

Chapter

1



Co-ops in the people's lives

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Co-ops operate based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. Co-op members are also expected to believe in the ethical values of honesty, openness, social responsibility, and caring for others. Finally, and most importantly, co-ops follow the seven Co-op Principles that serve as guidelines for co-ops as they put their values into practice. These Principles are Voluntary and Open Membership; Democratic Member Control; Member Economic Participation; Autonomy and Independence; Education, Training and Information; Co-operation among Co-operatives; and Concern for the Community.¹

Co-ops have existed for a little over a century, and they encompass all sectors of economic and social activity worldwide. About one billion individuals globally are co-op members. Over the past decades, co-op enterprises worldwide have secured the livelihood of nearly three billion people, or half the world's population.

The international co-operative movement was founded in response to workers' growing poverty and oppression during the Industrial Revolution. Co-op businesses (as economic means) were established to address social needs (social goals). The early co-ops worked hand in hand with trade unions in helping those who lost their jobs or those who were earning very little by helping them start some economic activity, and by helping address economic and social inequalities through political action like education on workers' rights.

Coming out from the era of the Industrial Revolution, the world has undergone many more developments and changes that are both positive and negative. These developments, of which the foremost is globalization that has spawned encompassing and far-reaching effects, have given rise to many issues that affect people from all walks of life in all countries. Co-ops are among the most affected by these issues and their accompanying challenges and threats. Co-ops, after all, are organizations of people of mostly meager resources who have come together to help one another in their needs. Recognizing these challenges and threats, the co-op movement has re-affirmed and become more cognizant of its dual role—recognizing both the economic and social needs of the members, the community, and the society as well.

¹ Statement on the Co-operative Identity (SCI), formulated in 1995 by the International Co-operative Alliance (ICA).

But as co-ops have come to strengthen the performance of their dual role, they have also intensified addressing the social needs of their members and of the community not only through the benefits reaped from business enterprises but more so through the provision of social services. Where government institutions are not able to make available the basic necessities for a quality life that human beings need, co-ops—small or large—exist in the communities, especially in the poor communities in Asia, to provide services to the people that address economic needs as well as social needs. Very often, the members themselves expect and demand these services from their co-ops. And, sometimes, government agencies and development institutions use the facilities of co-ops to serve poor communities by way of services like literacy classes, health and nutrition education and services, livelihood skills training, and gender-sensitivity training.

This is, in fact, what Mr. Roberto Rodrigues, former president of the International Co-operative Alliance (ICA), terms as "a new role of major relevancy" for co-ops in this modern world of global economy and liberal commerce.² He says that as governments in many countries are losing the capacity to solve the people's problems, they can, less and less, take care of what truly matters—at the local level—that affects the life of the citizens. This has led to hopelessness and loss of expectation of the people, Rodrigues says, and the people do not feel represented by their governments, or even by institutions organizing themselves as non-government organizations, in search of representation for their problems and beliefs. Rodrigues states that these problems will be solved within the communities and districts, inside the "clusters": it is there where the people really know what has to be done. Within this scenario, he says that co-ops, the economic arm of social organization, can help to solve the clusters questions and, locally, with integration, allow access to bigger markets for co-op members. Organizing economic communities, co-ops of all sectors are becoming the bridge between the market and the well-being of the people, gathering them in the magnificent hope for a better future for humankind. Rodrigues says that this is "building a better world starting from communities."

Co-ops for development

Co-ops are a collective and democratic tool for self-development. As an institution, co-ops are open to the needs and aspirations of their women- and men-members. And by nature, co-ops are also business organizations with a social agenda. In the Asian region, co-ops have, over the years, been motors for business start-ups and employment creation. Two-thirds of the membership of the global ICA come from Asia. Women are half, or even more than half, of the total membership of these co-ops.

Most co-ops provide financial services as their main business activity. These financial services include savings; credit (productive/commercial loans for individuals or groups; providential or subsistence loans; special loans like emergency, micro-finance, education, housing, travel, etc.); and payment services (payroll services; credit card payment; automated teller machines; money transfer services/remittances; etc.). Other co-op services are production and marketing; retailing/

² Rodrigues, Roberto. Build a better world starting from communities. ICA Alliance, Issue 7, ICA (Geneva, n.d.).

consumers store; labor (workers, janitorial, etc.); and service providers (restaurants, catering, hospitals, warehouse, funeral, schools, transport, travel agencies, housing, day-care center, childcare, etc.)

The International Labour Organization (ILO) views co-ops as a key strategy to improving the living and working conditions of women and men globally as well as making essential infrastructure and services available in areas neglected by the state and investor-driven enterprises. Ms Linda Wirth, Director of the ILO Sub-regional Office for Southeast Asia and the Pacific, points out in a paper presentation in the Philippines in 2006 that co-ops have the potential to advance the concept of decent work because they:

- promote fundamental principles and rights at work by encouraging freedom of association and workplace democracy
- create greater opportunities for women and men to secure decent employment and income by enabling their members to combine resources, skills, and talents
- enhance the coverage and effectiveness of social protection by providing the socially excluded with basic services
- strengthen social dialogue by defending the interests of the rural poor and unprotected workers
- promote gender equality.³

This policy framework or the decent work agenda is embodied in "ILO Recommendation 193 on the Promotion of Co-operatives" adopted in 2002 by governments, trade unions, and employers' organizations. The Recommendation calls on ILO member-states to adopt measures to promote the potential of co-ops for employment creation and social protection. The Recommendation also provides that "special consideration should be given to increasing women's participation in the co-operative movement, at all levels, particularly at management and leadership levels."

In her same paper, Wirth says that although the Asian financial crisis happened almost a decade ago, its impact on the labor markets was significant and far-reaching. Among the consequences were increased unemployment, constrained earning opportunities in the formal sector, and reduced social assistance for workers—especially workers in low-paying jobs or in the informal sector, where women predominate. Wirth continues to state that while Asian labor markets have evolved rapidly during the intervening years and that the worst dislocations associated with the financial crisis have now receded, the employment situation faced by poor people in the region continues to hold many challenges. Of particular concern, she says, is the increasing proportion of young men and women entering the labor market each year in search of jobs and livelihood. The majority of poor people in Asia-Pacific work in the informal economy, where they are generally underpaid and lack adequate social protection. Many have a hand-to-mouth existence, with over 600 million men and women in the region surviving on

³ Wirth, Linda. Empowerment and Development of Women in Co-operatives, paper presented at the Regional Conference on Gender Integration in Co-operatives: 10 Years Before and After—Empowerment and Development of Women in Co-operatives, organized by the Asian Women in Co-operative Development Forum (AWCF) and International Co-operative Alliance Office for Asia and the Pacific (ICA AP), Philippines, 6-8 November 2006.



less than a dollar a day. For many such poor people, Wirth says, labor is their only asset—which is why there is the need to continue to help create income-generating opportunities for the poor and disadvantaged. Thus, she adds, the ILO supports micro-scale informal activities, micro-finance, and training and support interventions for small and medium enterprises and

co-ops. ILO also recognizes that further labor market reforms are needed to extend basic rights and social protection to all workers. These reforms involve unemployment benefits, specific labor market interventions, or support for vulnerable groups. Well-functioning labor markets promote economic growth by increasing income, encouraging exports, and supporting private-public sector collaboration, Wirth states. A favorable business and investment climate requires robust labor markets that create jobs and increase productivity. In today's highly globalized,

highly technological and intensely competitive world, it is essential that institutions such as co-operatives are able to increase their awareness of key policy issues, and be able to design and implement appropriate interventions.

Co-ops face major challenges in this era, but there are also new opportunities for growth and development. Co-ops, Wirth says, being linked to one another nationally, regionally and internationally, can be as efficient, as innovative and as flexible as any other types of enterprises: they can be successful in the competitive market while continuing to do "business with a human face" (or "business with a woman's face" as half or even more than half of co-op membership are women). The key to realizing the potential of co-ops in the globalized era is a reaffirmation today of the contribution of co-ops in providing both economic and social benefits to the members and to societies. What is required, aside from revisiting legislation and policies to ensure that a national and local enabling policy environment for co-ops is in place, is an intensified advocacy to better position co-ops as a sustainable and effective development strategy in the fight against poverty.

To this end, the co-operative can take an important and decisive role in enterprise development that can make a very significant change and contribution to poverty reduction, members' empowerment, and gender equality.

Turning co-op members into entrepreneurs

The Asian Women in Co-operative Development Forum (AWCF) is a network of national co-op organizations and non-government organizations promoting co-ops in the Asian region. As an organization that promotes gender equality and gender equity, and co-operatives development, one of AWCF's mandates is to help people attain economic development and improve their lives by building the capacities of women- and men-members-entrepreneurs—through various modalities—and helping them grow as micro-enterprises, and even to becoming small

and medium enterprises. By setting up support services within its member-organizations that are national-level co-op organizations in Indonesia, Malaysia, Philippines, Thailand, and Vietnam, AWCF helps address gender issues through entrepreneurship development programs. These programs facilitated by AWCF member-organizations seek to enable men and women to do, decide, act, and make decisions on their own through the use of empowering mechanisms.

Poverty as a complex phenomenon affects all aspects of people's lives. Most poverty alleviation strategies are concerned mainly with the provision of micro-credit, conduct of livelihood and product-marketing training, and tapping of government and other organizational/business support that is present in the community. A wider definition of poverty takes into account not only (the absence of) minimum basic needs but also includes the denial of opportunities and choices. This definition particularly came about from the efforts and events after the "Fourth World Conference on Women" in Beijing, 1995, that paved the way for governments' recognition of poverty's gender dimension. This has resulted in the refocusing of poverty eradication policies to address specifically the needs of women, particularly in rural areas. Women, after all, are half of the world's population. Women are the majority of the 1.5 billion people globally who are living on a dollar a day or less. Additionally, the gap between women and men who are caught in the cycle of poverty has continued to widen in the past decade—a phenomenon commonly referred to as the "feminization of poverty."⁴

Women who live in poverty are often denied access to critical resources like credit, land, and inheritance. Their labor is unrewarded and unrecognized; their health care and nutritional needs are not prioritized. They lack sufficient access to education and support services; and their participation in decision-making at home and in the community is minimal. Caught amid poverty, women need access to resources and services to change their situation.

AWCF recognizes that women need to be economically developed to break out from the chains of poverty that bind them. But since women's development is not solely dependent on their industry and perseverance, women need to hone their knowledge and skills, to have access to resources and services, to become involved in enterprises and to become entrepreneurs, for their economic contribution to be recognized and valued. Women have this opportunity through their membership in co-operatives or in similar groupings or organizations that provide venues for entrepreneurship. Women who are already members of co-ops or similar organizations can maximize their membership through attendance in entrepreneurial training offered by these organizations. Women's employability is thus greatly enhanced through their self-employment or entrepreneurship involvement.

Putting its words and belief into action, AWCF has set up the "Women Entrepreneurship Development" Program as one of its core programs—the others being the "Gender Awareness," "Women in Leadership and Decision-making," "Regional Policy Advocacy," and "Advocacy on Support Services for Women" Programs. AWCF seeks to enhance women's entrepreneurial skills,

⁴ www.un.org

and advocates the mobilization of co-op resources to support women-owned and/or women-managed enterprises. Further enlarging its focus and believing that women and men working together will bring even more effective development of themselves as well as of their families and communities, AWCF has identified numerous training events or seminars to empower both women and men that include entrepreneurship and business development; enterprise-related advocacy courses; and other micro-finance and skills-upgrading topics. The “Women Entrepreneurship Development” Program also advocates for co-ops to set up co-op business development centers (CBDCs) to provide services to members who have micro, small, and medium enterprises (MSMEs); to build capacities of women- and men-members who are entrepreneurs or would-be entrepreneurs, especially those in micro-enterprises; to provide various entrepreneurial training; to provide physical space/facilities; to give access to appropriate low-cost technology, and information technology (IT); and to offer access to other services.



The CBDC is a way to empower the co-op members in both economic and political spheres. The CBDC as a mechanism can be established by national- or local-level co-operatives to provide business development services—including IT-supported services—and resources and opportunities to women- and men-co-op members for socio-economic ventures and for harnessing entrepreneurial skills, and, overall, to gain a more stable and reliable source of income as entrepreneurs. In a nutshell, the CBDC can provide co-op member-entrepreneurs with

strategies to access working capital for business start-up or expansion purposes; to access technology that will increase productivity while improving product quality and price competitiveness; and to broaden business markets. The CBDC will also be a means to develop leadership and management capacities of MSME-owners to effectively manage their enterprises as well as their households; and to overcome or minimize social, cultural and gender biases. The CBDC provides co-ops one of the effective ways of building a strong membership, as it gives assistance to the members in becoming successful entrepreneurs with access to and control over their resources.

A look at enterprises, entrepreneurship, MSMEs, and IT

The co-ops' thrust through the CBDC of helping members become entrepreneurs who are operating their own businesses and earning their own income becomes all the more important in the light of the fact that employment opportunities are usually very limited for people, especially in rural areas. This is cited in the publication "The group enterprise resource book,"⁵ which goes on to say that "self-employment in rural enterprises can make it possible to generate the income to satisfy

⁵ The group enterprise resource book-A practical guide for Group Promoters to assist groups in setting up and running successful small enterprises, Food and Agriculture Organization of the United Nations (Rome, 1995).

needs and improve the standards of living." Meanwhile, the UNIDO, WSIS Report, February 2003, states that "the only way to reduce poverty in a sustainable way is to promote economic growth, through wealth and employment creation." It says further that in developing countries, the SMEs (small and medium enterprises) are the major source of income, a breeding ground for entrepreneurs, and a provider of employment.

The following interesting data and facts about the world of entrepreneurs, entrepreneurial development, MSMEs, and related areas were culled from the presentation of Ms Sylvia Muñoz-Ordoñez, Executive Director, Center for Asia-Pacific Women in Politics (CAPWIP), at a forum in Manila, Philippines, during the "AWCF Regional Exchange Program" in 2003,⁶ participated in by women co-op leaders from Asian countries. She says that millions of new enterprises start each year despite more than 50 percent failure rate. But despite all the interest, there is yet to emerge a concise, universally accepted definition of the word "entrepreneur." The French origin of the word, however, literally translates to "between taker" or "go-between"; "to undertake." The "Merriam-Webster" dictionary defines an entrepreneur as "one who organizes, manages and assumes the risk of a business or enterprise." "Entrepreneurship," meanwhile, also elicits different definitions by different authors. And it can also be described as a kind of behavior that includes initiative taking; the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical applications; and the acceptance of risk and failure. As a process, entrepreneurship creates something different (new) with value by devoting the necessary time and effort, assuming the accompanying financial psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

Muñoz-Ordoñez lists the stages of growth of entrepreneurship as:

- **Infant Stage**
How does the visionary entrepreneur transfer the skills and the inspiration that made the little enterprise a success into something larger?
How does the business deal with cash flow constraints?
How does it obtain the legitimacy necessary to enable it to borrow?

- **Adolescent Enterprise Stage**
As management skills are applied, business continues to do well.
Business culture begins to change.
Emphasis on management, as structure, policies, procedures, and the bottom line—that is, profitability.

- **Maturity Age (Balancing Act)**
Maturing enterprise now requires a management structure or governance to create checks and balances, to ensure that management focus does not become too powerful and thus overwhelm the entrepreneurship necessary to create rapid growth and access new markets.

⁶ Muñoz-Ordoñez, Sylvia. Enterprise Development in Asian and Global Perspective, paper delivered at the Forum of the Asian Women in Co-operative Development Forum (AWCF) Regional Exchange Program, Philippines, under the project Promoting Economic Empowerment for Women as an Important Dimension to Building Gender Equality in Southeast Asia, September 2003.

In summary, entrepreneurship has three stages of growth: vision, management, governance.

Then, the next challenges for sustainability are: How does the business preserve its vision? How does it balance growth, risk and profitability? How does it establish a governance system that holds management accountability without undermining its independence and flexibility?

There are alternative definitions of successful entrepreneurs, Muñoz-Ordoñez says. They are not driven by money but by a desire to satisfy human needs effectively and efficiently. An entrepreneur is a person who creates an enterprise by beginning an end-result to effectively satisfy human needs and manages resources available in the present to multiply resources available in the future. This action involves investing, at some risk, materials and financial resources of her or his own in the enterprise, with an expectation of both material and non-material rewards in the future. An entrepreneur is the person who perceives the market opportunity and then has the motivation, drive, and ability to mobilize resources to meet it. She or he is self-confident and multi-skilled; has innovative skills; is results-oriented; is a risk-taker; has total commitment; and is a visionary.

There is also now the new concept of "social entrepreneurship," Muñoz-Ordoñez offers in her paper. Social entrepreneurship is currently needed because the time is ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen short



of expectations. Major social institutions are often viewed as inefficient, ineffective, and unresponsive. "Social entrepreneurs" are needed to develop new models for a new century. What are social entrepreneurship projects? These are social purpose business ventures, such as for-profit community development banks, or hybrid organizations that mix not-for-profit and profit ventures like homeless shelters that start businesses to train and employ their residents.

As to MSMEs, Muñoz-Ordoñez says that they generally account for over 85 percent of the total number of manufacturing establishments in Asia. In the Asia-Pacific region, there is no consensus on the definition of MSMEs. Various indices are used by different countries like as to number of employees; invested capital; total amount of assets; sales volume; and production capability. The most commonly used classification of MSMEs in Asia is on number of employees, that is, 10 to 500 as the average number.



MSMEs are promoted in developing countries because they provide a seed bed for economic growth; stimulate indigenous entrepreneurship; lead to development in rural and semi-urban areas; upgrade indigenous enterprises; and contribute to their economies and to the share of exports.

Finally, Muñoz-Ordoñez states that Asian MSMEs are often owned and managed by family members; adopt a simple management structure and few administrative activities; do not undertake high risk jobs; and are usually involved in the sub-contracting market.

