of different types of co-operatives** – consumer, agriculture, housing, transportation, industrial, construction and services
- ✚ **Covers a wide spectrum of membership** comprising civil servants, private sector workers, graduates, pensioners, students, women, single mothers, residents of housing estates, fishermen, farmers, professionals etc.



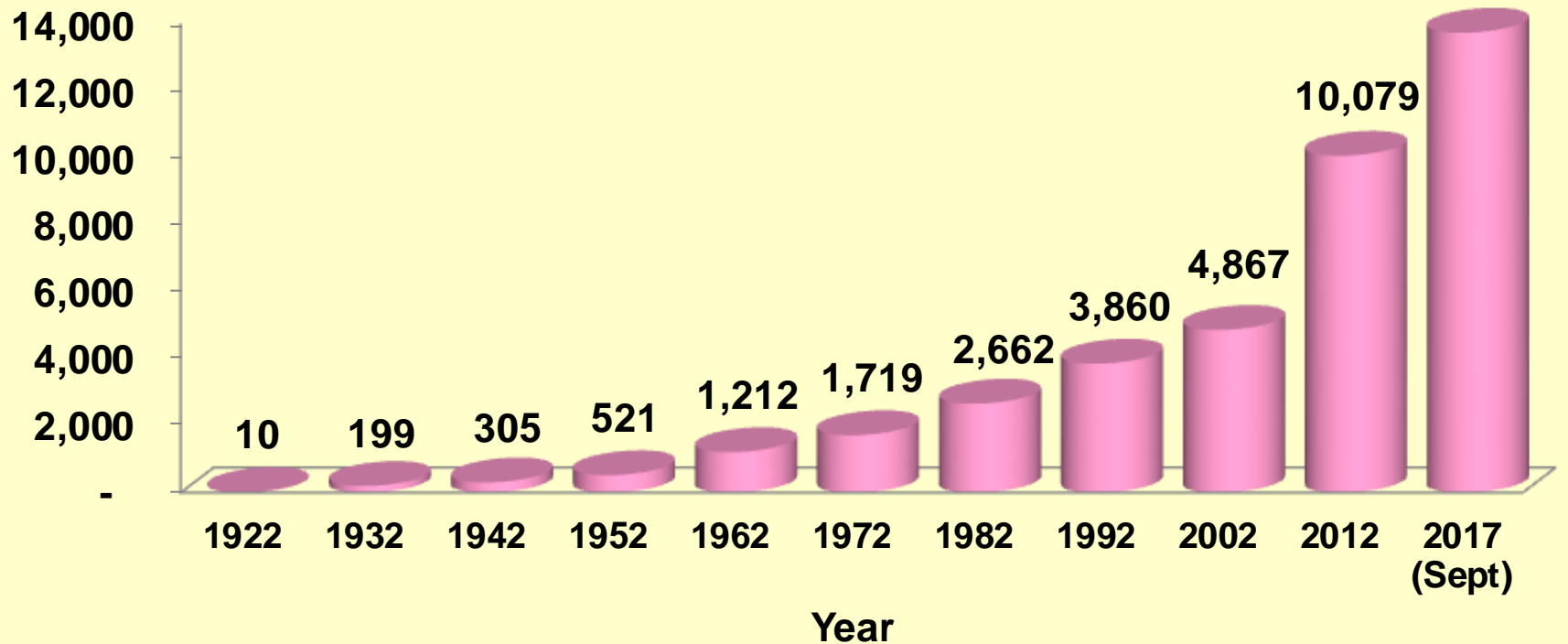
# NUMBER OF CO-OPERATIVES

# NUMBER OF CO-OPERATIVES



Number of Co-operatives 1922 - 2017 (Sept)

No. of Co-ops



# GOVERNMENT AGENCIES

# GOVERNMENT AGENCIES



**Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC)**  
(The lead ministry for co-operative development)



**Malaysia Co-operative Societies Commission (MCSC)**

(Regulator and supervisor of co-operatives in Malaysia and to develop the co-operative movement in line with the Government policy)



**Co-operative College of Malaysia (CCM)**

(Caters for the training needs of the co-operatives)



# OBJECTIVES AND FUNCTIONS OF MCSC

The main objectives of MCSC are:

- ✚ **Foster sound and orderly development** of the co-operative sector in accordance with co-operative values and principles to contribute towards achieving the socio-economic objectives of the nation;
- ✚ **Promote a financially sound, progressive and resilient** co-operative sector; and
- ✚ **Maintain public confidence** in the co-operative movement.

The main functions of MCSC are:

- ✚ **Register and revoke registration** of co-operatives;
- ✚ **Supervise and regulate** co-operatives;
- ✚ **Create conducive environment** for co-operatives to conduct their activities;
- ✚ **Encourage and promote development** of co-operatives;
- ✚ **Promote co-operative awareness**; and
- ✚ **Foster co-operative values** and principles.

