

To Challenges and Existing Knowledge Gaps Facing the Cooperative Movement: A Case Study of Singapore Cooperative

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ABSTRACT— Responding to challenges and existing knowledge gaps facing the cooperative movement in the world, this research seeks to provide exhaustive information on Singapore cooperative movement. Singapore is the one country as member of International Cooperative Alliance. The Singapore cooperative movement is outstanding and interesting operations and ideas that can be applied for the world cooperative movement. The descriptive analysis is performed the data on the issues: history, structure, type, and laws of the cooperative movement. A focus group with experts, which analyze and synthesize by using SWOT analysis to provide exhaustive information and suggestion guidelines for application in the world cooperative movement. The results of synthesis for application in the world cooperative movement are as follows: 1) The cooperative business operation should be based on the needs and circumstances of the true economic and social situation. 2) The cooperative must have a broad vision and give importance to laying down a foundation and solid system. The important mechanism of the cooperative movement is the concept and ideology of cooperative that must be inculcated from a young age and done continuously. 3) The cooperative must focus on their social mission and combine with the modern concept and vision of their citizens. 4) The cooperative must seriously focus on creating understanding, cultivating ideals and values for the operating committee and the cooperative management. Applying the lesson learned from the success of Singapore cooperative, it is quite difficult to adapt. The differences in people's conditions are the most important matter. The cooperative in the world are other different factors such as geography, climate, politics, and government.

KEYWORDS: cooperative movement, Singapore, International Cooperative Alliance

1. INTRODUCTION

International Cooperative Alliance (ICA) established on the global stage as the central organization of national non-profit cooperatives, which is the coordinate that provide services, knowledge, and expertise among more than 305 national cooperative organizations from 103 countries. Singapore is the one country as member of ICA. In 2018, United Nations Voluntary National Review Report to the High-Level Political Forum recognize the role of Singapore National Co-operative Federation (SNCF) and its members in the implementation of the Sustainable Development Goals (SDGs). In 2014, SNCF also received an honorable mention in the Mobilization and Participation category. At the TOP COOP competition held at the International Cooperative Summit in Quebec, Canada. Cooperative movement in Singapore are involved in many sectors, including supermarkets, childcare, eldercare, healthcare, education and training, insurance, financial services, security, food, and hospitality, making a positive social and economic impact [4].

Responding to challenges and existing knowledge gaps facing the cooperative movement in the world, this research seeks to provide exhaustive information on Singapore cooperative movement. The development of

cooperative, concepts, ideology, operation, structure, and classification of cooperatives in Singapore which affect the operations of the cooperative movement. Therefore, it is interesting and can be a lesson learned to be used as a guideline, adapted for the cooperative movement in the world.

2. METHODOLOGY

The research methodology consists of three main points. The descriptive analysis is performed the data on the issues: history, structure, type, and laws of the cooperative movement in Singapore. A focus group with experts, which analyze and synthesize by using SWOT analysis to provide exhaustive information and suggestion guidelines for developing the international cooperative movement. The framework shown in Figure 1.