Meanwhile, a 2007 primer of the UNDP-APDIP cites an even higher figure of 95 percent as to the dominance of SMEs among enterprises within the Asia-Pacific, with SMEs directly serving as the backbone and driver of national economies.⁷ The primer explains that it is commonplace for governments to have policies to encourage the growth of local SMEs because these can help directly alleviate poverty by increasing income levels and creating jobs.

Without directly referencing to micro-enterprises, the primer describes SMEs as usually employing no more than 250 employees. Similar to Muñoz-Ordoñez's statement that there is no consensus in the Asia-Pacific region on the definition of MSMEs, this UNDP-APDIP primer says that the technical definition of SMEs varies from country to country in the region but is usually based on employment, assets, or a combination of the two. Some countries have different definitions for SMEs in the manufacturing and services sector, and may exempt firms from specialized industries or firms that have shareholdings by parent companies. The primer gives the following range of SME definitions in the region (Table 1):

⁷ Kotelnikov, Vadim. Small and Medium Enterprises and ICT. Asia-Pacific Development Information Program, e-Primers for the Information Economy, Society and Polity, UNDP-Asia Pacific Development Information Program (APDIP) and the Asian and Pacific Training Centre for Information and Communication Technology for Development (APCICT), 2007.

TABLE 1

Sample of SME Country Definitions in the Asia-Pacific Region

Country	Definition of SME	Measurement
China	Varies with industry, usually less than 100 employees	Employment
Hong Kong	Manufacturing - 100 or fewer employees Other - 50 or fewer employees	Employment
Indonesia	Less than 100 employees	Employment
Japan	Wholesale - less than 100 employees or JPY 100 million assets Services - less than 100 employees or JPY 50 million assets Retail - less than 50 employees or JPY 50 million assets Other - less than 300 employees or JPY 300 million assets	Employment and Assets
Malaysia	Manufacturing - less than MYR25 million or 150 employees Services - less than MYR 5 million or 50 employees Different from Bumiputra enterprises	Shareholders, Funds and Employment
Philippines	Less than 200 employees or PHP 60 million assets	Employment and Assets
Republic of Korea	Manufacturing - less than 300 employees, or KRW 8 billion assets	Employment, Assets and Sales Revenue
Singapore	Manufacturing - fixed assets worth SGD15 million or less Services - less than 200 employees	Employment and Assets
Taiwan	Manufacturing - less than TWD 80 million of paid-in capital or less than 200 employees Other - less than TWD 100 million annual sales revenue or less than 50 employees	Sales Revenue and Employment
Thailand	Manufacturing and services - less than 200 employees or THB 200 million assets Wholesale - less than 50 employees or THB 100 million assets Retail - less than 30 employees or THB 60 million assets	Employment and Assets

Source: Small and Medium Enterprises and ICT. Asia-Pacific Development Information Program, e-Primers for the Information Economy, Society and Polity, UNDP-APDIP and APCICT, 2007

The primer also illustrates the importance of SMEs to the national economy in a sample of countries from the Asia-Pacific region. The contributions of SMEs to employment and the countries' gross domestic product (GDP), it says, are noteworthy: close to 140 million SMEs in 130 countries employed 65 percent of the total labor force, as of July 2006 (Table 2):

TABLE 2

Comparison of the Composition of SMEs in the Asia-Pacific Region

Country	SMEs as % of all enterprises	SME employees as % of the total employed population
Hong Kong	98.0	60.0
Japan	98.9	69.2
Malaysia	96.1	45.0 (manufacturing)
Philippines	99.6	70.0
Republic of Korea	99.8	86.7
Singapore	99.7	57.0
Taiwan	97.7	68.8
Thailand	99.7	60.0

Source: Small and Medium Enterprises and ICT. Asia-Pacific Development Information Program, e-Primers for the Information Economy, Society and Polity, UNDP-APDIP and APCICT, 2007

The primer tells more about SMEs as the driver of economic growth and innovation. It says that the total number of SMEs in the economy depends on the rate of SME creation and rate of SME destruction. Profitable market opportunities increase the rate of SME creation. This increases the total number of SMEs in the country, resulting in increased job creation and income per capita. People become richer, and they will increase their consumption, which in turn will open up new market opportunities that will entice the creation of more SMEs.

Unlike multinational corporations, the growth of SMEs directly benefits the country because most SMEs are domestic firms. This reinforcing dynamic generates economic growth.

The reinforcing loop of innovation also drives economic growth. As the number of SMEs increase, their knowledge of their product and industry increases also. Their knowledge allows them to innovate on the product or process, which helps them form a competitive advantage to generate more profits. Again, market opportunity as captured by the profitability of SMEs will encourage more people to establish their own SMEs to capture the opportunity.

Finally, the primer explains that the development of SMEs can also help to achieve other development goals. SMEs can either provide goods and services in areas critical to development,

such as health and education, or provide a source of income to disadvantaged people. For example, efforts to develop women entrepreneurs help increase gender equality by providing women with a source of income.

Through the CBDCs being promoted by AWCF, members of co-ops can be assisted into becoming entrepreneurs, to establish their own MSMEs, or, if they already have an enterprise, they can get more opportunities through the CBDCs to expand their business to benefit not only themselves but also their families and the community.

Amid the interest in putting up and making go CBDCs and MSMEs, there is another aspect that has to be taken into account that can affect their operation, and even their future, again as one of the issues involved in globalization. From an industrial economy, countries in the world are moving to a knowledge economy where economic growth is dependent on a country's ability to create, accumulate and disseminate knowledge. The emergence and growth of the knowledge economy was catalyzed by personal computers (PCs) and the Internet—enabling people to codify or transform knowledge into a digital form that can be easily transmitted to anywhere in the world. Communication or connectivity to any part of the world is made possible in an instant, even a matter of seconds, in real time. People who have access to this new wave of information technology or IT—broadly defined as technology that can be used for transmitting and/or processing information—are part of an information society connected to a virtual network that constantly creates and disseminates new information. Globalization has been speeded up and the complexity of business practices has been increased due to IT because firms not only need to be familiar with their local context but also with global developments. Thus, in order to compete in the knowledge economy, a strong IT-literate skills base is needed by countries. This IT base should be able to innovate and adapt quickly to change. More value is placed on the knowledge worker than ever before. Knowledge, change, and globalization are the driving forces of the new economy.⁸

How has the knowledge economy made an impact on SMEs? Both positively and negatively, the UNDP-APDIP primer further says. Since the knowledge economy relies heavily on IT, this has led to the rapid growth of IT sectors. Some countries in the region thus have created enabling environments to ensure that their SMEs are well-positioned to capture the emerging business opportunities. SMEs outside the IT sector have also benefited by adopting IT in their own operations. Now, they are able to communicate quickly, increase productivity, develop new business opportunities, reach new clients, and connect to global networks. But the reliance on IT in the knowledge economy also means that SMEs that have not yet adopted IT will have trouble surviving. Furthermore, SMEs that have not adapted to the faster pace and increasing complexity of the way businesses are conducted will lose out to the increasing competition brought about by globalization.

SMEs can benefit either as producers of IT or as users of IT. But all this does not mean that all SMEs need to adopt IT tools to the same degree of sophistication. The most basic IT tool is for having communication capabilities through a fixed telephone line or a mobile phone, whichever

⁸ Kotelnikov, *ibid.*

is more cost-effective, according to the UNDP-APDIP primer. The SMEs may then go to the next IT upgrade, which is usually to use a PC with basic software. Even without Internet connectivity, SMEs can use the PC for simple information processing needs like producing text or keeping track of accounting items, and other business practices. With Internet access, SMEs can then have advanced communication capabilities, such as e-mail, file sharing, web browsing, launching a website, electronic commerce or e-commerce, and so on. The UNDP-APDIP primer also proposes that SMEs involved in manufacturing can also use advanced IT tools like for inventory management, for example. SMEs need to adopt IT. SMEs are usually the main driver in a country's economic growth. However, as the number of SMEs increases in a country, SMEs need IT to weather the tighter competition by being able to improve internal processes, improving products and services through faster communication with customers, and better promotion and distribution of products and services via an online presence. IT, in short, carries the potential to improve the core business of SMEs in every step of the operational process. But SMEs need help in translating the benefits of IT to their core business. How much are SMEs willing to adopt and integrate IT, along with other electronic business practices, into their operations? The SMEs' willingness can be based on how much they can directly improve their core business, and how much the potential benefits outweigh the definite costs. And while SMEs can benefit in multiple ways from IT, SMEs in the Asia-Pacific region have also been slow to adopt IT because of the presence of major constraints like poor telecommunications infrastructure, limited IT literacy, inability to integrate IT into business processes, high costs of IT equipment, incomplete government regulations for e-commerce, and a poor understanding of the dynamics of the knowledge economy, as the UNDP-APDIP primer also enumerates. With these constraints, governments need to do more beyond improving IT national policy and promoting SMEs in the IT sector. Governments should embed IT components into the overall SME policy in a comprehensive and focused manner. This does not mean, however, that the SME policy should be the same for all industries—different SMEs in different sectors use IT differently and will adopt them at a different pace.⁹

For its part, and in support of the development of communities, and in cognizance of the importance of the link between co-ops, the CBDCs, and the entrepreneurial efforts of the co-op members, AWCF has been promoting CBDCs that are IT-supported or -enabled. The IT component will bring about rapid connectivity and information access, and improved service delivery; and more effective resource management for co-operatives, thus enhancing women- and men-member-entrepreneurs' personal and business environment.

AWCF's efforts to this end were reinforced when it implemented the "Information Technology for Southeast Asian Co-operatives (it@coops) Project"¹⁰ in 2004-2007, supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and InWEnt (Capacity Building International, Germany). The Project was done in three of the five member-countries of AWCF. The Project had its roots in a meeting of AWCF's Executive Committee (ExeCom) in 2001, wherein

⁹ Note: Some of the references cited in this Monograph use the term "information and communication technology" or ICT. In quoting these references, this Monograph uses the term "information technology," or IT.

¹⁰ For more information on the it@coops Project, please see www.coopwomen.org, www.it-coops.org, www.it-coops.cultthai.coop, www.it-coopsindonesia.com, www.it-coops.natcco.coop

the ExeCom members agreed as a body that helping co-op women participate in IT will help even more in women's empowerment and capacity-building. More women helping co-ops engage in IT for enhanced competitive operations will benefit both co-ops and members. Also, the increasing number of women-entrepreneurs will gain from the skills upgrading and business advantages of IT. Resolving that it can contribute to meeting these goals, AWCF conducted a needs assessment survey and drew up a project proposal for the consideration of its funding partners. In November 2003, BMZ approved its support for the AWCF project, under AWCF's "Women Entrepreneurship Development" Program. The it@coops Project carried the overall objective of providing poverty-oriented co-ops in Southeast Asia with skills in, understanding of, and access to IT that will make them more competitive. The Project was oriented extensively, but not exclusively, to women who put in above-average involvement in co-ops and who provide valuable economic and social work. Among the Project's three pillars or components were the initiation and support for the putting up of IT-supported business development centers (BDCs) in larger co-ops, where co-op members and MSMEs can access important IT-related services, including the Internet. Users of the BDCs, especially women, will be able to consult about their business, and bid or sell their products and services virtually, among other services. The second pillar of the it@coops Project was the training of personnel of selected co-ops and umbrella-organizations (AWCF members) into becoming IT Specialists or trainers who can then train or transfer their learning to members of their co-ops. Thus they will be utilizing in their respective co-ops the capabilities and skills they have acquired from their hundred-days training in the project. They will be helping to increase the competitiveness of the co-ops' self-help approaches, as they become the multipliers of IT knowledge and skills in their co-ops. Finally, the third Project pillar was the setting up of national and transregional virtual networks among co-ops and umbrella-organizations, where co-ops will be virtually linked within and across countries. The networks will systematize operational procedures, facilitate exchange of information and knowledge, and enable co-ops to act together on the market thus improving their competitiveness.

A closer look at CBDCs and business development services in the co-op

- What are the CBDC Objectives?
- What are the CBDC Purposes?
- What can be the Available CBDC Products and Services?
- What can the Co-op do for its CBDC Plan?
- What is the CBDC Charter or Business Plan?
- What is the CBDC's Responsibility?
- What are business development services (BDS)?
- What are the CBDC's Roles at the National/Federation Co-op Level?
- What are the CBDC's Roles at the Primary Co-op Level?
- What about a CBDC as a Telecenter?
- What are the CBDC's Sources of Revenues?
- What are the Basic Steps in Setting Up a CBDC?
- What Must a CBDC Provide to have Efficient Service Delivery and Market Competitiveness?
- What are the Possible Problems as the Co-op is Setting up and Implementing the CBDC (and BDS)?

What are the CBDC Objectives?

1. to establish an enabling environment where MSMEs can grow and develop
2. to ensure that MSMEs can have access to a range of support services, including technical and managerial training and access to credit, and the application of IT in business
3. to maximize the employment creation potential of the co-ops through MSMEs

What are the CBDC Purposes?

1. as a social entrepreneurship development
2. provide co-op members access to co-op resources and capacity-building program of the co-op
3. provide co-op members access to IT applications and facilities that can be used for business

What can be the Available CBDC Products and Services?

1. business development services for member-entrepreneurs
 - consultancy services to assist members in their IT, product development and marketing, and other business needs
 - market and product research to further assess product line promotion, analyze market competition, and opportunities probing. CBDCs can also offer entrepreneurs specific information to answer business questions. The CBDCs can store various research materials (e.g., sample business plans, start-up guides, books on business topics, etc.) to help in the business formation process, aside from the information that can be gathered from online research.
2. local market-sources of raw materials and other inputs as well as product or enterprise competitiveness
3. business matching through maintenance of a database of members' products
4. business and IT training for co-op members, officers, and staff. Business training can have a wide range of topics such as introductory programs for planning to start a business to advanced seminars aimed at the experience entrepreneur. IT training can cover topics like operating simple business machines to using a computer, to simple and more advanced software programs and applications.
5. one-stop shop IT services (use of telephone, fax, copier, e-mail, Internet, computer rental, scanning, printing, and courier)
6. complement existing and potential co-operative products and services that include:
 - product research and development
 - product certification
 - business registration
 - business negotiation
 - business plan development
 - loan packaging
 - coaching and mentoring
 - accounting/communication services.



CBDCs can provide advice on project evaluation to member-entrepreneurs, which can also be one-on-one consulting. Loan applications inevitably require formal business plans, so CBDC staff can be trained with counseling that frequently begins with the creation of the business plan. Some ways that CBDCs can assist are providing advice on operating challenges in an existing business, review business plan and strategy, give guidance in business start-ups, preparation of loan requests, financial analysis and budget, development, etc.

What can the Co-op do for its CBDC Plan?

1. define what it wants and the target market
2. identify the needs of its co-op or the community (needs assessment)
3. define the business service to provide
4. be clear with the requirements (personnel, equipment, infrastructure)
5. prepare the project charter or feasibility study
6. obtain commitment of the co-op (Board of Directors and key management staff) to the requirements, or look for financial investment
7. formulate a policy for the IT program and the CBDC

What is the CBDC Charter or Business Plan?

1. business requirements: background, opportunity, business objectives, success criteria, customer or market needs, business risks
2. vision of the solution: vision statement, products and services, assumptions
3. scope and limitations: initial roll-out, subsequent roll-out
4. business context: project stakeholders, project priorities, operating environment
5. cost requirements and anticipated returns

What is the CBDC's Responsibility?

To build the capacities of women- and men-entrepreneurs, especially those in micro-enterprises, through various modalities, and to help them grow and graduate, if so possible, from being at the micro-level into becoming small- and medium-level entrepreneurs.

AWCF believes that co-ops should continue to pursue their social and economic goals, and the long-term economic sustainability of co-op enterprises lays the ground for transformed co-ops to meet their social objectives of sharing the benefits of economic growth among their members, to the co-op, and to society.

What are business development services (BDS)?

BDS are services of the co-op to would-be or existing member-entrepreneurs who are into MSMEs, which give them the opportunity to learn the necessary steps to start up a business and expand business enterprise operations.

What are the CBDC's Roles at the National/Federation Co-op Level?

1. business information and technology (use of the IT in business) (e.g., databank , e-commerce)
2. consultancy services
3. entrepreneurship, business and technical skills training for trainers of CBDCs

4. arrange exposure visits to widen women's business perspective and hone their business skills
5. negotiation to achieve economies of scale and bargaining power to compete in the marketplace
6. marketing (e.g., e-commerce, wholesaling, trade exhibits, showcase, promote products of co-ops)
7. networking and advocacy
8. loan packaging
9. assist activities in manufacturing (sourcing and bulk-supply of raw materials and equipment)
10. product development, certification of products
11. support for access to markets and inputs
12. research and development

What are the CBDC's Roles at the Primary Co-op Level?

1. loan packaging
2. business counseling
3. mentoring
4. maintain a resource and business information center: source of business resource materials and database access for business research—regulatory information, business and industry information, licenses and permits, trade organizations and professional associations, markets, demographics and statistics
5. provide skills training direct to the women- and men-entrepreneurs
6. provide seminars and training programs on subjects important to business owners and entrepreneurs: the business plan; taxation/small business taxes; small business record-keeping and preparing simple financial reports; marketing strategies; basic knowledge on laws affecting business, contracts; understanding financial statements; skills training on product-making
7. technology transfer/use of IT in business: software that implements marketing, sales and service processes
8. marketing services (promote and sell products of members)
9. product development and quality control
10. provide value-adding services
11. provide assistance in the setting up of a business: business permits and licenses; business plan; bookkeeping services; finding financing
12. provide remittance services
13. collection services (electric, telephone bills)

What about a CBDC as a Telecenter?