# CO-OPERATIVE LEGISLATION



# CO-OPERATIVE LEGISLATION

MCSC conducts its duties and responsibilities in accordance with the powers vested under the:

✚ **Malaysia Co-operative Societies Commission Act 2007 (Act 665)**

**Provisions for:**

- establishment
- Board of Directors
- powers & functions
- officers & employees
- finance

**of MCSC**



✚ **Co-operative Societies Act 1993 (Act 502)**

**Provisions for:**

- constitution
- registration
- control
- regulation
- promotion
- development

**of co-operatives**



✚ **Co-operative Societies Regulations 2010**



# **NATIONAL CO-OPERATIVE POLICY 2011-2020**

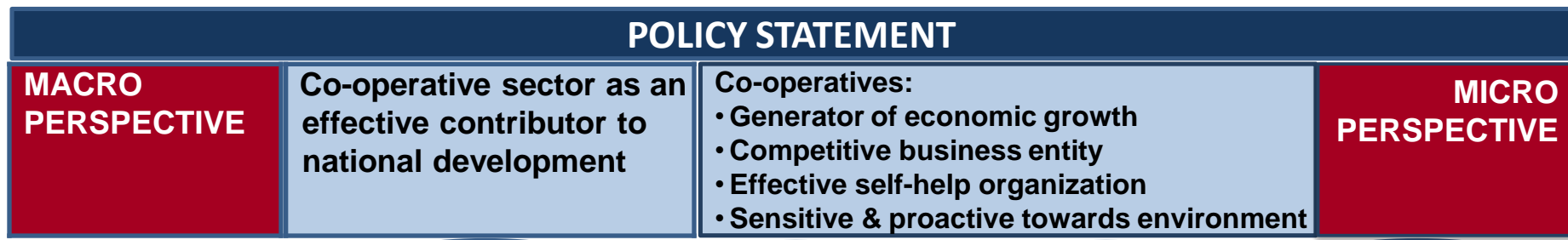
# LANDSCAPE OF THE NATIONAL CO-OPERATIVE POLICY 2011-2020



ACHIEVEMENT



POLICY



STRATEGIC THRUSTS



FOUNDATION



# MAIN ECONOMIC ACTIVITY KEY RESULT AREAS AND MID-TERM REVIEW OF NCP 2011-2020



**MID-TERM REVIEW OF NCP 2011-2020:**  
 Focus on *high impact strategies, quick wins* dan *quick harvest* based on the 6 economic sectors



Detailed blueprint to increase **economies of scale** and provide the **quantum leap**

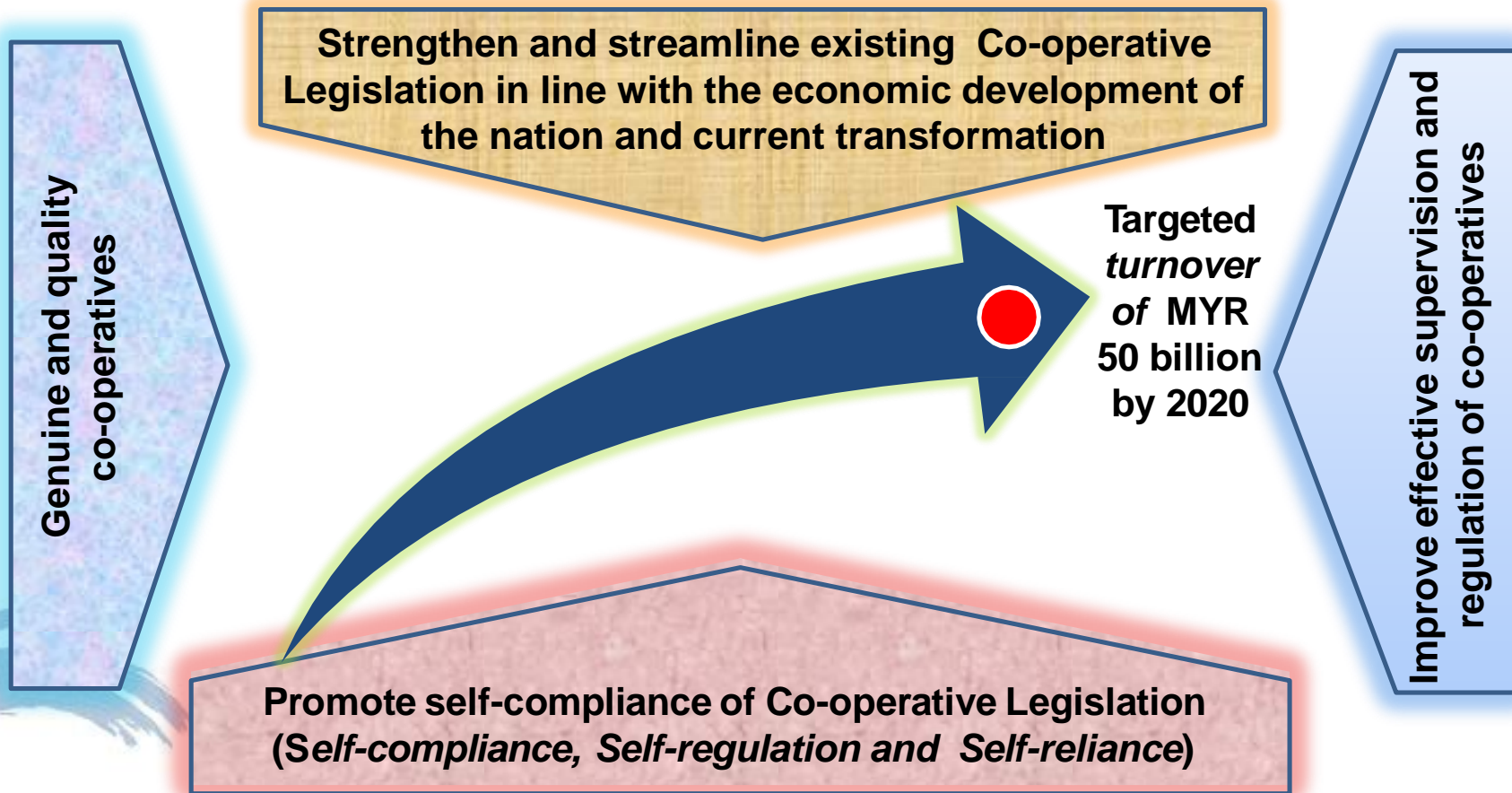
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# **WAY FORWARD AND IMPLEMENTATION IMPACT**