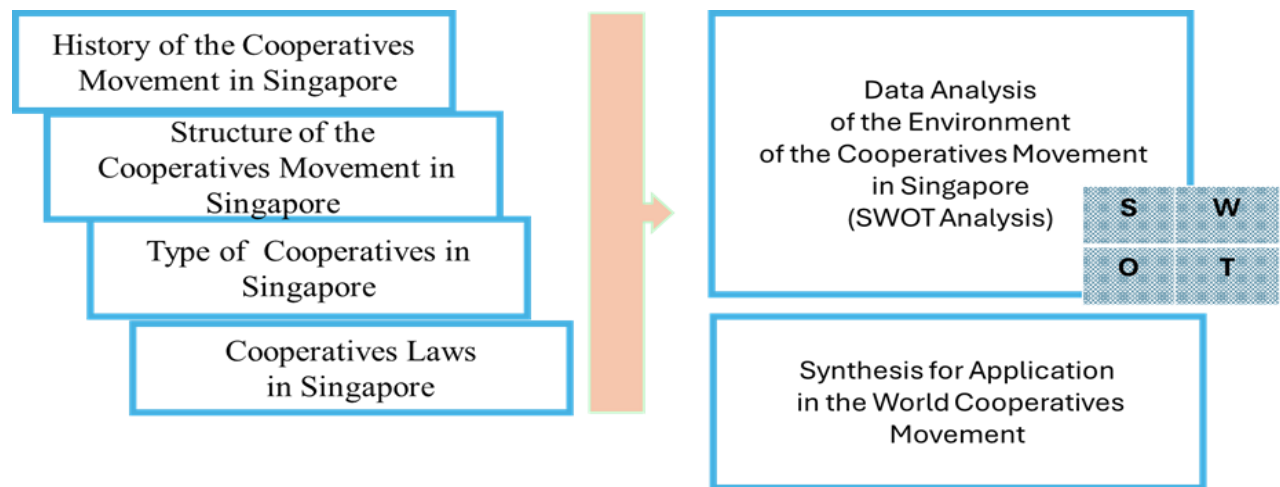


Figure 1 The Conceptual Framework

3. RESULTS

3.1 History of the cooperative movement in Singapore

The concept of cooperative in Singapore was introduced in 1924 by the British colonial authorities. The co-operative movement began as a response to the social and financial needs of the time. [5] In 1924 and 1925, the first credit co-operatives were established and registered as an alternative source of capital for workers. To meet basic financial needs, the cooperative continues today under the name Singapore Government Staff Credit Co-Operative Society. In the past, it was a money lending business that flourished in Singapore. This was because at that time the banking industry had not yet grown like the current. From the role of cooperative as a financial refuge for workers, this makes most Singaporeans understand the value of cooperative. As a result, the number of cooperatives expanded to 43 cooperatives. Later, the outbreak of World War II in 1939 caused all cooperatives to cease operations. But after World War II, the cooperative movement expanded its activities to include housing, banking, cooperative shops, shoemaking, and the production and marketing of agricultural and fisheries products.

The important turning point for the Singapore Cooperative Movement began in 1969. The plan was set to establish a cooperative movement to help workers by the ministry of finance. In the period 1970-1979, a total of 13 cooperatives were established by the National Trade Union Congress (NTUC). NTUC continues to operate. Coming to the present, some of the cooperatives that have become the largest and most famous in Singapore include NTUC FairPrice, NTUC INCOME, NTUC Health and NTUC First Campus, among others. In 1980, Singapore established the Singapore National Co-operative Federation (SNCF), the apex body of the

cooperative movement. It is an organization that adheres to the principles of international cooperative, supports, promotes education, management supervising and inspecting the operations of cooperative in the Singapore cooperative movement, and provide financial support to cooperatives by working with the Co-operative Financial Fund (CCF).

SNCF represents Singapore Cooperative; it is a member of ICA. The World Council of Credit Unions (WOCCU) has a cooperative relationship with the United Nations, International Labor Organization (ILO) and other international and regional agencies. After 1980, Singapore's number of cooperative increased to promote employment such as Premier Security (1984), Industrial and Service Co-operative (1989), POLWEL (1992), and Sea Care Co-operative (1994). In 1997, Singapore was faced up Asian financial crisis. Singapore was necessary to revitalize economic and help businesses become profitable. Therefore, Singapore supported executives, experts, businessman and independent entrepreneurs. In 2000, the Singapore Professionals' and Executives' Co-operative (SPEC) was established by the Singapore Institute of Human Resources. In 2012, the National Trade Union Council Enterprise Co-operative (NTUC Enterprise Co-operative) was established as a collaborative organization between NTUC Co-operatives and all social enterprise organizations, in order to create power and impact on the economic system. Meanwhile, Singapore was facing the situation of an aging population. Cooperatives have therefore quickly adapted their economy, such as Silver Caregivers to respond to the changing needs of groups of people.

3.2 Structure of the cooperative in Singapore

The Singapore National Cooperative Federation (SNCF) is the apex body of the cooperative movement in Singapore. It is a member of ICA, the World Council of Credit Unions. It also has relations with the United Nations, International Labor Organization, and international agencies. The Singapore cooperative movement is divided into three levels: local cooperatives (primary cooperative society), provincial/state cooperatives (secondary cooperative society), and national cooperatives (tertiary cooperative society), as shown in Figure 2.