A CBDC can also be a telecenter. A telecenter is a shared site that provides public access to IT. The telecenter's purposes are:

1. to increase public access to the Internet and to services available over the Internet
2. to bridge the digital divide between the information-have communities and the information-have-not communities
3. to link communities and families together (e.g., overseas contract workers)
4. to empower rural communities socially, economically, and politically

Through a telecenter, the member gains online access to:

1. information on business opportunities and business productivity
2. families and friends abroad
3. opportunities to learn better practices through formal and informal sources
4. information on projects, financing institutions, and options and support for the rural population
5. expanded distant job opportunities
6. persons with similar interests by virtual networking

Minimum set of services in a telecenter

1. access to telephone, fax machine, IT equipment
2. access to e-mail, Internet, and voicemail
3. access to information (research, library services, health information, business, etc.)
4. training in the use of IT and user-support
5. Web development and hosting

Basic equipment needed in the telecenter

1. computer terminals
2. printers
3. furnishings (tables/desks/chairs)
4. telephone
5. fax machines
6. photocopier
7. scanner
8. laminator machine

Some examples of revenue sources for the telecenter

1. computer rental
2. fees from Internet surfing, e-mail, chat, other services
3. computer/Internet tutorial
4. telephone usage
5. fax machine usage
6. web hosting and consultancy

What are the CBDC's Sources of Revenues?

1. registration fees in training and seminars
2. use of facilities (e.g., meeting rooms for negotiations with clients)
3. consultancy fees (for member-entrepreneurs who can pay)
4. processing fees for permits and licenses (minimal fees)
5. other revenues: discounts, commissions, other fees

What are the Basic Steps in Setting Up a CBDC?

1. assess the needs of member-entrepreneurs for business development services from the co-op
2. prepare a feasibility study
3. get Board approval for the feasibility study, with budget allocation

4. formulate policies and guidelines for the operation of CBDCs
5. set up the CBDC:
 - assign a staff or a pool of staff to provide or coordinate the provision of the BDS
 - create a pool of mentors for the mentoring program
 - set up an office or a space in the co-op office for the facilities needed

What Must a CBDC Provide to have Efficient Service Delivery and Market Competitiveness?

1. knowledgeable personnel who are approachable and helpful to customers
2. value-added services to customers that are beneficial to the community in the long run
3. proper security tools and updates for the protection of customers

What are the Possible Problems as the Co-op is Setting up and Implementing the CBDC (and BDS)?

1. high investment risks in procuring IT equipment
2. connectivity problems
3. readiness and perception of co-op members on using IT
4. possible brain-drain of IT-trained co-op members

Despite these possible problems, the AWCF and its member-organizations are committed to continue propagating, advocating for, and supporting the establishment of CBDCs and/or BDS among co-ops. CBDCs and/or BDS in co-ops will lead to empowered co-op members who will be improving their lives through the maximum use of IT and business development, and entrepreneurial opportunities.



Chapter

2



This Chapter of the Monograph discusses the experiences of three co-op umbrella-organizations (UOs) and some of their affiliate-co-ops in promoting, setting up, and implementing their own co-op business development centers (CBDCs) or business development services in their co-operatives/organizations. What are these organizations' own insights as to their efforts for CBDCs? What can be learned from their experiences that can help other co-op federations and primary co-ops in operating their own CBDCs?

The three UOs, all AWCF members, are the Credit Union League of Thailand (CULT), Thailand; Forum for Indonesian Co-operatives Movement (FORMASI Indonesia), Indonesia; and National Confederation of Cooperatives (NATCCO), Philippines. CULT, FORMASI Indonesia, and NATCCO—and some of their affiliate-primary co-ops—were also the participating organizations in the "it@coops Project" mentioned in Chapter 1. Before the it@coops Project, these organizations were at various levels or stages of implementing programs and services through which they assisted co-op members in meeting their needs for personal consumption and, if they had their own businesses, for their different types of enterprises. With the it@coops Project and even beyond that, with more learning gained, more inspiration obtained, and more commitment expressed about CBDCs, these organizations have been continuously striving to raise the bar in the area of assisting/implementing their programs and services for the socio-economic needs of the members, particularly through assistance to them as entrepreneurs.

The CBDCs are an integral component of entrepreneurial development's continuum of training and counseling services. In general, through the CBDCs, co-ops are able to give different types of assistance—such as management and marketing support, among other kinds of help—to members who are current and prospective micro, small, and medium enterprise (MSME) owners. Potential co-op members may also be a clientele. CBDCs offer a comfortable and convenient one-stop shop assistance to individuals and small businesses by providing a wide variety of information and guidance in a central location and even easily accessible branch locations. CBDCs can provide men and women with information technology (IT) tools for community advancement, develop products and services that address specific needs of communities, and train co-op members in the use of IT as agents of social change. As applicable in some countries, co-ops can link up in developing the CBDCs with district co-op leagues, non-government organizations, government units, and other necessary stakeholders in the community. This linking up or networking can maximize efforts and opportunities to achieve the objectives of developing co-ops members' businesses, products, and services through:

a) creating an enabling environment for MSMEs to grow and develop; b) ensuring that MSMEs can have access to a range of support services, including technical and managerial training as well as access to credit and to IT application in business; and c) maximizing the employment creation potential of co-ops through MSMEs. A CBDC can either be (or a mix of) a training center, an Internet café, or offering business development services. Some co-ops that can afford to offer business development services can have an Internet café that can also give access to services like printing of promotional/advertising materials and related services, but not marketing services.

Here is another reason why co-ops should set up CBDCs. Very commonly, people with limited financial resources face even greater initial barriers to business start-up and expansion. They lack collaterals for loans. They may have poor credit histories and may be strapped for cash or have cash flow problems. CBDCs can help these people overcome the barriers that should not, in the first place, prevent them from running a successful business. And with the CBDCs helping more people with their enterprises, more demand for co-op loans is created. Co-ops generally grant loans for productive purposes but in the absence of proper investment analysis, the loan recovery is at risk. With the presence of CBDCs to back up the members in the different processes of their enterprises, the CBDCs then are a tool to support, and safeguard, the lending activities of co-ops, both at the primary and national levels.

During the training of the IT Specialists in each UO in the it@coops Project—100 days training for CULT and FORMASI Indonesia, and 138 days in NATCCO—one of the tracks or topics of the training was about CBDCs. Thus the IT Specialists already had their exposure early on to CBDCs and the use of IT in this component. Then, in the mid-year of implementing the it@coops Project, AWCF and the three participating UOs conducted social marketing workshops to give an orientation on CBDCs to affiliate-co-ops involved in the Project. After the two-day workshop in each UO, the national and primary co-ops committed to establish their CBDCs. AWCF and the Project also committed to support these organizations' efforts toward CBDCs.

Each of the three UOs received the same orientation on CBDCs during the social marketing. But, eventually, the CBDC services of the UOs somehow varied from what each one had to offer. During the final Steering Committee meeting in 2007 (held in the Philippines) of the then about-to-close it@coops Project, the UOs presented their 2008 action plans for continuing their IT advocacy in co-operatives. The action plans included, among other strategies, the continuing promotion and strengthening of CBDCs in each of the UOs' networks, while also supporting each one's efforts, especially through the virtual network established by the Project across countries.

Overall, the CBDC services offered to their affiliates by the three UOs—CULT, FORMASI Indonesia, and NATCCO—can be summarized as being about consultancy; and technical and advisory support/assistance done through actual visits and online.

As to the participating primary co-ops and their IT Specialists trained by the it@coops Project, they immediately got to work back home after gaining the knowledge about CBDCs in the



social marketing workshops. The co-op managers/officers and IT Specialists drew up feasibility plans for the CBDCs and presented these for approval to their Board of Directors and their General Assemblies (GAs). The UO was called upon by the primary co-ops for support, if needed, during the presentation to the GA, which is the highest governing body in co-ops. For about nine months in year 2007, the it@coops Project provided a BDC Consultant to each UO. The BDC Consultant was tapped to provide technical advice and consultancy to the UO, co-ops, and IT Specialists in the setting up and operation of the CBDCs. The BDC consultant was also expected to come up with an operational manual on the CBDC, and to submit a report to the AWCF, regarding the consultancy provided.

AWCF also continued to show its support to the UOs and primary co-ops for their CBDCs through monitoring visits that it conducted to as many areas that it could reach. The AWCF staff used their visits to relay more information about CBDCs to the co-op leaders and to elicit their support. AWCF's visits and presence to promote CBDCs was an impetus for a number of co-ops to continue and even increase their efforts for the program. The UOs, meanwhile, continued to submit monthly progress reports to AWCF, and monthly consolidated reports that included the accomplishments of the IT Specialists. The IT Coordinator in each UO also received reports from the IT Specialists in the primary co-ops.

Credit Union League of Thailand (CULT)

The Credit Union League of Thailand (CULT) was initiated by the private sector in 1972, after more than 50 Thai credit unions (CUs) held a seminar to form a national-level organization to act as a center for promoting, establishing, and developing CUs. As of 2007, CULT has 1,174 affiliate-CUs, with almost 700,000 individual members. It works toward developing a strong and viable CU movement in Thailand that is founded on the values of commitment, honesty, sacrifice, responsibility, sympathy, and trust, to promote self-help and mutual help to achieve human development and peace. CULT seeks to develop CUs as the main financial institution in the community. To this end, the organization commits itself to delivering excellent financial services and other services that will respond to both the social and economic needs of the members. CULT is a member of the Asian Women in Co-operative Development Forum (AWCF).

Vision and Programs

CULT envisions itself as the apex organization for community-based CUs in Thailand, the center for financial services, information technology (IT) and education, so as to promote and strengthen CUs as sustainable, community-based financial institutions based on the principles of co-operatives.

Armed with this vision, CULT's multi-pronged mission includes:

1. promoting and establishing CUs in Thailand
2. strengthening the professional management of CUs by institutionalizing policies, planning system, and financial disciplines, and, as control and tools for monitoring and evaluating of operation, providing continuous education to the human resources of CUs for their professional operation
3. mobilizing excess liquidity within the CUs by offering attractive savings and investment products, allocating funds to CUs in need of financial support, and developing innovative loan products to back up the lending activities of member-CUs; providing support services to manage risk in the financial operation of CUs by offering insurance packages like Loan Protection, Life Savings, Bonding, and Cremation Fund
4. setting up IT processes and other information services for CUs, and for public relations of the CU movement



5. providing an audit advice and legal service
6. providing support for skills development of members involved in micro-enterprise, and also market information, and introducing programs to encourage women and youth to actively participate in CUs
7. developing CULT itself and its chapters in order for them to work more effectively; and maintaining strong linkage with government, and other co-operative leagues in and outside the country.



To fulfill its vision and mission, CULT engages in services and programs of education and training, bookkeeping and accounting, dormitory and meeting room services, CU chapters promotion, women and youth development, mutual aid in CUs, IT, business enterprise development, and research and publications. CULT's Women Co-operative Products Development Center (WCPC) is a business (and social) organization that supports Thai women's groups, especially those that are CU-based, in sustaining their initiatives to develop, create, and market products for domestic and even foreign clients. With CULT's strong advocacy on gender and development (GAD), along with its overall commitment to bring about a sustainable CU movement in Thailand, the WCPC has come to play a major role in CULT's development efforts.



A series of developments led to CULT's creation of the WCPC. In 1995, CULT put up its Women, Youth and Business Development Department (later Women, Youth, and Small Enterprises Development Department). The Department oversaw two researches held in cooperation with the Kasetsart University of Thailand. These researches were "Guidance for Production and Marketing Development of Co-operative Women Group Enterprises in Thailand" (1995), and "Research on Setting Up Organizations for Marketing Women Products" (1997). These researches, particularly the latter one, stirred discussions

within CULT about the putting up of a marketing organization for women's products. Earlier, in 1988, CULT made a baseline survey of CU women members' needs. CULT used the results to start looking at the role and participation of women in CUs. CULT became aware that although half of its network's individual members at that time were women, they were almost invisible as Board members. Also, only about nine percent of the member-CUs had activities for women and youth. CULT developed a five-year sustainability plan for CUs, based on the survey results.

CBDC for the CULT network

In 2000, the CULT Board of Directors agreed to create the WCPC as a business and marketing arm for the varied products of women's groups and also of CUs, with the main function of engaging in micro-enterprises and other income-generating activities for women. The decision came from CULT's awareness that women's economic development will help in their empowerment, especially as leaders and decision-makers, which will also further strengthen the CUs. With its enlarged focus on women empowerment for a little over a decade now, CULT through its WCPC has emerged as a progressive center for business and social development, and a center for the marketing, design, development, and quality control support of products made by over 130 women groups (with some men) with over 600 kinds of products, and by 20 women-managed micro, small, and medium enterprises (MSMEs) with 200 kinds of products, from all over Thailand. WCPC's vision statement concisely states what it wants to achieve: The WCPC will provide women the opportunity to share ideas about product design and development, and will help to develop their individual businesses. Moving toward the WCPC's vision, and to actualize its mission and objectives, CULT, through the WCPC, has done a number of important activities and actually a lot more, given its deep commitment to the cause of supporting Thai women's groups, especially those that are CU-based, in developing MSMEs. The activities involve setting up a showroom to feature the women's products from all over the country; promoting, negotiating for, and marketing the products with other organizations, marketing groups, government, and large and established buyers in domestic and international markets; facilitating technical assistance and coordination to produce better product development, assistance in creation, packaging, quality, pricing, and handling and transport; facilitating purchase of raw materials and machines for production; increasing groups' capital and sales; increasing household income for individual members of



different production and marketing groups; helping ensure systematic, quality, and sustainable industry and production among the women's groups; and further organizing and developing the women's groups.

The WCPC is also able to facilitate networking and exchange of experiences and learning among the women's groups. This happens when women leaders come together to share experiences. Or, when the groups work together for product design, development, and marketing. For example, a new design or a product can be created from materials produced by women from different localities. Given WCPC's contact with various groups and its good knowledge of their products, it can facilitate blending of the women's different materials to come up with more unique, beautiful, marketable designs.

The assistance of WCPC for the development, production, and marketing of the women's crafts is not all there is to it, however. Thus, as a whole, and also through the WCPC, CULT continues to help the women in building up entrepreneurial skills, transformative leadership skills, gender awareness, and their foundation in co-op values and principles.



These actions help ensure that the benefits that the women have been gaining from their businesses will be long-lasting, sustainable, empowering, and transformative. The women's earnings will not be just earnings from some short-lived profit-making ventures. As a whole, still owing to its GAD advocacy among the CUs, CULT works for positive changes in the women's lives as individuals, as single persons, wives, mothers, and members and leaders of the CUs and communities. CULT helps the women, especially those who are entrepreneurs, in coming to grips with their strengths and capacities to resolve poverty and conflicts in their homes and communities, to contribute to national efforts for progress, and to lead more fulfilled lives. Empowering women through MSMEs is important because women have the experience and the interest to do entrepreneurship. They learn from experience. They learn how to manage their business, to know how long it is to weave, to know how to share production quota among the group members. They learn to how to communicate with members and even outside the group. When CULT started to help women more than 10 years ago, it gave the women training workshops to build their self-confidence, to help them to speak in public so that they can go back and confidently talk to their leaders. With their own MSMEs, the women gain even more confidence, and they learn to speak through their work and products.

CUs, in turn, that support women's initiatives also enjoy the benefits of increased membership as more women are able to become CU members; of improved patronage of services and increased repayment of loans; and of higher profile and awareness for themselves alongside the increased popularity of the products of the women's groups with which the CUs work.

Major products carried by WCPC include food products and clothing materials as well as personal, home, and office accessories. To encourage popular appreciation of local clothing and accessories produced by the women's groups, WCPC stages fashion shows of the products. The shows are done during large events in CULT and in other organizations that invite the WCPC. Also, the WCPC regularly supplies to Thailand's primary duty-free chain of stores its products like handwoven fabrics, bags, and other native products produced by the women, including packaging for gift items. The WCPC-assisted groups have linked up with the "One Tambon, One Product (OTOP)" program of the Thai government, and benefited from this linkage. So far, many of the women groups' products have become the main products presented by their *tambons* (villages) in domestic and export market trade fairs.

The effectiveness of CULT's work to support women's development using an entrepreneurial approach mainly through the WCPC has been acknowledged by other co-op leagues in Thailand, non-government and government agencies, and social development agencies. But more milestones were yet forthcoming for the WCPC as CULT embarked on a project in 2004-2007 as a member-organization of the AWCF, together with two other AWCF members from Indonesia and the Philippines.



CULT's IT/computer laboratory has helped many co-operators in becoming IT-oriented.

CULT took part in the "it@coops Project" of AWCF and InWEnt of Germany that promoted CUs/co-ops' adoption of IT and establishment of business development centers (BDCs)/business development services. The Project enhanced WCPC's services, and also enlarged CULT's development role and activities as it engaged in promoting IT and BDC as part of its sustainability efforts for CUs. Before the Project, however, CULT already had forays into IT. For instance, it already had a data processing department that offered documentation in compact disc (CD) form for CUs' General Assembly meetings. But the it@coops

Project's increased infusion into CULT of knowledge about, application and appreciation of IT and BDC intensely helped CULT in many ways. In a nutshell, the Project augmented the IT and business skills of the CULT staff. With the realization of the importance of IT, CULT has included the conduct of IT training in its training calendar, where before it did not have this as topic. After making a feasibility study on an IT training center, CULT opened this facility in 2005. CULT is also now offering website development and hosting services. CULT also made a feasibility study for it to set up its own co-op BDC (CBDC), and presented the study to its Board for approval. But through its learning from the Project, CULT came to realize that its WCPC is actually already a CBDC itself, as it offered many services, opportunities, and benefits to entrepreneurs, especially women based in CUs. Through the use of IT applications, CULT improved the labeling and packaging of the products carried by the WCPC, such as the rice bag for Nongsonghong Credit Union. CULT also designed bags, caps, shirts, savings boxes, and brochures to sell in or to promote the WCPC. The CULT website that was improved also began to carry a database of the products of the women's groups, in relation to enabling e-commerce to be conducted through the site. In early 2008, CULT organized and sponsored an exposure trip about CBDCs for 15 to 20 co-operators from Thai and foreign co-ops.

"Even if we are far from each other, technology can bring me close to you." This simple statement of CULT's it@coops Program Manager Ms Kruewan Boonrin Chonlanai during a presentation on CULT's participation in the it@coops Project tries to capture how CULT has benefited from its greater involvement in IT and CBDC promotion and advocacy. The benefits are not just economic. The very lives of those involved have been touched in many different ways, and they have been brought together in the pursuit of development—from the CULT officers and staff; to the member-CUs; to the CUs' women- and men-members; the youth in the CUs; the women- and men-entrepreneurs; the women's groups.