# ON-GOING AMENDMENT OF THE CO-OPERATIVE ACT 1993 (ACT 502)

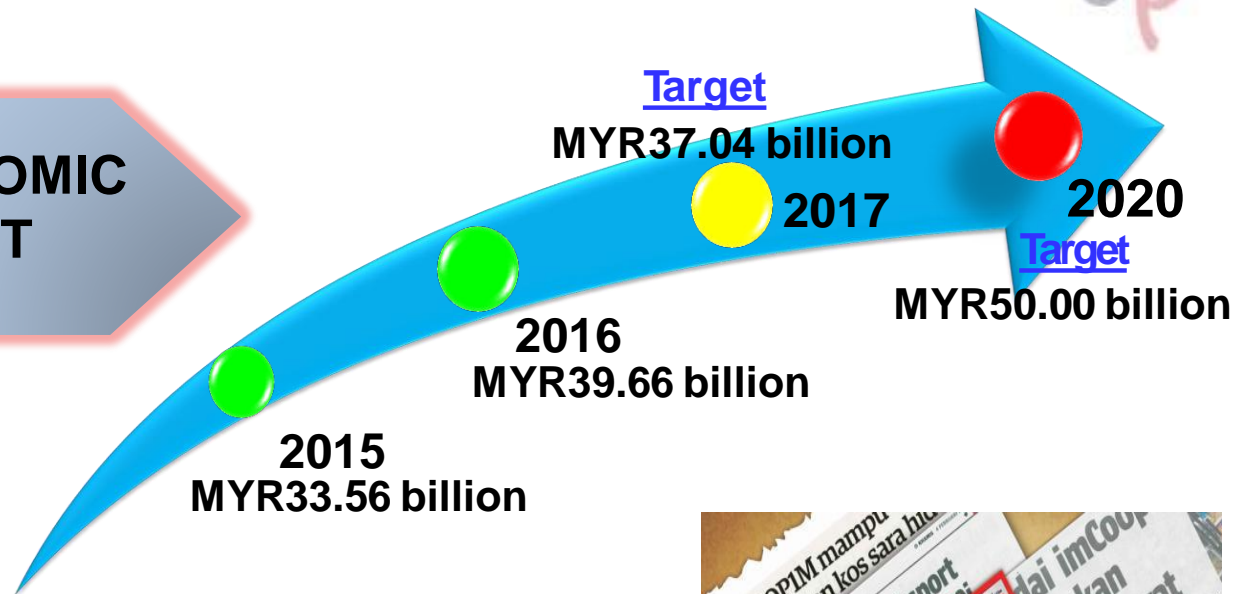
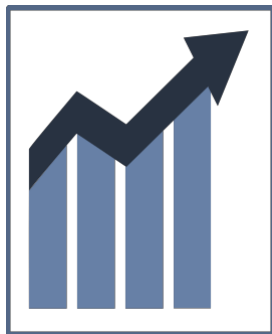


## Holistic Review of the Co-operative Act 1993 Based on Tiering





# IMPLEMENTATION IMPACT



## INCREASE TURNOVER

Estimated turnover of MYR 50.0 billion in 2020

## JOB OPPORTUNITIES

Provide job opportunities to people

## REDUCE COST OF LIVING

Reduce production cost through elimination of middle men and create fair trade environment



# IMPLEMENTATION IMPACT



## SOCIAL IMPACT

- ✦ **Increase social wealth** through sale of downstream products
- ✦ **Reduce migration of rural population** to urban areas
- ✦ **Provide dividends and other benefits** eg. medical and education expenses borne/subsidised
- ✦ **Provide business opportunities for specially targeted groups** eg. single mothers/women/graduates/youth etc.





# THANK YOU

# TERIMA KASIH

[www.skm.gov.my](http://www.skm.gov.my)



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Alliance



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