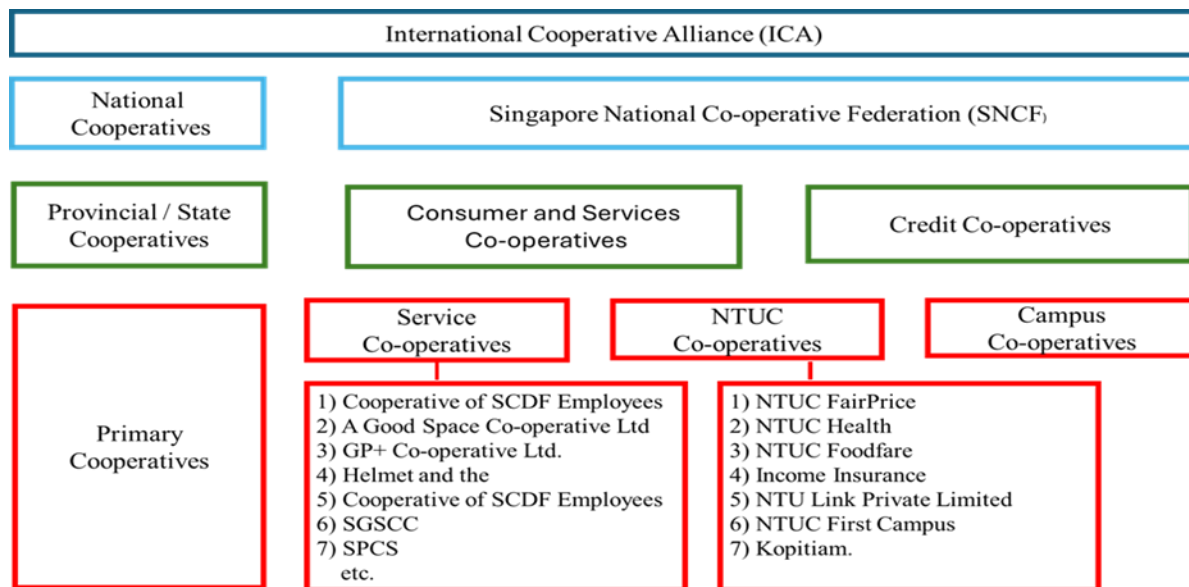


Figure 2 The Structure of the cooperative movement in Singapore

3.3 Types of the cooperative in Singapore

In 2019-2020, cooperative in Singapore had 1,493,000 members from 85 cooperatives with total assets of S\$20 billion. Singapore's cooperative can be classified into two main groups: 1) Credit cooperatives, there are

23 credit cooperatives serving 137,000 members with total assets of S\$1 billion. The number of members is 27 percent of all members. 2) Consumer and service cooperatives group, consisting of service cooperatives, trade union cooperatives and campus cooperatives This cooperative group is responsible for providing products and services to members and society and assistance services to Singaporean at a fair price. In 2020, there were 62 consumer and service cooperatives serving 1,355,000 members with total assets of S\$19 billion. The number of members is 73 percent of all members. The proportion of business volume according to business and services of various cooperatives in 2017 is shown in Figure 3. [4]

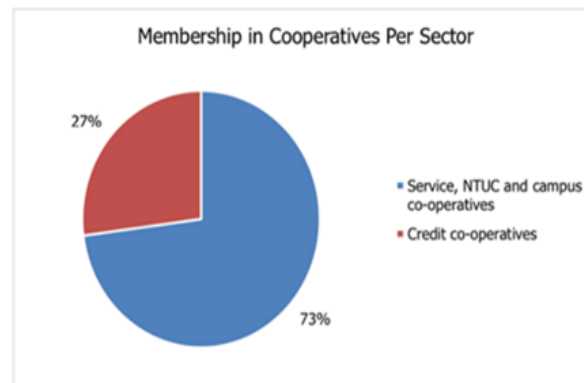


Figure 3 Number of members of cooperatives in Singapore.

Source International Cooperative Alliance. (2021a) [4]

1) Credit cooperatives is a cooperative that promotes savings by accepting deposits from members and helping members with financial needs to borrow money at low interest rates and on reasonable terms. Members receive the highest returns in the form of dividends, patronage refund and other benefits from saving with the credit cooperative. There is democratic control. Credit cooperatives play an important role in elevating the economic and social status of their members. It is a non-profit organization, care and share, provide the necessary facilities for co-operative members to save for the future. [10] In 2023, there are 22 Singapore credit cooperatives, with the Singapore Government Staff Credit Co-Operative Society Ltd. (SGSCC) being the first credit cooperative to be registered in Singapore. Established on October 7, 1925 under the Cooperative Societies Act. Membership is open to all employees working in government agencies. There is also the Singapore Police Co-operative Society Ltd. (SPCS), the first cooperative for uniformed personnel of the Singapore government. Providing service to officers in uniform and civilians of law enforcement agencies supported by the cooperative and taking care of members. This is especially true in financial assistance. SPCS is a cooperative with a strong and stable financial background. There are investments that provide benefits to members. SPCS is a member-owned social enterprise cooperative. Therefore, the mission of the cooperative is focused on providing the best services to meet the needs of its members. [10]