The services of CULT and the CUs have been enhanced with the establishment of seven CBDCs that give CUs and MSMEs access to IT-related services; of IT training centers in CULT and in a number of CUs; of Internet counters in some CUs where members can use a computer unit in the CU office to access the Internet; and of several CU websites that are used to promote the organizations and CU concerns. There is also the training in IT and business of a little over a thousand CU staff, leaders, and members as well as 34 IT Specialists in the CULT network responsible for training and consultancy. CULT continues to promote IT and IT-based CBDCs to its member-CUs in large events like its General Assembly, and also continues to call meetings among its IT Specialists, many of whom are women, aside from their online interaction.

Most of all, CULT has enhanced the WCPC with IT applications, leading to even more enhanced services and improved operations of the WCPC. This has enabled the WCPC to be of even greater assistance as a CBDC in strengthening the MSMEs of women's groups and CUs that it serves. These are the MSMEs that are transforming women's lives from obscurity and restraint to that of having opportunities to develop their productive skills and create positive life changes by contributing to the household economy, and by expanding their views of people, issues, and things around them. The MSMEs become the avenues through which women become active members of their communities and organizations. They earn respect from people who doubted their capabilities before, as their persistence in their work in the MSMEs bears fruit in their development as persons and as groups. Women who earn on their own merit are doing things they were not able to do so before like paying for their children's schooling, building their houses, buying their own needs, and so on. Through women's involvement in MSMEs, families with financial concerns find new hope; and family relationships improve as parents become more equal partners in caring for the family, and children are provided with more peaceful and happier homes. Communities also benefit, as women and their families who become productive and gain income from their products are able to give back to their communities. Successful women MSMEs also encourage the development of other MSMEs. In the end, the CUs will also benefit, as their individual members improve their capacity to repay loans, and the CUs increase membership and resources. And, very importantly, with their members gaining more capacities and more confidence through the projects of their successful MSMEs, the CUs are able to secure additional potential leaders, especially women, whose experience in their MSMEs which they bring to the CUs can result in more participatory membership and creative leadership. In all the efforts of the women groups, CUs, and MSMEs, CULT's WCPC is there to give them a helping hand.

Huaykhanang-Tungna Credit Union and its CBDC

The Huaykhanang-Tungna Credit Union is the product of the merging of three credit unions (CUs): Huaykhanangsamakkee CU Group, Tungna 31 CU Group, and Nongsuang CU Group. It is a member-CU of the Credit Union League of Thailand (CULT), one of the member-organizations of the Asian Women in Co-operative Development Forum (AWCF).



At the inauguration of Huaykhanang-Tungna CU's CBDC, with guests from CULT and AWCF.

The Huaykhanangsamakkee CU Group was formed in August 1986 by 20 members led by Mr. Chode Rodpong, Headmaster of the Wathuaykhanang School, with teachers and the students' parents. The members were supported by an officer of CULT. The CU's office was then in the school. In September 1998, Mr. Rodpong formed the Tungna 31 CU Group in Tungna Market, with 31 members.

In June 1992, the CU in the school and in the market joined the Nongsuang CU in forming the Huaykhanang-Tungna CU. The new organization then rented a space at the market and was officially registered as a CU in

November 1992. In March 1996, the foundation was laid down for the office building of the Huaykhanang-Tungna CU. The office building opened for business in February 1997.

The Huaykhanang-Tungna CU follows the *Chittrarom* principle (interest, care, share, service) and five morals (honest, sacrifice, responsible, sympathize, reliable) to develop people, so that they can help themselves and one another for three goals:

1. Mentally: good and moral behavior
2. Economically: better living
3. Socially: peaceful living

The Huaykhanang-Tungna CU's development plan is in accordance with the previous three goals:

1. Human Resource Development and Recruitment: get new members and develop existing members to be "good people" of the community

2. Investment: mobilize enough capital and equipment according to members' needs for investment, or do business aimed at developing their livelihood. The CU is a tool and facilitator of members' development.
3. Efficient Management: provide knowledge and develop competency of managerial and operational sections for professional running of the CU, and so that the CU can compete with other financial institutions
4. Business Management and Service Development: develop the best business management and service for members and other customers
5. Welfare: provide better welfare for members, leaders, and staff, from birth to death
6. Promotion: promote CU to the public through several channels as suitable
7. Social and Environmental Development: the CU as part of a community should help in social development, and protect the environment
8. Health Concerns: emphasize the health of members, leaders, staff, and other people by conducting sports activities and similar events
9. Information Technology Development: use up-to-date technology to provide rapid and reliable service to the members

Huaykhanang-Tunga CU operates in Nongchang, Banrai, Huaykot, Lansak, and Tabtan districts of Uthaitani, Thailand. As of 2007, it has 2,500 members (75 percent female) with farmers as the biggest group, followed by merchants, hired employees, government employees, and other sectors.

To support its members, Huaykhanang-Tungna CU's services are:

1. Share accumulation: aside from saving in the CU regularly and increasingly, members can buy shares at the CU, maximum of one-fifth of the total share capital of the CU
2. Savings: regular, special, and educational savings
3. Credit: regular, special, and emergency loans. Loan products: a) special project loan (occupational loan); b) specific objective loan (health treatment; house restoration; new home/land; agricultural supplies/instruments; computer; educational; computer; educational; electrical instruments; and vehicle loans)
4. Welfare: cremation; natural disaster relief; health treatment; new birth; old age; scholarship; wedding welfare
5. Support: to cover all aspects of service to the members, Huaykhanang-Tungna CU offers the following support services—information technology (IT) training program; co-op business development center (CBDC); counter service; and occupational promotion.

Huaykhanang-Tungna CU was among the member-CUs of CULT that were selected to participate in the 2004-2007 "it@coops Project." The Project was held in three member-organizations of the AWCF, and supported by InWEnt of Germany. CU Manager Mr. Thanom Poolsri joined the Project's training for selected co-op staff to be turned into IT Specialists. The Board of Huaykhanang-Tungna CU also joined some days of the training. Their participation in the training helped in enlightening them about the Project and its objectives. Their CU's participation in the Project was important in creating and/or enhancing the above-mentioned support services, especially the IT training program, CBDC, and counter service.

IT training program

Upon his return home, Mr. Poolsri prepared to echo his learning from the it@coops by training, in turn, the Board and staff of Huaykhanang-Tungna CU. The Board and Mr. Poolsri then made a business plan or feasibility study of their CU's Internet services and CBDC. The Board approved the business plan, including the budget for its implementation. With the CU's General Assembly confirming the approval of the plan and budget, one floor of the CU's building was renovated to accommodate the Internet and computer training services.

Mr. Poolsri then initiated the CU's purchase of 10 personal computers to be used in the IT training to be given by the CU. It was challenge, however, to start the IT training activities because IT was something new in the CU, especially for its members. Before the training given by Mr. Poolsri, they did not understand IT's importance. Mr. Poolsri gained IT training assistants from among the staff who underwent the training that he gave. The CU inaugurated its IT training center in November 2006, witnessed by AWCF and CULT officers and staff. The CU's IT training is conducted for its Board, members, advisors, inspectors, staff; other co-ops/organizations; students in operational areas; children of members; and other interested people. But, overall, the CU wants to give IT capacity to grassroots people, especially for their enterprises, and to also give a chance to learn about IT to what it calls the "new generation"—the children in the communities, whose participation in the IT training will also motivate their elders to join the CU. The IT training has also expanded to include schoolteachers in Uthaihani who go to the CU office for their training. The Uthaihani community's schools had computers but no IT-capable teachers who can transfer their knowledge and skills to the students. The CU offers IT training modules on introduction to computers, e-mail, Internet; MS Office; Photoshop; training for trainers; software installation and hardware maintenance; and website development. These modules have become well-known to the community



Huaykhanang-Tungna CU's CBDC.

and to other co-ops, especially the courses on e-mail and the Internet. Needless to say, the CU's Board, staff, and members now give their all-out support to the IT training program. They have realized the importance of IT to the life of the CU and the members, and to their enterprises. The CU also gives importance to continuous training of trainers on IT. It sends representatives to training programs that are conducted by CULT. It knows that its staff and members need to have new information—even to be gained online—so as to develop themselves, to plan for and operate their enterprises, and to enrich their occupation, in general. The CU believes that its support to IT as well as to members' enterprises will result to more developed members; more income for members; and stronger CU, households, communities, and CU movement, as a whole. Upgrading the CU with IT has also greatly benefited operations: members get quicker services and transactions, with reduced waiting time; more information about the CU that is correct, systematic, and reader-friendly can be generated for the members (such as through attractive documents, newsletters, brochures, newsletters); and the CU can innovate more services. Also, the CU can have access to more information useful in planning and decision-making; it can more easily communicate with other organizations; and it can gain more revenues from its improved services and the enhanced businesses of the members who get to enjoy the CU's better services.

CBDC

Hand in hand with improving Huaykhanang-Tungna CU's operations and service-delivery through IT applications, the CU used the awareness, knowledge, and expertise it gained on IT to innovate and/or improve business services support to its members, especially those who are entrepreneurs, of whom many are women. The CU considers its IT-based CBDC as one of the best results of its participation in the it@coops Project. The CU established its CBDC in August 2007. The CBDC has a showroom of the members' products; provides business services to the member-entrepreneurs, especially women; and supports existing and potential CU products and services through product development, business plan development, business negotiation, loan packaging, coaching and mentoring, accounting, and communications services. The CBDC also sells products of members and of other organizations (items are also those needed by members) such as processed food, baskets, souvenir items, clothes, home appliances, and other items. Furthermore, the CBDC serves as an information exchange center among the CU members and other organizations, such as for information and resources that the members need for their enterprises. It also facilitates the linkage (as a memorandum of understanding or MOU) of the CU with accredited business shops or stores from which members can purchase needs like agricultural implements, motorcycles, computers, and other things. The members do not have to pay the shops in cash but through a loan or credit from the CU. The shops will just send the members' purchase invoice to the CU, which will pay the shops out of the members' loan.

The CU now offers visits or training for other primary co-ops about CUs, IT, and CBDCs, in tie-up with a local hotel for the participants' board and lodging. Mr. Poolsri is assisted in the training conduct for this particular training by a person from CULT. And he is also tapped from time to time by CULT as trainer for basic management given to managers and staff.

Members who are entrepreneurs have harvested many benefits, so far, from the CU's CBDC. Women-entrepreneurs have widened their horizon by getting more timely and appropriate information that they need; by gaining better opportunities for employment and income, especially by reaching out to wider markets for their products and services; and by getting more funds for investments and business operation. Also, women's products get more help from the CBDC for better packaging, better quality, and improved promotional materials. Other learning, assistance, benefits, and results from the CBDC that members have obtained, based on their own testimonies, include: learning how to invest wisely and save money; obtaining loan package with counseling to help the growth of enterprises; becoming more responsible in repaying loans; learning more about the CU and the movement; gaining inspiration to become CU leaders; and obtaining development, packaging, marketing and loan support for products and services like food sauce, processed bamboo shoots, babies' clothes and accessories, fertilizer and agricultural products. Additionally, since the members can display their products in the showroom and also promote these in the CU website, they are able to sell and market at a better profit, without the need for unscrupulous traders in the marketing process. The members are also able to make or improve on their own—with the knowledge they gained from the IT training—their products' labels, packaging, and brochures. One member further relates that when she uses the Internet facility in the CBDC, she is able to compare her products' prices with the central market of Thailand, and also through researching in the Internet, she was able to find and purchase appropriate tanks and containers for bamboo shoots processing. Finally, the members also tell of how they have learned to give back to the community whatever accomplishments their enterprises have achieved.

The CBDC has an Internet café in the CU office. A factor in the Unthaihani community that works to the advantage of the CU and its CBDC is that the people are not comfortable with the hypermarket concept, and prefer the closed-in comfort and accessibility of the CBDC, such as its showroom. They are more "at home" in their own CBDC.

Huaykhanang-Tungna CU intends to be an information center for CU activities, and for development tools and training materials that can help enhance the living standard of members. That is why it considers as important the development of its website. It believes that members can apply IT in their daily lives in terms of livelihood and occupation. Mr. Poolsri commits that Huaykhanang-Tungna will sustain the development of the CU's IT and CBDC capability, as this will strengthen the CU, the members, and the community.

counter service

The CU accepts payments for telephone bills, money transfer/debt repayment; Thailand tour reservations; photocopy; facsimile; and business card design and printing.

occupational promotion

The CU promotes extra jobs for members by gathering at least 10 members to set up an occupational club, such as poultry raisers club, sewers club, industrial technician club, vegetable growers club, etc. The CU supports the clubs in three aspects: a) technical skill: experts are invited according to members' needs; b) capital: capital is mobilized for members who submit

projects and budget proposals; and c) market: the CU coordinates with members in finding out new markets, both domestic and international.

The CU supports both agricultural sector and non-agricultural sector to cover members at all levels.

A winner

In 2007, the Huaykhanang-Tungna CU was awarded by the AWCF as the grand winner in the organizational category of the "Transformative Individuals and Organizations Asian Co-op Award" or "TriO Award." The TriO Award is given to co-operators and co-op organizations that are pacesetters in applying the framework of transformative leadership (TL) that AWCF promotes, that is, being development-oriented, issue-focused, and gender-sensitive (DO IF GS). Huaykhanang-Tungna CU acknowledges that many of its pioneers a little over 20 years ago are still its leaders today. But while the CU gains strength from the years of commitment and insight of these leaders, it is also keen on developing new leaders. The new leaders will come from co-operators who have now more chances than before to study and learn, to know and to become aware, and to apply their learning to the CU. Huaykhanang-Tungna CU points out to its leaders, staff, and members the benefits of transformation under a democratic system; and constantly motivates the members, leading them through the action plan, using methodology that is easy to understand, moving toward the same direction and goal.



Mr. Chode Rodpong and Ms Kruewan Boonrin Chonlanai represented Huaykhanang-Tungna CU in the awarding ceremonies of the AWCF "TriO Award" in February 2008, Philippines.

This CU, which is considered a financial institution in its community, finds it necessary to be constantly improving and being up-to-date with developments so as to be of most benefit to the members. The motivation to transform itself has resulted in its successful economic and social impact, its successful business operation, the increase in its membership, faster service delivery, better use of technology, better attitude of members, and improved leadership and staff.

Being aware of the advantages of transformation, the good cooperation between the CU's leaders and members has shown specific results in varying levels, such as the CU's dedicated management and staff; the CU's 0.6 acres of land; a CBDC with an IT training center; a car; and equipment like computers, a camera, and a projector.

In a nutshell, the CU points out that to be successful in IT and IT-based CBDC efforts, it is necessary for the management to regularly report to the Board the progress of such efforts; to always point out, especially to skeptics, the benefits of IT and CBDCs; to have teamwork in activities; to convince others by doing actions first by oneself; and to start to teach people by teaching them the easy things first, in order to build their motivation.

AT A GLANCE

- The **Credit Union League of Thailand (CULT)** was initiated by the private sector in 1972 as a national-level center for promoting, establishing, and developing credit unions (CUs). As of 2007, CULT has 1,174 affiliate-CUs, with almost 700,000 individual members.
- To develop a strong and viable Thai CU movement, CULT envisions itself as the apex organization for community-based CUs, the center for financial services, information technology (IT) and education, so as to promote and strengthen CUs as sustainable, community-based financial institutions based on the principles of co-operatives. To this end, the organization is committed to delivering excellent services that will respond to both the social and economic needs of the members.
- To fulfill its vision and mission, CULT engages in education and training, bookkeeping and accounting, dormitory and meeting room services, CU chapters promotion, women and youth development, mutual aid in CUs, IT, business enterprise development, and research and publications. The Women Co-operative Products Development Center (WCPC) is the business (and social) organization of CULT that supports Thai women's groups and CUs in sustaining their initiatives to develop, create, and market products for domestic and foreign clients.
- After a baseline survey of CU women members' needs and research studies that stirred discussions in CULT about a marketing organization for women's products, the CULT Board agreed in 2000 to create the WCPC. CULT was aware that women's economic development will help in their empowerment, especially as leaders and decision-makers, which will also further strengthen the CUs. CULT through its WCPC has emerged as a progressive center for business and social development, and a center for the marketing, design, development, and quality control support of products made by over 130 women groups (with some men) with over 600 kinds of products, and by 20 women-managed micro, small, and medium enterprises (MSMEs) with 200 kinds of products, from all over Thailand. The WCPC has come to play a major role in CULT's development efforts.
- CULT's many activities through the WCPC are the setting up a showroom of women's products; promoting, negotiating for, and marketing of the products with other organizations, marketing groups, etc.; facilitating technical assistance and coordination to produce better product development, creation, packaging, quality, pricing, and handling and transport; facilitating purchase of raw materials and machines for production; increasing household income for individual members of different groups; further organizing and developing the women's groups; etc. The WCPC also facilitates networking and exchange of experience, learning, designs, and even raw materials among the women's groups.
- Aside from these activities, CULT through the WCPC continues to help the women in building up entrepreneurial skills, transformative leadership skills, gender awareness, and their foundation in co-op values and principles. Thus women will

have long-lasting, sustainable, empowering and transformative benefits from their businesses, and will not just have earnings from some short-lived profit-making ventures.

- CUs that support women in their enterprises and participation in the WCPC also enjoy the benefits of increased membership as more women are able to become CU members, of improved patronage of services and increased loans repayment, and of higher profile and awareness for themselves alongside the increased popularity of the products of the women's groups with which the CUs work.
- CULT took part in the 2004-2007 "it@coops Project" of AWCF and InWEnt of Germany that promoted CUs/co-ops' adoption of IT and establishment of business development centers (BDCs)/business development services. The Project enhanced WCPC's services, and also enlarged CULT's development role and activities as it engaged in promoting IT and CBDCs as part of its sustainability efforts for CUs.
- With the increased realization of IT's importance, CULT included for the first time the conduct of IT training in its training calendar. After making a feasibility study on an IT training center, CULT opened this facility in 2005. CULT is also now offering website development and hosting services.
- CULT also made a feasibility study to set up its own co-op BDC (CBDC). But through its learning from the it@coops Project, CULT realized that its WCPC is actually already a CBDC itself, as it offered many services, opportunities, and benefits to entrepreneurs, especially women based in CUs. Through IT applications, CULT improved the labeling and packaging of the products carried by the WCPC, and also designed bags, caps, shirts, savings boxes, and brochures to sell in or to promote the WCPC. The improved CULT website started to have a database of the products of the women's groups, in relation to enabling e-commerce to be conducted through the site.
- CULT's benefits gained from its greater involvement in IT and CBDC promotion and advocacy are not just economic, but the very lives of those involved have been touched in many different ways and have brought them together in the pursuit of development—from the CULT officers and staff; to the member-CUs; to the CUs' women- and men-members; the youth in the CUs; the women- and men-entrepreneurs; the women's groups.
- The services of CULT and the CUs have been enhanced with the establishment of seven CBDCs that give CUs and MSMEs access to IT-related services, of IT training centers in CULT and in a number of CUs, of Internet counters in some CUs where members can easily access the Internet in the CU's office, and of several CU websites that are used to promote the organizations and CU concerns. There is also the training in IT and business of a little over a thousand CU staff, leaders, and members as well as 34 IT Specialists in the CULT network responsible for training and consultancy. CULT continues to promote IT and IT-based CBDCs to its member-CUs in large events like its General Assembly.

- The **Huaykhanang-Tungna Credit Union** in Uthaithani, Thailand, was formed from the merging of three CUs. After occupying office space in a school and then in a market, the foundation for this CU's own building was laid down in March 1996, and the building opened for business a year later. In 2007, it had 2,500 members with farmers, merchants, hired employees, government employees, and other sectors.
- The Huaykhanang-Tungna CU's development plan is based on its general goals that comprise mental, economic and social upliftment. The CU's services are share accumulation; savings; credit; welfare; support services (IT training program, CBDC, counter service, and occupational promotion).
- Through Huaykhanang-Tungna CU's participation in the it@coops Project, the CU created and/or enhanced its support services, especially the IT training program, CBDC, and counter service.
- The CU's IT training center opened in November 2006, as led by its CU Manager who trained to be an IT Specialist under the Project. After initial challenges prior to its opening, the training center has since been busy giving IT knowledge and skills to CU staff, Board, members, advisors, inspectors, other co-ops/organizations, children of members, students, teachers, etc. Through the training, the CU Board, staff, and members realized IT's importance to the life of the CU and the members, and to their enterprises. IT-enhanced operations and services will bring more income for members; and stronger CU, households, communities, and whole CU movement. Members will also get quicker services and transactions; the CU will get more useful information for planning and decision-making; and the CU will get more revenues from its improved services and the enhanced businesses of the members.
- The CU used its IT awareness, knowledge, and expertise to innovate and/or improve business services support to its members, especially those who are entrepreneurs, of whom many are women. The CU established its CBDC in August 2007.
- Huaykhanang-Tungna CU's CBDC has a showroom of the members' products; provides business services to member-entrepreneurs, especially women; supports existing and potential CU products and services through product development, business plan development, business negotiation, loan packaging, coaching and mentoring, accounting, and communications services; and sells products of members and of other organizations (including needs on a daily basis). The CBDC also serves as an information exchange center among CU members and other organizations; and facilitates the linkage of the CU with accredited business shops or stores for purchases of the members made through a loan from the CU.
- The CU members related that their participation in their CBDC has helped them learn how to make wise investments and to save money; become more responsible in paying loans; learn more about their CU and the movement; become inspired to become CU leaders; obtain development, packaging, marketing and loan support for their various products and services; display products in the showroom and in

the CU website that helps in selling and marketing, and at a better profit; make or improve on their own, through their IT training, their products' labels, packaging, and brochures; and learn how to give back to the community the accomplishments of their enterprises.

- For the counter service, the CU accepts payments for telephone bills, money transfer/debt repayment; Thailand tour reservations; photocopy; facsimile; and business card design and printing.
- In 2007, the Huaykhanang-Tungna CU became the grand winner (organizational category) of the AWCF "Transformative Individuals and Organizations Asian Co-op Award" or "TriO Award." The annual TriO Award recognizes co-operators and co-op organizations that are pacesetters in applying the framework of transformative leadership (TL) that AWCF promotes.
- This CU, a financial institution in its community, knows that it needs to be constantly improving and be up-to-date with developments so as to be of most benefit to the members. The motivation to transform itself has resulted in its successful economic and social impact, its successful business operation, the increase in its membership, faster service delivery, better use of technology, better attitude of members, and improved leadership and staff. The CU points out that to be successful in IT and IT-based CBDC efforts, the management should regularly report the progress of such efforts to the Board; to always point out, especially to skeptics, the benefits of IT and CBDCs; to have teamwork in activities; to convince others by doing actions first by oneself; to start to teach people by teaching them the easy things first, in order to build their motivation.

Forum for Indonesian Co-operatives Movement (FORMASI Indonesia)

Indonesia's Forum Pengembangan Koperasi (FORMASI) was organized in 1987 as a national network by non-government organizations (NGOs) that were concerned with the co-op movement and in small- and medium-enterprise (SME) development in the country. FORMASI started as a forum for dialogue among its members. Earlier in 1986, a survey among co-ops that were not government-sponsored revealed a demand for a co-op development program directly managed by an NGO.

In the years after its birth, FORMASI has grown in its activities and purposes, and orientation as an organization. To better leverage its bargaining position as a co-op development forum, FORMASI changed its name to Forum Gerakan Pengembangan Koperasi Indonesia or Forum for Indonesian Co-operatives Movement (FORMASI Indonesia), and its form through an Excellent General Assembly in September 2002. FORMASI as an association, being a membership-based organization, has 13 NGO members. It is a member of the Asian Women in Co-operative Development Forum (AWCF).

Vision and Programs

The spirit of co-operativism is very much alive in the thrusts of FORMASI Indonesia. Its vision clearly states that the organization wants to have a co-op movement in the country that will result to the economic and social empowerment of democratic, secure, egalitarian, and gender-equitable people, which will be achievable through a network institution of NGOs rooted and prominent in co-op development in Indonesia. With this vision, FORMASI Indonesia is assisted by volunteers from its member-NGOs in providing consultancy, education and training, capability-building, information dissemination and promotion concerning community-based co-op development, gender and development activities, promotion of the business development center (BDC) and information technology (IT), and provision of seed capital. Meanwhile, the capacity-building program for members and even non-member NGOs covers IT skills development and training; entrepreneurial exchange program; and training on gender awareness, gender mainstreaming, and transformative leadership. FORMASI Indonesia has partnerships with government agencies, international development organizations, co-operatives, women in micro- and small-enterprises, private companies, and communities.

Through the following programs, FORMASI Indonesia operates these engagements and also fulfills its other organizational objectives:

Promotes transformative leadership (TL)

Promotes TL as a style of leadership that fits co-ops as it develops these organizations along their dual economic and social roles.

Promotes study and advocacy

Intensively explores and raises issues in co-op development through co-operative study clubs, for FORMASI Indonesia's study program. For the advocacy program, it assesses the co-op movement and suggests policy changes that will benefit co-ops and the people. One of the causes of co-ops' underdevelopment in Indonesia is the state structure that is not conducive to the poor's economic development.

Strengthens capacity of NGO members and network of co-ops/pre-co-ops

Facilitates the strengthening of the skills- and knowledge-based capacities, such as through training of member-NGOs that will, in turn, also strengthen co-ops/pre-co-ops at the grassroots.

Develops IT in co-ops, and IT-based BDC/business development services

Promotes IT, BDC, and business development services in co-ops to enhance their capacity and that of their member-entrepreneurs; to facilitate specifically women's empowerment as they can use these for their businesses; and to help in overall poverty-alleviation efforts.

Develops networks with other organizations also engaged in co-op development and economic development

Establishes and strengthens partnership and collaboration with national and international organizations that have the same thrusts as FORMASI Indonesia.

Disseminates information

Disseminates information on its advocacy through its publications, and coordinates with mass media in informing the public and policy-makers about co-ops and grassroots efforts.

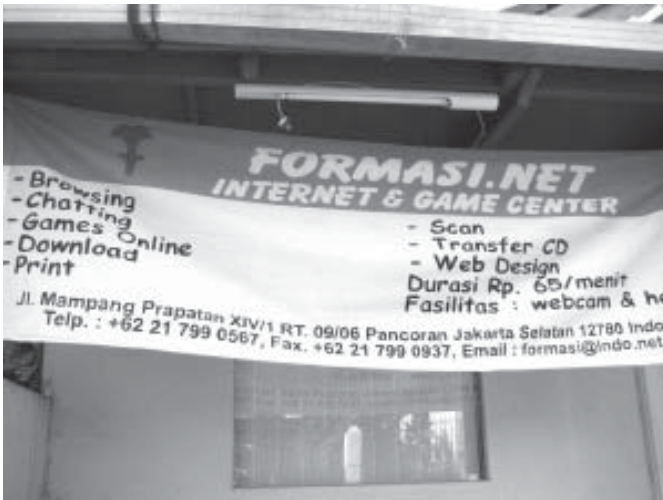


Provides consultation

Shares its wide experience and expertise in co-op development and grassroots economy to other organizations, being tapped for training programs, seminars, workshops, and study programs on co-ops, gender and development, economic development, and IT.

BDC for the FORMASI Indonesia network

Indonesia is a country rich in natural resources but almost half of its people live in poverty. Yet these are people who yearn for a better life through hard work and perseverance. For FORMASI Indonesia, its participation in the "it@coops Project" of AWCF and InWEnt of Germany in 2004-2007 was both an opportunity and a challenge. The Project was an opportunity for FORMASI Indonesia to do more to help the country's poor. But it was also a challenge for the organization to be able to implement IT and BDCs among its member-NGOs through many activities and expectations. Although FORMASI Indonesia already had some IT services before the coming of the it@coops Project, it also admits that in the Project's at least first two years, its organization was viewed as a little bit left behind in the Project implementation compared to other AWCF members in the Philippines and Thailand that were also doing the Project. But FORMASI Indonesia strove hard and tried its best to prove that it was up to the challenge of promoting an IT-based or -enabled BDC in its own organization and among its member-NGOs that are helping co-ops and communities.



FORMASI Indonesia opened its Internet café in September 2006. The first purpose of the Internet café was to reach out to the mothers and children. At least, that mothers will be able to understand what their children did inside an Internet café. The space occupied by the Internet café of FORMASI Indonesia was later halved so as to have an IT training center. Although the Internet café had good revenues and was well-accepted by the people, FORMASI Indonesia's Board decided to close it in the latter part of 2007 so that the organization can focus more on its IT training center. FORMASI Indonesia now

offers the IT training center, IT consultancy, and website hosting services. When it set up its training center and, earlier, the Internet café, it called to a meeting the community leaders to explain to them the benefits of IT, so as not to incur the ire of commercial shops near FORMASI Indonesia's office that had the same services.

FORMASI Indonesia promotes its IT training center, which has 13 computer units, through many ways, including through e-mails. It tried to have a regular training schedule for the IT training center, but now training is conducted mostly upon request of organizations or even by groups of people interested to learn. Also upon request of NGOs or groups like farmers co-ops, FORMASI Indonesia's IT staff and the IT Specialists from the member-organizations (trained by the it@coops

Project) likewise give on-site training, which can also depend on the schedule of the trainers and arrangements made with the requesting party. For instance, the IT staff of FORMASI Indonesia personally attend to these on-site training as time permits, since they also perform other non-IT functions in their office. When IT Specialists conduct field training, they may also ask support, if needed, from FORMASI Indonesia staff, since they themselves also perform tasks beyond IT in their own organizations.

For an affordable fee, FORMASI Indonesia hosts the websites of currently 12 NGOs. Eight of these NGOs are its members.

FORMASI Indonesia is very much aware of the importance of the BDC to its organization and to its member-NGOs, especially one that is IT-based or -enabled. Needs and application may vary, though. For instance, for a farmers group that was given on-site training, the topic was an introduction to computers, since the use of the equipment was still new to the farmers who were using them for administrative purposes. A BDC can help in the sustainability of an organization. FORMASI Indonesia's IT Specialist



Mr. Yohannes Agusnugroho himself made a feasibility plan about FORMASI Indonesia's BDC (with services like the Internet café, IT training center, and website hosting) and presented it to the Board, which approved it. As of year-end 2007, five of the 13 FORMASI Indonesia member-NGOs have already established their BDCs. For these member-NGOs, FORMASI Indonesia is the only organization that currently gives them IT training. FORMASI Indonesia's other current IT training calendar is for its IT project for communities, which is supported by an IT company. This project started midway during the it@coops Project. It is being implemented by FORMASI Indonesia in the project sites of it@coops in Indonesia in order to complement its activities and even its gains.

Hand in hand with promoting and helping build BDCs or business development services among its member-NGOs, FORMASI Indonesia also focused on the capacity-building of the human resources who can help the organizations in this concern. It encouraged the members' IT Specialists in implementing their plan of action for their respective organizations. They were given enhancement training such as on Free and Open Source Software (FOSS), particularly for web development and database application. IT training was replicated (through training of trainers) among the member-organizations to develop more IT Specialists. The IT Specialists also gave IT training among the NGOs' staff and co-op members. Through this training, such as on basics of computers, the staff, the co-op members, and the entrepreneurs among them, have been able to improve their skills on using computers to help them address some business needs. The IT Specialists have also decided to pool the fees they get from website development, and use the

money for their transportation cost in going to the community where two farmers' co-ops are located, where they are helped in their IT needs. These farmers' co-ops also serve as the IT Specialists' practice site. For even faster communication and greater collaboration among themselves, a mailing list of the IT Specialists was set up. Other organizations outside FORMASI Indonesia have also been inviting the IT Specialists to conduct training, to give consultation, to participate in workshops, etc. An increasing number of other organizations has been recognizing FORMASI Indonesia for its IT expertise, and there are many requests for the latter's assistance in IT. To be able to fulfill these requests, FORMASI Indonesia believes that the capability of the IT Specialists still has to be increased. And also a concern is the time that the IT Specialists can give to these requests since the main job of most of them in their own organizations is not in the IT department, thus they have other equally important tasks to do.

But the IT Specialists' outputs in their own organizations have been significant enough to let their organizations develop more concern in developing and using IT in the various aspects of their operations, especially for BDCs. Many proofs are seen of how operations have become even more effective, efficient, and with better quality. For instance, applying IT has improved publications, flyers, brochures, reports, and other forms of information dissemination to individual members and to clients of member-entrepreneurs. Also more effectively designed are promotional leaflets for BDC products and services, standing banners, and product packaging.



FORMASI Indonesia can provide technical assistance to managers and staff of BDCs on how to manage BDCs effectively, professionally, and profitably. However, it acknowledges that even more capability-building can be given to the BDC personnel, particularly the managers. The BDCs display and promote in their showrooms the products of the NGOs, co-ops, and micro-entrepreneur groups. Products displayed have had increased sales in the various groups, such as the 100-200-kilogram moth organic fertilizer and

500-liter liquid fertilizer in LPPSE; the batik, handicrafts, and cloth in PERSEPSI; and organic rice, honey, and agricultural products in Bina Desa. There are more customers/clients for these products because of the increased awareness of and satisfaction with the products. BDCs have improved the products they have on stock in terms of quality and quantity. The members of the NGOs and partner-co-ops have also been increasing their income through their participation in the BDCs.

The BDCs have become a tool to help people in the community, especially co-op members—which include many women—with low income who get to earn some more by promoting and selling their products through the BDCs. Through the BDCs, producers also gain more opportunities to participate in various exhibitions conducted by other NGOs, the private sector, and government agencies. The BDCs are helping poor people get a new lease in life.



Bina Desa and its BDC

The Indonesian Secretariat for the Development of Human Resources in Rural Areas or Bina Desa is a non-government organization (NGO) based in Jakarta, Indonesia, that deals with sustainable rural development. It is one of the 13 member-organizations of the Forum for Indonesian Co-operatives Movement (FORMASI Indonesia), a member of the Asian Women in Co-operative Development Forum (AWCF). Bina Desa was founded in June 1975, after the holding of a workshop on rural human resource development held in Thailand. The organization is committed to take part in the promotion of human dignity in rural areas (concerning the social, economic, political, and cultural areas), including gender equality, in order to realize the "self-managed rural community" or *Komunitas Dewa Swabina*. Bina Desa works closely with peasants (viewed as the lowest level among farmers), rural women, artisanal fisherfolks, and indigenous people in 11 provinces, composed of 22 villages, in Indonesia.

Bina Desa envisions the actualization of a life and order of society that has democracy, justice, and welfare in all dimensions, that is, political, economical, social, and cultural; and in all aspects, that is, individual, communal, national, and governmental; as well as in all of levels, that is, local, national, regional, and global, achieved through a democratic manner.

With this vision, Bina Desa embarks on a mission of supporting the growth and development of society and encouraging the actualization of society's transformative potential; empowering people's organizations; empowering democratic networks and movements at all levels and sectors; achieving society's practical needs through economic empowerment; and actively defending the issues of democracy and justice to fulfill the people's strategic interest.

Bina Desa operationalizes its goals through its programs on community organizing, which is its main program; capacity-building of the Bina Desa staff and the rural communities; sustainable

agriculture, which involves influencing farmers not to use conventional agricultural techniques and to instead use metro farming (for environmental concerns, also for decreasing the cost of agricultural input production, and for health purposes, too); micro-enterprise development, to provide extra income to the individual members; research and publications, to document and disseminate Bina Desa's experiences, especially for replication; and policy advocacy, where regulations concerning people's rights are recommended to the Indonesian government.