2) Consumer and Service Cooperatives Group consists of three types of cooperatives: trade union cooperatives, service cooperatives, and campus cooperatives. Each type of cooperative operations are as follows:

2.1) Trade union cooperatives were founded by the labor movement. Its main objective is to serve workers and their families. It focuses on responding to social enterprises, urgent social needs in various fields such as health and care for the elderly, childcare and daily necessities, cooked food, providing non-financial goods and services to members as well as financial services. Operation of this trade union cooperative fulfill the social and economic interests of its members through various activities, which includes providing employment

opportunities, gathering of like-minded individuals or the buying and selling of goods and services based on the concept of cooperation. Trade union cooperatives is pioneer for labor rights since 1961, it brings together 58 unions, including 7 trade associations, 7 social enterprises and other corporate partners, working to create a better life for Singaporean workers. Trade union cooperatives conducts business in the form of a social enterprise group, it has the main goal of creating greater social power within the social enterprise group. There are many forms of business including 1) NTUC FairPrice 2) NTUC Health 3) NTUC Food fare 4) Income Insurance 5) NTU Link Private Limited 6) NTUC First Campus 7) Kopitiam. The Social Enterprise Group integrated products and services business to meet the lifecycle needs of the Singaporean population, by setting the price of essential goods and services to a moderate level for everyone, to strengthen a financial stability of members' families. It strives to leverage the power of the group: deliver better value, create a better life, and create a better future for the Singaporean community. [6]

2.2) Service cooperatives are committed to their social mission. To help Singaporean and residents reduce the cost of living in Singapore. It provides a variety of services to its members, including environmental services, travel safety caring for the elderly, business management and welfare. [9] There are many forms of business such as 1) A Good Space is Singapore's first cooperative that brings together change makers, activist, dreamer, social entrepreneur, charities and more to create change on social issues and communities of shared interest. [1] 2) Co-operative of SCDF Employees Ltd. (COSEM) is registered under the Singapore Co-operative Act. It is a cooperative that aims to create job opportunities for retired and former personnel of the Singapore Civil Defense Force (SCDF). [2] 3. GP+ Co-operative Ltd is a service co-operative founded by a group of doctors who wanted to transform the delivery of healthcare and create a balance between quality and standard price, to build a network of health professionals such as specialists, doctors, and allied health professionals, to provide health services to the public. [3]

2.3) Cooperatives in educational institutions (Campus co-operatives) operate within the boundaries of schools, colleges, polytechnics, and universities, by giving advice and direct experience to student for running social businesses based on economic and cooperative principles. It cultivates members to have self-discipline, self-reliance, responsibility, and overall character development.

3.4 Cooperative laws in Singapore

Singapore Cooperative, it operates under the Cooperative Society Act 1979 (No. 62), the Cooperative Society Rules 2009 and the Registry of Co-operative Societies, the Singapore National Co-operative Federation (SNCF). [7] The objective of Cooperative Society Act 1979 No. 62) is to control the operations of the organization. That includes controlling financial policy to protect the country's economic and social system if there is a bankruptcy event or having insufficient assets to cover the liabilities of various organizations. [8]

3.5 Data analysis of the environment of the cooperative movement in Singapore

Cooperatives and enterprises of Singapore, there are various business operations and adhering to the principles of conducting business for members. To analyze the external and internal environment of cooperatives and enterprises movement in Singapore is employed by SWOT analysis. As the follow:

Table 1 To analyze the environment of cooperatives and enterprises movement in Singapore

Strength
1. The Singapore Cooperative is a business organization with a social mission which conduct business for the true needs of society and the majority of the country's people.
2. It is an organization that searches for and considers proposing business models based on the real causes of problems and social conditions. It is a unique organization of self-help with operational guidelines that adhere

to cooperative values.

3. It is an organization with a vision. The foundation of national security has been laid. It showcases many inspiring innovations and initiatives in the drive to shape the future.