Bina Desa has the overriding concern of increasing the income of the rural poor through income-generating activities that can be achieved or done through the development of small-scale enterprises, credit unions, co-operatives, or other means. Furthermore, Bina Desa believes that it is important to support women in economic development since they have a pivotal role in managing the household economy.

What are Bina Desa's experiences in developing the rural poor economy? In 1994-1997, it implemented the "People Economic Development" program with its main activity being credit assistance to small farmers and micro-entrepreneurs. Then, in 1997-2002, during the economic crisis in Indonesia, Bina Desa evaluated all of its economic programs for the poor, resulting in arrangements to enable farmers to repay their loans amid rising prices of agricultural production inputs. In 2002-2005, Bina Desa developed small and medium enterprises (SMEs) through the "Rural Enterprises Support Project (RESP)," implemented in three villages in Indonesia. The farmers were able to develop SMEs by repackaging and selling raw materials available in the community (e.g., potatoes made into chips, etc.). In 2006, Bina Desa established and is operating up to this writing its Rural Small Enterprise Development Division (RSEDD) as its business development center (BDC). The BDC has further improved and enlarged Bina Desa's assistance to the enterprising poor.

Bina Desa's RSEDD is able to do several activities. It is able to identify the economic potential and prepare the profiles of the 25 micro-enterprises (MEs) and seven micro-economic activities in rural areas that it is assisting. The RSEDD is able to provide consultation on ME development regarding problem-solving, production, packaging, increasing value-added of products, quality control, and access to market. The RSEDD staff generally do not use mobile phones to communicate with or give consultation to the villages, but they travel to personally meet and talk to the rural people. The RSEDD provides capacity-building for the communities' economic institutions to improve their performance, such as fulfilling a demand for training on financial reporting, including bookkeeping. The RSEDD also facilitates market access for the communities' products through direct marketing to the consumer and also indirectly to other traders. Thus Bina Desa through the RSEDD acts as market access actor while the majority of the organizations in Indonesia act as market access consultants. Also through the RSEDD, Bina Desa is able to participate in exhibits in different places to expose its publications, organic rice, honey, and other products, such as during the World Food Day exhibit, and an event at the House of Representatives, among other events. The RSEDD has also opened a showroom in the Bina Desa office for the communities' products. The small showroom, about 15 square meters, has given a wide exposure to the products since more than 400 visitors have already gone to the place. With these efforts, the market chain between the communities, especially the farmers, and the consumers has been shortened, doing away with middle traders, and benefiting more the communities. The producers have also improved the packaging of their

products that makes them more appealing to consumers. For instance, the herbal medicine powder's 250-gram packs has been repacked to 10-gram packs and in 250-milligram capsules. The organic rice has also been given improved labeling and packaging, from 5 kilograms to packs of 0.5 to 1 kilogram each. Other products also have had same improvements.

While Bina Desa has always worked to support communities' economic activities, the establishment of its BDC and also the use of information technology (IT) to further energize its BDC efforts largely happened from its participation in the 2004-2007 "it@coops Project" of the AWCF and InWEnt of Germany. The Project was implemented in FORMASI Indonesia, as a member of AWCF, and two other AWCF members. Bina Desa tapped its staff Mr. Fuad Bahari to be trained as an IT Specialist by the Project.

On having an IT-supported BDC, Bina Desa believes that IT helps not only big businesses and industries but also small enterprises, especially those owned or managed by women entrepreneurs. IT, Bina Desa thus believes, has an important role in the marketing of ideas, can be a medium of education, and can help eradicate inequality in the social structure. Mr. Bahari was tasked to develop and improve Bina Desa's website. The website is to be used by Bina Desa as a tool to assist small farmers and other beneficiaries, aside from promoting the organization itself.

So far, Mr. Bahari has also worked to improve Bina Desa's local area network (LAN), which was established in 2003 but with then only one computer connected to the Internet. More computers have since been connected through LAN, with unlimited Internet connection, further improving Bina Desa's operations. Bina Desa also receives faster than before the community organizers' reports that are done using IT. Business and IT skills of Bina Desa's staff are improving, and more staff, including the field staff, are motivated to learn even more about business and IT. To support the RSEDD and the showroom, IT applications have been used to produce a standing banner for the BDC promotion; leaflets and catalogs for the products; and packaging for the products like the organic rice, honey, and others. IT applications are also used for the administration of the RSEDD, such as for the data or records of customers and suppliers; product stocks; invoices; monthly financial reports; and other administrative needs.



AWCF's Ms Angie Valdez (rightmost) at the Bina Desa office, with FORMASI Indonesia's Mr. Yohannes Agusnagroho and Ms Lies Yuhashi-Pambudi.

Many women who are entrepreneurs have also benefited from the IT-enhanced RSEDD. Mr. Bahari has facilitated training on basic IT for women-entrepreneurs in Sukabumi and Sumedang, West Java, for instance. Women-entrepreneurs' increased knowledge about and use of IT applications for their business is manifested in outputs like improved covers of their reports, enhanced product designs and packaging, more diversified products, and availability of selling

reports and invoices, among other results. With their increased awareness about IT, the women have expressed eagerness to learn even more about it so as to further develop their business.

Through the RSEDD, Bina Desa has fine-tuned its strategy for developing SMEs. It introduced the concept of sustainable business and development of products based on the natural resources available in each community. Bina Desa hopes to strengthen SMEs in order to reduce poverty by creating employment in the communities.

Bina Desa has strengthened capacity-building, including training, for its staff and partners for areas like creating business plans, enhancing motivation for business, IT, market research, and product development. Bina Desa considers this capacity-building as very important for the staff and member-NGOs because if they are to introduce the business concept to the communities, then they themselves should have the knowledge about business. The capacity-building and business motivation training for the Bina Desa staff have even led two staff members to start their own business. One ventured into manufacturing fish wool pellets, and, by searching the Internet, she found a machine for making the fish wool. Another staff member engaged in offering mobile phone applications, like downloads.

Capacity-building has included an exposure visit of Bina Desa staff and a community representative to MASIPAG, an NGO in the Philippines, that has organized an organic farm, the learning from which can help Indonesian farmers. Now, most of the communities assisted by Bina Desa have accepted organic farming to produce organic rice, fruits, herbicide, animal food, etc. They can also sell their products directly to the consumers, with even accompanying brochures on organic or natural farming. Bina Desa has also developed a partnership with Karya Insa Co-op from which SME entrepreneurs, including farmers groups, can avail of seed capital loans.

In setting up and operating its BDC, Bina Desa had to face and resolve contrary opinions and feelings. Some staff had the initial apprehension that if Bina Desa were to operate a BDC that can earn profits, it will be a paradox since Bina Desa is a non-profit organization. The management explained that the BDC will be a tool for the organization to achieve its objectives in helping the rural poor, who will benefit the most from the BDC, after all. Some staff also objected to the showroom eating into the guestroom space in the Bina Desa office. The guestroom was retained with a smaller area. Then, the concern over the staff's lack of business skills was addressed with business training for them, including business motivation, networking, etc.



Bina Desa acknowledges its many lessons from having its own BDC. These lessons include that it is fairly easy to develop a showroom for products, but it is a challenge to manage it once it is established. People who manage a BDC have to learn more skills and even be more creative in making it do well as a business. In the BDC itself, Bina Desa recognizes that it has found an important tool to combine advocacy, IT, and SME development to reduce rural poverty.

AT A GLANCE

- The **Forum for Indonesian Co-operatives Movement (FORMASI Indonesia)** was organized in 1987 by non-government organizations (NGOs) that were concerned with the co-op movement and with small- and medium-enterprise (SME) development in Indonesia. It currently has 13 member-NGOs.
- Working toward its vision, FORMASI Indonesia is assisted by volunteers from its members in providing consultancy, education and training, capability-building, information dissemination and promotion concerning community-based co-op development, gender and development activities, promotion of the business development center (BDC) and information technology (IT), and provision of seed capital.
- Indonesia is rich in natural resources but almost half of its people are poor. FORMASI Indonesia's participation in the "it@coops Project" of AWCF and InWEnt of Germany in 2004-2007 was both an opportunity and a challenge—an opportunity to do more for the country's poor but also a challenge for the organization to be able to implement IT and BDCs among its member-NGOs through many activities and expectations.
- FORMASI Indonesia opened its Internet café around September 2006, the first purpose of which was to reach out to mothers and children. The Board decided to close it in 2007, despite its relatively good performance, so that the organization can focus on the IT training center, along with its IT consultancy and website hosting services.
- FORMASI Indonesia promotes its IT training center through many ways. Currently, training is given upon request or conducted on-site by the IT Specialists, depending on the schedule and location of the training site, among other deciding factors.
- FORMASI Indonesia is very much aware of the BDC's importance to itself and to its member-NGOs, especially an IT-based or -enabled BDC. Needs and application may vary, though. FORMASI Indonesia's IT Specialist himself made a feasibility plan about FORMASI Indonesia's BDC, and presented it to the Board, which approved it. As of year-end 2007, five FORMASI Indonesia member-NGOs have already established their BDCs. FORMASI Indonesia is the only organization that currently gives its members their IT training.
- FORMASI Indonesia also focused on the capacity-building of the human resources who can help the organizations in IT and BDC. It encouraged the member-NGOs' IT Specialists in implementing their plan of action for their respective organizations. They were given enhancement training, particularly for web development and database application. IT training was replicated among the member-NGOs to develop more IT Specialists who can train NGO staff and co-op members.
- The IT Specialists' own organizations have themselves grown more concerned in developing and using IT in their operations, especially for BDCs.

- The member-NGOs' BDCs display and promote in their showrooms the products of the NGOs, co-ops, and micro-entrepreneur groups. The products have obtained more customers/clients because of the increased awareness of and satisfaction with the products. The BDCs have improved the products they have on stock in terms of quality and quantity, and the producers have also been increasing their income through their BDCs.
- The **Indonesian Secretariat for the Development of Human Resources in Rural Areas** or **Bina Desa** is an NGO in Indonesia that deals with sustainable rural development. Bina Desa commits to contribute to the promotion of human dignity in rural areas, including gender equality, in order to realize the "self-managed rural community." Bina Desa works closely with peasants, rural women, artisanal fisherfolks, and indigenous people in 11 provinces, composed of 22 villages, in the country.
- Bina Desa has programs in community organizing, which is its main program; capacity-building; sustainable agriculture; micro-enterprise development; research and publications; and policy advocacy. Bina Desa wants to increase the income of the rural poor through income-generating activities that can be achieved or done through the development of small-scale enterprises, credit unions, co-operatives, or other means. Bina Desa also believes that it is important to support women in economic development since they have a pivotal role in managing the household economy.
- Bina Desa had rather large programs in developing the rural poor economy in the mid-1990s and early this decade. In 2006, it set up its Rural Small Enterprise Development Division (RSEDD) as its BDC. The BDC has further improved and enlarged Bina Desa's assistance to the enterprising poor.
- The RSEDD's activities to assist micro-entrepreneurs, include, but are not limited to, identifying their economic potential; providing consultation on areas like problem-solving, production, packaging, increasing value-added of products, quality control, and access to market; providing capacity-building for the communities' economic institutions; facilitating market access for the communities' products; participating in various exhibits bringing along its publications, organic rice, honey, and other products. The RSEDD has opened a showroom in the Bina Desa office for the communities' products, generating many visitors.
- Energizing its micro-enterprise efforts by infusing it with IT, mainly through its participation in the it@coops Project, Bina Desa believes that IT can help small enterprises—especially those managed or owned by women—as much as IT is already helping big industries. It believes that IT has an important role in marketing of ideas, can be a medium of education, and can help eradicate inequality in the social structure.
- Bina Desa developed its website as a tool to assist small farmers and other beneficiaries, and for promoting itself. It also utilized IT applications to improve its

operations, and to enhance its BDC's service to its clients, such as as packaging, promotion, and records-maintenance, etc.

- Among the benefits of the women-entrepreneurs from the IT-enhanced BDC is that they are able to use IT tools to improve their business through their own better-looking reports, nicer product design and packaging, more diversified products, better administrative and financial forms, among other outputs.
- Also through the RSEDD, Bina Desa has fine-tuned its strategy for developing SMEs and has introduced the concept of sustainable business and development of products based on the natural resources in each community. Bina Desa is strengthening SMEs in order to reduce poverty by creating employment in the communities.
- It has also strengthened capacity-building for its staff and partners so they themselves will have knowledge in business before they introduce this to the communities.
- In setting up and operating its BDC, Bina Desa had to face contrary opinions and feelings. Some staff were initially concerned that operating a profit-making BDC will be a paradox to Bina Desa's being a non-profit organization. The management explained that the BDC will be a tool for the organization to help the rural poor, who benefit the most from the BDC. Some staff also objected to the showroom eating into the guestroom space in the Bina Desa office. The guestroom was retained with a smaller area, to accommodate the showroom. Then, the concern over the staff's lack of business skills was addressed with business training for them.
- Among the many lessons that Bina Desa has learned, and continues to learn, from its own BDC is that it is fairly easy to develop a showroom for products, but it is a challenge to manage it once it is established. But in the BDC, Bina Desa has found an important tool to combine advocacy, IT, and SME development to reduce rural poverty.

National Confederation of Cooperatives (NATCCO)

The National Association of Training Centers for Cooperatives (NATCCO) was put up in 1977 by co-op education and training centers located in different regions in the Philippines. NATCCO was to serve as the centers' spokesperson, secretariat, and coordinating body. The centers were, in turn, set up starting in the 1960s when private sector-initiated (grassroots) co-ops began to federate so as to have structures for co-op education and training. NATCCO also came as a felt need of the centers to put up a united front, as the grassroots co-ops at that time were under threat from the Philippines's dictatorship government of the 1970s. The NATCCO pioneers believed in self-help, that people have to do something about their own problems and to make their situation better. They believed in membership responsibility in co-ops, which can only be established through effective co-op education. As the years passed, the primary co-ops grew more in number and in the required assistance from the regional centers and NATCCO. NATCCO was mandated to pursue new directions, to expand services. NATCCO was converted in 1986 into a multi-service national co-op federation known as the National Confederation of Cooperatives (with its acronym retained), and the centers became multi-service co-op regional development centers (RDCs). With more economic and social changes for the Philippine co-op movement, NATCCO focused on developing technical tools on financial intermediation and enterprise development, with the RDCs as principal service providers, from the late 1990s to 2002. In 2002, NATCCO's General Assembly (GA) passed a resolution to study NATCCO's restructuring from a three-tiered to a two-tiered structure. After consultations on this transformation, the GA amended the organizational bylaws in 2004, with financial intermediation as NATCCO's principal focus, and the primary co-ops becoming NATCCO's direct members. As of 2007, NATCCO has 630 member-primary co-ops whose individual members come from low-income sectors, that is, low-salaried employees, farmers and farm workers, micro- and small-entrepreneurs, fisherfolks, and housewives. Sixty-six percent of the individual members are female. Savings and credit are NATCCO's main product and service while the primary co-ops' savings, credit, and micro-finance services provide capital to micro-, small-, and medium-scale entrepreneurs all over the country. NATCCO is a member of the Asian Women in Co-operative Development Forum (AWCF).

Vision and Programs

With its vision of being the most trusted world-class financial co-operative network, NATCCO's mission is to deliver superior, relevant, and ethical financial and allied services anytime, anywhere. NATCCO is the Philippines's biggest and strongest national federation of co-ops as to geographical reach, membership, financial capacity, and array of services.

NATCCO's member-co-ops are mostly rural- and agriculture-based. The co-ops and the individual members have enterprises in the areas of agriculture, agribusiness, livestock, handicrafts, etc. More than half of these micro-enterprises are operated and managed by women. NATCCO's efforts on financial intermediation as its principal focus of support to its member-co-ops goes hand in hand with enterprise development as its equally important objective and service to the co-ops. NATCCO at the national and primary levels gained additional inputs to strengthen financial and enterprise development services through the network's participation in the "it@coops Project" in 2004-2007 implemented in the Philippines, Indonesia, and Thailand by AWCF and InWent of Germany. With inputs from the Project on information technology (IT) and business development centers (BDCs) or services, NATCCO consolidated and refocused its financial and enterprise development and allied services to serve and support more the operations of the various co-ops. A number of co-ops were able to establish co-op BDCs (CBDCs) for their members, streamline their operations through application of IT tools, and strengthen their overall services to serve the needs of members who have, or are planning to have, their own enterprises.

Members of co-operatives need not only financial aid from their co-ops in order to improve their lives, especially if they have their own businesses. NATCCO has strengthened itself as a facilitator of business development services. It offers training and mentoring to co-ops in developing and providing these useful services. The co-ops give, in turn, these services to their members, especially those who are entrepreneurs, while integrating IT. NATCCO's assistance involves helping co-ops in setting up and running their own telecenters, business planning consultancy, using tools for market research, and related services.



Co-ops bring the Internet closer to the members.

All in all, NATCCO delivers financial and allied services to its member-co-operatives in congruence with the organization's vision. Moreover, in line with the network's goal of meeting the requirements of co-ops for innovative products and services, NATCCO set the theme "Empowering Co-operatives through Information Technology" for its "31st General Assembly and 9th Congress" held in May 2008, Baguio City, Philippines. With this conference theme, NATCCO sought to encourage co-ops to enhance their operational systems by taking advantage of the IT tools available to them. NATCCO aimed at making more co-ops aware of the competitive edge to be gained by them, and by the network as a whole, if relevant IT processes and infrastructure will be adopted and adapted in the co-ops' communications, business systems, and service delivery. IT solutions thus play a crucial role in integrating the network's enormous membership and empowering the co-ops. For instance, co-ops' transition to more automated and IT-centered approaches in managing operations

is an improvement from the taxing procedures involved in manual operations of co-ops. NATCCO promotes the co-ops' use of IT solutions, including software and hardware, that are customized to the demands and evolving practices of the co-op sector, particularly as to their enterprise development activities.