4. It is a state-of-the-art adaptive organization, which is up to date with economic and social events. It can use human resources of retired and highly skilled elderly people for social development.

5. It is a modern organization, which adapts business to the era of constant change.

6. It is a service cooperative organization that has a variety of services and can create efficiency and social strength for the country.

7. It is an organization that has laid an important foundation for the development of a strong cooperative movement. The business operates by cooperative value and identity through the education system of a young age.

8. The Singapore cooperative movement has a direct regulatory body. To ensure the protection of members, there is a manual for overseeing internal control, loan management governance manual, investment management governance manual. Loan management and investment management jointly designed by the Registry of Co-operative Societies and the Singapore National Co-operative Federation.

Weakness

Access to information for some cooperatives is not yet available on the website, such as the NTUC Social Enterprise Group, Mercatus co-operative Ltd., Helmet and The Penguin Cooperative Ltd (HATP) service co-operatives, etc.

Opportunity

1. The government supports cooperatives in various areas such as the NTUC FairPrice cooperative. The government supports local products and businesses which focus on local products in shops and businesses on new platforms. The government works with cooperatives, such as working with NTUC FairPrice to jointly monitor prices of products for the citizens.

2. Each type of cooperative has various service channels.

3. Business operations in Singapore is streamlined, since Singapore has a favorable economic infrastructure, competitive tax rates. Moreover, Singaporean have knowledge/expertise in orderly and efficient work systems.

Obstacle

Some types of service cooperatives have increased competition from competitors, such as NTUC FairPrice cooperative. There are other department stores or supermarkets that have recently opened, causing NTUC FairPrice to have an increased number of competitors.

4. SYNTHESIS FOR APPLICATION IN THE WORLD COOPERATIVES MOVEMENT

The Singapore cooperative movement is outstanding and interesting operations and ideas that can be applied for the world cooperative movement as follows.

1. Cooperative business operations in Singapore, it is based on the needs and circumstances of the true economic and social situation, such as: 1) Medical field: GP+ Co-operative Ltd was established which based on fairness demand, to obtain standardized prices for medicines and treatments. 2) Emergency Response Training, the SCDF Employees Ltd Cooperative was established which is based on the aging society. The retirees, who have a lot of expertise and experience and can still work efficiently. Therefore, elderly people with these potentials are drawn and used to benefit society. Moreover, it can solve the current situation which is the aging society problems.

2. Singapore cooperative movement has a broad vision and give importance to laying down a foundation and solid system. The important mechanism of the cooperative movement is the concept and ideology of

cooperative that must be inculcated from a young age and done continuously. Therefore, it gives importance and support to cooperatives in educational institutions. The educational institutions that offer cooperative teaching courses.

3. Supervision of credit cooperatives in Singapore has loan management governance manual, investment management governance manual supervision manual, which is regarding internal control loan management and investment management. Jointly designed by the Registry of Co-operative Societies and the Singapore National Co-operative Federation, this governance manual serves as a reference point of good practice for credit cooperatives. It includes examples and templates for credit cooperatives to use in designing or revising standards.

4. The strengthen of Singapore cooperative movement is focus on their social mission and combine with the modern concept and vision of Singaporeans. Therefore, the cooperative movement in the world must focus on creating citizens with the personality of determination and ability.

5. Cooperative business operations in Singapore focus on the main mission of the organization, while the most cooperative movement in Asia lack of implementation of the main mission of marketing, but they mostly focus on providing credit to their members. Therefore, the cooperative movement in the world must seriously focus on creating understanding, cultivating ideals and values to the operating committee and the cooperative management.

5. DISCUSSION AND CONCLUSION

Applying the lessons of the Singapore cooperative movement, it is quite difficult to adapt. The differences in people's conditions are the most important matter. Moreover, there are other factors that are different such as geography, climate, politics, and government. However, the Singapore cooperative movement is outstanding and interesting operations and ideas that can be applied exhaustive information for cooperative movement in the world. The cooperative business operation should be based on the needs and circumstances of the true economic and social situation. The cooperative must have a broad vision and give importance to laying down a foundation and solid system. The important mechanism of the cooperative movement is the concept and ideology of cooperatives that must be inculcated from a young age and done continuously. The cooperatives must focus on their social mission and combine with the modern concept and vision of their citizens. The cooperative must seriously focus on creating understanding, cultivating ideals and values to the operating committee and the cooperative management.

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