NATCCO's **Financial and Allied Services and Programs** are all geared to provide supportive and cross-cutting services and inputs to the member-co-ops' savings, credit, and enterprise development programs:

NATCCO Enterprise Development Center (NEDC)

NEDC operates as a parallel organization of NATCCO with program components and services on co-op mart, housing, and funeral care—

Co-op Mart Integrated Chain: a tailor-made business for the co-op as a general provisions store for basic needs and locally produced items at reasonable prices, following uniform concepts and standard operating procedures while operating within the co-ops' value system

National Housing Cooperative Resource Center: aims to develop a housing co-op movement in the Philippines, a housing co-op being a legal association formed to provide housing to members on a continuing basis, distinguished by its ownership structure and commitment to co-op principles

Funeral Care: offers FONUS, a co-op-owned and -managed funeral event planning and management enterprise, with a vision of making co-ops the leader in alternative, innovative, professional, and comprehensive funeral service

Financial Services: Central Fund, NCash, ATM Network

Central Fund: provides facilities for liquidity, investment and loan funds for member-co-ops that invest their money that they are not using in their own operations. As of 2007, the Central Fund plans to establish the Central Fund's Co-operative Deposit Guarantee Fund or Stabilization Fund, in line with the Philippine government's new rulings for savings and credit co-ops.

Cash management services—

NCash: a payment solution for co-ops and their members for disbursement of benefits, payment of bills, dues and contributions, and remittances from relatives working abroad

ATM Network: in partnership with a major automated teller network in the Philippines composed of several banks, NATCCO has started its online financial services through automated teller machines (ATM) nationwide and aims to expand this facility among the member-co-ops

Allied services and other services: Western Union, MICOOP, Youth, Gender Advocacy, Policy Advocacy, Training and Consultancy, Information Technology and Website Development, Travel and Tours, Hostel, and Institute of Co-op Excellence

Western Union: as direct agent, NATCCO offers Western Union services, being a member of the DA5 Consortium. NATCCO partners with co-ops to offer the service, with a target of 500 co-ops to engage in this partnership.

MICOOP: as the "Micro-finance Innovations in Co-operatives (MICOOP) Project," this special project extends the reach of co-op micro-finance services to some 60,000 individuals who desire to engage in micro, small, and medium enterprises but have no access to formal lending institutions and/or are dependent on informal lenders who charge usurious loan rates. For MICOOP, NATCCO helps viable and qualified co-ops in setting up new branches or satellite offices in areas of high poverty incidence.

Youth: together with Child Savings International (CSI), NATCCO implements the "Aflatoun Program" as its commitment to increase youth participation in co-ops as member-patrons, users, savers, and active participants in co-op governance. NATCCO also advocates for overall strengthening of youth participation in co-ops, as the future co-op leaders.

Gender Advocacy: NATCCO works for gender mainstreaming and transformative leadership in co-ops, where women and men both participate in co-op development and governance, and both have equal access to and control over resources and benefits of the co-op as being co-op members.

Policy Advocacy: NATCCO advocates and lobbies for various issues affecting co-ops and has the most visible policy research, and advocacy and political work in the co-op movement in the Philippines. It has created Policy Advocacy Committees (PACs) at the national and primary

co-op levels, and puts out regular publications and maintains a databank that give the co-ops the latest information and trends about the network and the co-op sector.

Training and Consultancy: offers the "Access to Innovations and Management Solution (AIMS)," a superior quality training and technical assistance on credit, financial and human resource management for savings and credit co-ops, to help them become sustainable world-class financial institutions.

Information Technology and Web Development: develops customized websites for co-ops using the latest IT tools and applications, and also helps co-ops' businesses in finding their niche in the domestic and foreign markets. Also offers to member-co-ops and the whole co-op sector the use of the eKOOPBANKER, an integrated loan portfolio management, savings tracking, and general accounting system for co-ops.

Travel and Tours: offers a full range of travel agency services and products, and offers travel and tours franchise to co-ops as part of NATCCO's services.

Hostel: offers board and lodging facilities for co-operators and other transients, and also venue and catering for different types of meetings and occasions



Institute for Co-op Excellence (ICE): in partnership for joint course offerings with institutions of higher learning in the Philippines, ICE offers top-level co-op management courses and graduate degree programs to co-op management, staff and officers; and also a distance-education program for co-ops' rank-and-file employees.

On website development

NATCCO offers co-ops the creation and uploading of their website within five working days, using the Content Management System (CMS), a software that allows even non-technical users to create and manage content, and do other web maintenance functions. NATCCO supports the use of Joomla! as CMS for website development. NATCCO also continues to convince co-ops about the value of websites for virtual networking for strengthening services, markets, and linkages between and among co-ops.

Joomla! is a Free and Open Source Software (FOSS) that is easy to install, simple to manage, and reliable. In general, NATCCO promotes among co-ops the use of FOSS, which is characterized by being free—no license fee for usage; with open software code that is readable and can be modified with anyone with programming skills; and has a collaborative design. Co-ops will enjoy benefits such as cost savings and added security when using FOSS.

Walking its talk, NATCCO has improved its own website using Joomla!, and also has started to feature and promote products of its member-co-ops in the it@coops page of the website. A catalog of 15 co-op products, so far, is featured. IT Specialists in the NATCCO network can also use the it@coops page to share learning resources with one another. The page also has links to some co-op websites that NATCCO has been assisting, created as part of the it@coops training of the co-ops.



CBDCs for the NATCCO network

NATCCO is working to implement and strengthen its financial services, with the support of its allied services, as an integrated assistance to the member-co-ops' endeavors and innovations in their CBDCs and overall entrepreneurial development effort. Meanwhile, in 2007, NATCCO produced and distributed to it@coops-participating organizations a video that orients on and promotes the setting up of CBDCs.

With NATCCO's leadership and assistance, including the continuing training and orientation that it gives about CBDCs and IT, the member-co-ops are doing different levels of activities in their own CBDCs or business development services, many of which are IT-enabled or -supported. Various achievements have been gained, so far. It has helped that through the IT training being done by NATCCO and the IT Specialists who trained under the it@coops, staff in different co-ops throughout the NATCCO network are now more adept in word processing and spreadsheets, software and hardware maintenance, setting up computer networks, developing websites, and other IT applications. Also, as of 2007, almost a thousand co-op members have been trained on computer fundamentals, word processing, web browsing, and e-mail. Co-ops in the rural and urban areas have set up their CBDCs and business development services, with services that include, among others, Internet cafés, IT tutorial, product development, and marketing assistance. These co-ops include the Paco-Soriano-Pandacan Development Co-op in Manila; Labo Progressive Co-op, and Baao Parish Multi-purpose Co-op (MPC) in Bicol province; Nueva Vizcaya Alay Kapwa MPC in Nueva Vizcaya province; and Cebu People's Co-op and Lamac MPC in Cebu province. As of 2007, the CBDCs have received 17,000 visits, with 85 percent of the customers being women. In the CBDCs, co-op members have various uses for the computers and the Internet, like for their businesses and for communicating with relatives or friends abroad, where before they did not or could not have access even in their home, work, school, or elsewhere. Through the CBDCs, the co-ops are able to help develop and market members' products such as through using web-based tools, and do research for product innovations. For instance, Labo Progressive MPC, which maintains its own website, has gained foreign clients for its various products, like textile from pineapple fiber, through web-based advertisements. Members and other customers prefer the Internet facilities of CBDCs over other Internet shops that may exist in the community. They find no or little distraction in the CBDCs unlike in noisy, crowded Internet shops with online gaming. The CBDC staff are also more tolerant of new learners and are willing to teach and assist them in using the computers and the Internet.

Through the orientation and training given to co-op leaders and managers, they have enhanced their awareness and appreciation of CBDCs and IT in improving operational efficiency, enhancing staff productivity, and upgrading quality of services for members. Co-ops have thus increased their investment in IT-enabled CBDCs in terms of hardware, software, and human resources, as the leaders and managers see that the benefits far outweigh the costs of investment, as long as the right CBDC and IT solutions are adopted. Such awareness has also helped create the demand for other CBDC- and IT-related services and products in the NATCCO network, and has opened new business opportunities for the co-ops. Some co-ops have expanded their credit packages to include computer loans. For NATCCO, the task of marketing at the national level its IT-based services and products like the eKOOPBANKER and eKOOPMART software for consumer co-ops

has been made easier because of the co-ops' interest and activities in CBDCs, and the members' acceptance and demands for such services of the co-ops for them. Moreover, the co-ops' utilization of IT tools has encouraged their leaders and managers to use or reinforce their use of IT applications to aid their day-to-day work in the co-ops. For instance, they can use the e-mail for faster and easier communication between and among themselves and the membership. Children/adolescents, including members' kids, have also been given IT tutorial and training, which has encouraged them to become associate co-op members. What Baa0 Parish MPC did, for example, was to integrate the IT tutorial into the savings mobilization for kids, and this method has increased the co-op membership among the youth. And the co-ops themselves through their IT-enabled CBDC efforts, including the putting up of their own websites, have gained a more professional image especially among the members, more credibility in transacting business especially with new members/clients, ability to provide quick information to members about their accounts or co-op services, more access to bigger markets and greater financial rewards that, in turn, have also motivated the members to expand their businesses and improve their productivity. There is the increasing demand from co-ops from within and outside the NATCCO network for assistance in website development.

It has been observed that with the CBDCs and business development services being offered now by Philippine co-ops, their members who are entrepreneurs have done away with unscrupulous traders who cut into their profit. Their products have also gone beyond the local market that earned them only small gains. When member-producers are provided the means to access the bigger markets, they build their self-confidence, their creativity is challenged, they enhance their motivation to expand their businesses, and they get opportunities to have better income. These are all very important for the co-op members, of whom the majority come from low-income sectors. Some co-ops' membership, in fact, have farmer-producers forming the bulk of membership, and are now benefiting from the CBDCs.

Financial services to micro-entrepreneurs without adequate support system do not guarantee viability and success of their enterprises. An essential part of the support system that CBDCs provide to co-op members is capability-building activities. CBDCs can give skills training for producing various products and delivering different services, focused on making entrepreneurs have efficiently managed enterprises, production, and marketing; and with good products and services, which will all result to customer's confidence and patronage, and sustainable enterprises. For some training conducts, co-ops source out skills-training providers like appropriate government agencies. Also, co-ops' resource mobilization through networking and linkages with government agencies and local units, non-government organizations, and other co-ops enable them to access information, materials, training opportunities, expertise, and other resources for their operations and for their member-entrepreneurs.

Overall, aside from the main financial products and services that they provide like savings and loans and micro-finance services, and other social services, co-ops in the NATCCO network are now engaged in various enterprises under their CBDCs. This, even as they continue to serve the micro- and small-enterprise needs of their individual members for capital, business information and counseling, capability-building, technology, communication, and other support services.

Lamac Multi-Purpose Cooperative and its CBDC

The Lamac Samahang Nayon (LSN) was organized in 1973 by 70 farmers (tenant-tillers and small farm owners) who were able to come up with PhP3,500.00 as initial capital. The farmers were from Lamac, a *barangay* (village) in Pinamungajan town, located in a secluded and isolated valley southwest of Cebu province, central Philippines. They formed the LSN as they faced their major problem of how to acquire basic needs and services since their village had no roads, only trails; no electricity, only kerosene lamps; no tap and potable water, only deepwells and spring water; no transportation of any kind, with the people relying on their own two feet to trek the thorny and dangerous trails in order to transport goods and services to and from the community.

But the LSN had since transformed, years after, into an agricultural multi-purpose co-op, the Lamac Multi-Purpose Cooperative (LMPC). The village is now a self-sustained community where the spirit of cooperativism thrives. LMPC now operates in the whole province of Cebu with 14 business offices. LMPC is one of the member-co-ops of the National Confederation of Cooperatives (NATCCO), which is a member of the Asian Women in Co-operative Development Forum (AWCF).

The LSN was organized under a program of the Philippine government's Department of Local Government and Community Development for organizing farmers in different areas into a *samahang nayon* (community organization operating as a co-op). From the initial capital that the LSN members had, they started to operate a consumer/marketing service, run by volunteer members. Soon, the LSN was winning awards for its different projects. But for some reasons, such as the inability of the management to handle the LSN's diversified projects, the financial status of the organization started to decline. Leadership was also a problem. The management sought the help of BLOMES—Barangay Lamac Organization on Management Effectiveness System. BLOMES was earlier organized by



young local professionals and college-level individuals to provide technical assistance to organizations in the Lamac community. LSN was gradually rehabilitated with help from BLOMES and some co-op leaders.

In March 1992, the LSN was transformed to and registered as the LMPC, initially under BLOMES management. Soon, more awards were coming along the way of the LMPC that was made stronger by its united membership, and competent, committed and credible officers and staff at the helm.

Some of the awards came with cash prizes that helped LMPC realize a number of its dream projects, and which inspired the Co-op pioneers to aim even higher and dream even bigger. In 1995 alone, LMPC garnered two national-level awards for outstanding Philippine co-ops, with a total cash prize of PhP500,000.00. It won first prize in the Rizal Commercial and Banking Corporation (RCBC) "Gawad Sikap Award," and second prize in the Land Bank of the Philippines (LBP) "Gawad Pitak Award." The same year, the Lamac community became a parish, and the Co-op provided financial assistance to the construction of the convent and the major renovation of the parish church. The Co-op supported the church. It saw the benefit of the presence of the church to the Co-op members that it described as mostly pious and looking for spiritual services, and who had to do a 12-kilometer walk to participate before in church activities. In 1996 and 1997, LMPC got two more national-level and special category-level Gawad Pitak Awards. In December 1997, LMPC fulfilled its dream of having its own building, a three-story edifice at the heart of Lamac, worth PhP2 million. It was a magnificent landmark to the Co-op's success, and it was named the Gawad Pitak Building as a testament to the united efforts of the LMPC members that made the Co-op win the Gawad Pitak Awards.

In 1998, the Co-op won first place in the national Gawad Pitak Award, with a cash prize of PhP500,000.00. The Co-op used the money for the installation of a new water system, and a government official of the province extended an additional PhP1.5 million for a filtration plant. The Co-op's winning was a timely one since the village council and the local government unit at that time had been challenging the LMPC to rehabilitate the old water reservoir. The Lamac area had already become densely populated and water was becoming scarce, amid the presence of the cool Sinungkulan Spring and several caves that can be developed for ecotourism. The residents were clamoring for a better water service, and the village council made it a priority plan although finances hampered the plan. Thus the council turned to the Co-op to help resolve the problem. Potable water is now available to most households in Lamac. Furthermore, aware of LMPC's environmental concern, the Co-op was entrusted to manage 35 hectares of timberland to protect and preserve, including the watershed and forest. This was under the Philippine government's Department of Environment and Natural Resources (DENR)'s "Community-Based Forest Management (CBFM) Program." The partnership between the Co-op and DENR provided an income-generating project to upland farmers, such as for swine dispersal and forest/fruit trees seedling production.

With LMPC's different achievements, people from satellite villages of Pinamungajan were inspired to join the Co-op. They had requested that the Co-op also extend services to them

because of rampant usury, of which many victims were women. In 1998, the area of operation of LMPC was amended from a barangay base to a municipal-wide operation. The members supported the expansion, and so did the Local Government Unit (LGU) that provided a vacant lot in a strategic place in town, on which rose a new LMPC branch office inaugurated in December 2000.

In June 2001, the LMPC established its Toledo Branch Office after the amendment of the Co-op's area of operation for the entire Third District of Cebu. The Co-op's entry point for expansion was a micro-finance project for which the Co-op was the conduit of the micro-finance projects of two non-government organizations (NGOs).

Another award for the Co-op in January 2002, the "RAFI Triennial Award," had a cash prize of PhP250,000.00, dutifully used by the Co-op for its housing project. The Co-op members were encouraged by the Co-op to work harder to be qualified for the credit facility for the housing project. LMPC continued to build its reputation as a social and economic institution. It was tapped as a conduit of a government multi-million peso micro-financing project to give financial and technical assistance to people's organizations, NGOs, and co-ops in Cebu's Third District.

In 2002, responding to members' high demand, LMPC opened the Balamban Branch Office, to serve three localities. The next year, LMPC had another financial blessing by way of a million pesos in cash prize for winning the "Ginintuang Gawad Pitak" of the LBP, the most coveted LBP award for co-ops since only Hall of Fame awardees of Gawad Pitak are qualified to join. The cash prize, together with financial assistance from a co-op partner in Canada, enabled LMPC to construct its Cooperative Training Center that later on evolved into the Hidden Valley Training Center and Resort.

There was simply no stopping the growth of LMPC. For 2004, the Co-op's Board further amended its area of operation into provincial-wide. After the approval of this expansion, the Co-op established the Minglanilla Branch Office to serve three municipalities, and the Tuburan Sub-office. In 2005 and 2006, a total of six sub-offices were opened by the Co-op, reaching out to more people in different towns and municipalities. With operations established in the whole Cebu province with 14 business offices, the LMPC still hopes for more developments to better deliver services desired by the members, anchored on the Co-op's vision and mission, and guided by its core values of I-TRUE: Integrity, Truthfulness, Respect, Unity, and Equality.



LMPC's co-op training center evolved into the scenic and multi-purpose Hidden Valley Training Center and Resort.

LMPC has 38,933 members, composed of farmers, business owners, women, youth, pensioners, government workers, fisherfolks, and the elderly; and has extended almost PhP3 million as loans to members (as of 2007).

Through LMPC's "Micro-finance Program (MFP)," with almost 200 employees, rural people in Cebu are able to get employment. Since May 2000 when it started, the MFP has been increasing its loan portfolio as it benefits about 21 percent of the almost 147,700 poor households in Cebu (the LMPC reaches out to 39 of the province's 48 municipalities/cities) (Cebu has a total of about 671,230 households [as of 2006]).

But operating its MFP is just one of the activities of LMPC that directly address people's poverty. With its committed staff and members, LMPC has proven time and again that holistic development is the most appropriate approach to poverty reduction. As it goes into entrepreneurial development, LMPC realizes that the aid is not just about providing capital but more in providing technical assistance and capability-building activities for the members, and even spiritual intervention. Thus LMPC is aggressively pursuing the realization of having business development services to benefit members in the access of information, and for the sustainability of their livelihood and co-op business undertakings.

LMPC is registered as an agriculture co-op. Its current services and programs are credit and savings, consumers store, bakery, resort operations (Hidden Valley Training Center and Resort), rice and corn mill, water system, travel and tours, automated teller machine (ATM), e-load service, Western Union services, hauling and transportation, vermiculture, goat dispersal, swine dispersal, communal livestock raising as showcase to encourage members to raise livestock in their backyard, dairy farm where health and nutrition program are also integrated to overcome children's malnutrition, consumers' store, *bunlod* culture (worm of beetle usually found in coconut trees, used as a banked mass to fertilize plants and ornamentals), agricultural production, ornamentals (especially for flowers for the parish church), greenhouse, biogas, butterfly garden, and demonstration farm using bio-intensive system to encourage self-reliance among farmers even with only a 1,000-square-meter lot. The Co-op's hauling truck doubles as the community transport, including being used as an ambulance. LMPC had a hard time generating reports of its diversified operations and knowing what was happening in every department. This was before the advent of information technology (IT) to the Co-op. IT got introduced to LMPC through the Co-op's participation in the "it@coops Project" of AWCF and InWEnt of Germany, implemented in the Philippines through NATCCO. The Project was also held in two other member-organizations of AWCF in Asia, from 2004 to 2007.

NATCCO invited LMPC in 2006 to send a staff to join the it@coops Project training for would-be IT Specialists. Ms Merlyn Sotello was sent by LMPC. While at the training, Ms Sotello was sounding off LMPC General Manager Ms Elena Limocon that she found the training to be challenging as she had difficulty in some of the more advanced subjects. She had been relaying this concern to Ms Limocon even while the training was ongoing at the NATCCO offices in Quezon City, several miles away from Pinamungajan. But Ms Limocon gave moral support to Ms Sotello, urging her to continue her training and to give it full commitment. When Ms Sotello went back to her Co-op

after the training, she was made a regular staff from being a probationary one, and, impressed with her learning from the training, the management made her the first-ever Management Information System (MIS) staff of LMPC, handling the reports of the different departments. Thereon, LMPC got exposed to the benefits of IT for co-ops. Furthermore, LMPC also learned about business development centers (BDCs) from the it@coops Project. The learning about IT and BDCs inspired LMPC that it can greatly improve its services and operations with these tools. For instance, a loan exposure to over 26,000 micro-entrepreneurs also brought on some delinquency problems to the Co-op, which usually released loans without really knowing about the borrowers' products. The Co-op pondered the thought that if it had an IT-based BDC, it can go beyond merely releasing loans to micro-entrepreneurs, and give attention to other aspects of the loans that will help the micro-entrepreneurs in running their business.



LMPC sent its staff Ms Merlyn Sotello (left) to be trained as IT Specialist in the "it@coopsProjects."

By January 2007, LMPC realized that it should have a products survey among the micro-entrepreneurs availing of the Co-op services. Ms Sotello implemented the product survey for three months, going from house to house. In February 2007, AWCF and NATCCO visited LMPC and oriented the Co-op's Board on the importance of the BDC. The orientation encouraged the Board to approve the setting up of the co-op BDC (CBDC). While the LMPC's CBDC was already starting, Ms Limocon was selected to be among 20 co-op women leaders and entrepreneurs from Southeast Asia to participate in a regional exchange program organized by AWCF and the ASEAN Foundation. Held in March 2007 in Indonesia, the activity's participants were exposed to different aspects of production, and to alternative management of programs and activities. They also gained awareness on the situation of women in the region, particularly on the availability of business development services for them in their different countries. The participants expressed determination to become agents of change through micro-enterprise development. They identified entrepreneurship development projects intended for women in their organizations, and also stated the need for networking among them so as to further strengthen entrepreneurial initiatives of co-op women in the region. Each one prepared a "Co-op Entrepreneurship Development Action Plan (CEDAP)" to bring back home, for approval by their Board for implementation. Ms Limocon made a commitment during the action planning that she will work for IT-driven and IT-focused business development services of LMPC in support of MSMEs (micro, small, and medium enterprises); and also to institutionalize these services among a sustainable women-entrepreneur network. She committed to the launching of LMPC's CBDC at the Co-op's General Assembly (GA) in April 2008. This did happen at the GA, and several members brought their products for exhibit. With their ingenuity, the Co-op members have created beautiful and useful products like bags, fashion accessories, stuffed toys, and other products, which also use indigenous and recycled materials. The Co-op reasoned out that all these products of the enterprising

poor will not be fully appreciated by consumers if the market remains local and limited, failing to reach as many consumers as possible.

LMPC was therefore greatly challenged to use the CBDC in co-op enterprise development, especially micro and small enterprises, and also using IT in the CBDC, to improve the livelihood of the people.



LMPC General Manager Elena Limocon (left) is committed to let the Co-op provide IT support to members' MSMEs.

Ms Limocon explains that in the globalized business environment of Cebu province, MSMEs are exposed to market forces increasingly dominated by large and multinational corporations. MSMEs rely on information circulated among these corporations in order to gain their share of the market or to just even survive. The MSMEs only relied on basic information on what kinds of products were in demand in some areas but with almost no help and information on how to market those products. This has heightened the

demand for MSMEs' direct access to IT-driven business information services at affordable cost. There is likewise the demand for LMPC to act on and fill in this need. With LMPC's formation of its CBDC and with knowledge gained from the survey of its micro-entrepreneurs' products, it was able to link producers with certain agencies. It was also able to gather and showcase the products when LMPC was invited to an exhibit in one of the biggest and most popular malls in the Philippines.



LMPC's hard-working members produce different products, with full support from the Co-op.

LMPC emphasizes that IT has a critical role in enterprise development. Without IT in business development services, there is no true generation of marketable products that will sustain public interest. IT-based business information services for MSMEs will help create strategic alliance with large and multinational corporations for product information exchange.

LMPC is trying to promote a linkage or network of small and big groups of entrepreneurs. For instance, it clusters small producers of fashion accessories and links them with clusters of big producers of the same products so that



IT training is given priority in LMPC.

they can be partners with each other. Clustering can be according to livelihood and product type, so as to have proper training and exposure, and an organized and systematic marketing and distribution. This clustering will lessen the difficulty for the Co-op to decide on who will be the priority in terms of training and other service. Thus, for example, once the dressmaking, handicraft, and woodcraft producers are organized, it will be easier for the Co-op to call them, identify their needs, and address other problems that they encounter.

Clustering according to livelihood and product type:

1. Production and processing: livestock, food products and preserves, vegetable production, fashion accessories, furniture, handicraft, woodcraft, and metalcraft
2. Trading: agricultural and non-agricultural products, market vending, wholesale and retail trade
3. Service: service shops, construction, drugstores, water stations, food catering, and public transportation

To support these efforts, and to help in the dissemination of information and marketing of the Co-op's services and its training center and resort, the LMPC website development has been ongoing as of early 2008, with assistance sought from NATCCO.

LMPC is continuing to give IT training to members, officers, and staff, by batches. Ms Sotello conducts the training, assisted by one of LMPC's IT staff who have undergone IT echo training.

Ms Limocon cites that with the IT training, the Board members have requested laptops instead of using paper and pen for their work, and the different managers of the Co-op have also been equipped with laptops. LMPC has contacted a major telecommunications company that offered a promotional bundle on computers and Internet connection that will, among other benefits, enable easier communication between and among the LMPC leaders such as the Board Chairperson and the different Board of Chapter Leaders in the different areas of Cebu.

In November 2007, LMPC formulated its five-year development plan and it was a manifestation of the Board's awareness of the importance of IT and CBDC for the Co-op. The plan had a budget

allocation for the construction of the CBDC for the Co-op members. The 14 business offices of LMPC also serve as CBDC outlets. They carry and display sample products of the members. The LMPC plans to construct a building in Cebu's Toledo City that will house different CBDC services.

In retrospect, since micro- and small-entrepreneur-members-clients of the LMPC cannot afford IT investment for their own marketing purposes, the Co-op acknowledges that it thus takes the dual roles of:

- a. provider of market information—so that clients will be able to understand the needs of the commercial market. Information exchange that will open up global opportunities for micro-finance clients in terms of franchising, business relations, market, products, supplies, etc. LMPC markets the members' products by bringing the products to exhibits and fairs, and giving out business cards to other members so that they, too, can market their fellow members' products, and even give exposure to large-scale businesses.
- b. market developer—in order to expand the network of customers and clients through product repackaging and Internet linkage. LMPC facilitates and taps government agencies concerned with technological skills training, trade and industry, and agriculture; and non-government organizations and private firms in conducting training on areas like customer service, production process, product packaging and marketing, quality control, and financial recording.

LMPC aims high through its CBDC. The Co-op believes that MSMEs' products can get exposure through varied IT-produced materials (like promotional materials) and the Internet. IT is therefore a catalyst for product exposure in the market. Large and multinational corporations can explore investment opportunities with MSMEs. Investment opportunities create grounds for business linkages between MSMEs and the corporations, whereby the corporations can be investors, and MSMEs can provide quality and competitive products for the national and international markets.



AT A GLANCE

- The **National Confederation of Cooperatives (NATCCO)** was established in 1977 by co-op education and training centers located in different regions of the Philippines. NATCCO was to act as their spokesperson, secretariat, and coordinating body. The centers were, in turn, set up starting in the 1960s when primary or grassroots co-ops began to federate so as to have structures for co-op education and training.
- NATCCO was converted in 1986 into a multi-service national co-op federation, and the centers became multi-service co-op regional development centers (RDCs). With more challenges facing the Philippine co-op movement, NATCCO focused on developing technical tools on financial intermediation and enterprise development, with the RDCs as principal service providers, from the late 1990s to 2002.
- After studies and consultations, NATCCO amended its organizational bylaws in 2004, with financial intermediation as NATCCO's principal focus, and the primary co-ops becoming NATCCO's direct members. As of 2007, NATCCO has 630 member-primary co-ops whose individual members come from different low-income sectors. More than half of the individual membership are women.
- With the vision of being the most trusted world-class financial co-operative network, NATCCO's mission is to deliver superior, relevant, and ethical financial and allied services anytime, anywhere.
- NATCCO's member-co-ops are mostly rural- and agriculture-based. The co-ops and individual members have enterprises in agriculture, agribusiness, livestock, handicrafts, etc., more than half of which are operated and managed by women. NATCCO's efforts on financial intermediation as its principal focus of support to member-co-ops goes hand in hand with enterprise development as its equally important objective and service to the co-ops.
- In collaboration with the Asian Women in Co-operative Development Forum (AWCF), NATCCO has been developing and promoting transformative leadership and gender mainstreaming in co-ops. Also, in 2004-2007, NATCCO took part in the "it@coops Project," a joint initiative of AWCF and InWEnt of Germany.
- The NATCCO network gained additional inputs to strengthen its financial and enterprise development services through its participation in it@coops. The Project was implemented in the Philippines, Indonesia, and Thailand. With the Project's inputs on information technology (IT) and business development centers (BDCs) or services, NATCCO consolidated and refocused its financial and enterprise development and allied services to serve and support more the operations of the various co-ops: Financial services: Central Fund, NCash, ATM Network; Allied services and other services: Western Union, MICOOP, Youth, Gender Advocacy, Policy Advocacy, Training and Consultancy, Information Technology and Website Development, Travel and Tours, Hostel, and Institute of Co-op Excellence; NATCCO Enterprise Development Center.
- NATCCO has strengthened itself as a facilitator of business development services. It offers training and mentoring to co-ops in developing and providing these useful services. The co-ops give these services to their members, especially those who are

entrepreneurs, while integrating IT. NATCCO's assistance involves helping co-ops in setting up and running their own telecenters, business planning consultancy, using tools for market research, and related services.

- With NATCCO's leadership and assistance, member-co-ops established their own co-op BDCs (CBDCs), of which many are IT-enabled, for their members. Among the CBDCs' services are loans for capital and business counseling; Internet cafés; IT tutorial; and giving access to members to computers and the Internet for communicating with relatives abroad, for developing and marketing products locally and abroad without the intervention of unscrupulous traders, and for product and market research. The CBDCs also give capability-building activities, such as skills training for producing various products and delivering different services focused on making entrepreneurs have efficiently managed enterprises, production, and marketing; and with good products and services, which will all result to customer's confidence and patronage, and sustainable enterprises. As of 2007, CBDCs in the NATCCO network have received 17,000 visits, with 85 percent of the customers being women.
- When member-producers are provided the means to access the bigger markets, they build their self-confidence, their creativity is challenged, they enhance their motivation to expand their businesses, and they get opportunities to have better income. This is very important for the co-op members. The majority of the members come from low-income sectors.
- Co-ops have increased their investment in IT-enabled CBDCs in terms of hardware, software, and human resources. The co-op officers see that the benefits far outweigh the costs of investment, as long as the right CBDC and IT solutions are adopted.
- Such awareness has also helped create the demand for other CBDC- and IT-related services and products in the NATCCO network, and has opened new business opportunities for the co-ops. For instance, some co-ops have expanded their credit packages to include computer loans. For NATCCO, the task of marketing at the national level its IT-based services and products like the computer software for consumer co-ops has been made easier because of the co-ops' interest and activities in CBDCs, and the members' acceptance and demands for such services.
- Moreover, the co-ops' use of IT tools has encouraged their leaders and managers to use or reinforce their use of IT applications to aid their day-to-day work in the co-ops. Children/adolescents have also been given IT tutorial and training, which has encouraged them to become associate co-op members.
- Through their CBDC efforts and their own websites, co-ops have gained a more professional image, more credibility in transacting business, ability to provide quick information to members about their accounts or co-op services, and more access to bigger markets and greater financial rewards that, in turn, have also motivated the members to expand their businesses and improve their productivity.
- Aside from the main financial products and services that they provide like savings and loans, among other services, NATCCO network co-ops are now engaged in

various enterprises under their CBDCs. This, even as they continue to serve the micro- and small-enterprise needs of their individual members for capital, business information and counseling, capability-building, technology, and other support services.

- The **Lamac Multi-Purpose Co-operative (LMPC)** in Cebu, Philippines, has 38,933 members: farmers, business owners, women, youth, pensioners, government workers, fisherfolks, and the elderly; and has extended almost Php3 million to members as loans.
- Through its Micro-finance Program (MFP), started in May 2000, LMPC has been increasing its loan portfolio as it benefits about 21 percent of the almost 147,700 poor households in Cebu (the LMPC reaches out to 39 of the province's 48 municipalities/cities).
- Operating the MFP is just one of the activities of LMPC that directly address people's poverty. As it goes into entrepreneurial development, LMPC realizes that the aid is not just about providing capital but more in providing technical assistance and capability-building activities for the members, and even spiritual intervention. LMPC is aggressively pursuing the realization of having business development services to benefit members in the access of information, and for the sustainability of their livelihood and co-op business undertakings.
- LMPC participated in the it@coops Project, which enabled the Co-op to apply IT, and to set up and operate an IT-enabled CBDC.
- In their visit to LMPC in February 2007, AWCF and NATCCO oriented and convinced the LMPC Board to establish its CBDC. LMPC General Manager Ms Limocon attended an AWCF exchange program in Indonesia where participants prepared a plan for co-op entrepreneurship back home. Ms Limocon committed to work for IT-driven and IT-focused business development services of LMPC in support of MSMEs (micro, small, and medium enterprises); and also to institutionalize these services among a sustainable women-entrepreneur network.
- At the following General Assembly meeting of LMPC, the members brought their different products for display and sale. The Co-op was inspired and challenged to help its enterprising members in making their beautiful and useful products reach a wide market, and use the IT-enabled CBDC in enterprise development, especially for MSMEs.
- In November 2007, LMPC formulated its five-year development plan in which the Board manifested its awareness of the importance of IT and CBDC for the Co-op. Budget was allocated for the construction of LMPC's CBDC. The 14 business offices of LMPC also serve as CBDC outlets, carrying and displaying members' products.
- LMPC acknowledges that its micro- and small-entrepreneur members cannot afford IT investment for their own marketing needs. Thus the Co-op takes on the dual role of provider of market information, so that the members will be able to understand the needs of the commercial market; and market developer, in order to expand the network of customers and clients through product repackaging and Internet linkage.

Chapter

3



Co-operators speak about CBDCs¹

Ms Yuyu Rahayu

Head of the Secretariat Unit, Bina Desa, Indonesia

"With the aim of raising household income, Bina Desa has established a BDC that provides assistance in marketing products made by farmers, particularly through quality control, product packaging, and access to market. Aside from this assistance, Bina Desa is also providing basic IT training for our women member-entrepreneurs; diversifying women's products through the use of IT; and applying IT in women's businesses, such as for further enhancement of product design and packaging, creation of accounting forms and systems, and designing brochures and leaflets."



Mr. Darwin Evangelista

IT Coordinator, National Confederation of Cooperatives (NATCCO), Philippines



"The use of IT has enabled NATCCO to have a more accurate and faster delivery of services at a lesser cost. There is a significant administrative cost reduction on our part. We are currently opening doors for our co-op members in terms of IT innovation. Computerized systems such as accounting and point-of-sales (POS) system have been distributed and are being used by our co-op members as well. There is also a visible empowerment of our members through IT education as a number of our members have become more open in using computers. And they now use the Internet, particularly the e-mail, for communication and research purposes, particularly on product improvement. IT has also helped further expand our linkage as we can now link our members within the NATCCO network and with other organizations via the Internet."

¹ Quotes culled from various meetings and conferences held, and informational materials used during the "it@coops Project" held 2004-2007 in Indonesia, Philippines, and Thailand by the AWCF and InWEnt.

Ms Fatmawati

Secretary/IT Specialist, KSM Citra Insani, Indonesia

"In general, both the Board Management and the members of KSM Citra Insani have not known what IT is as we do not have Internet infrastructure at all in our area in Takalar, South Sulawesi, Indonesia. Therefore, my participation in the it@coops Project is really a big opportunity for our organization to keep up with technology development. Although our Co-op does not have any computer at the moment, as we do not have sufficient human resources to operate computers and because our group/co-op cannot afford to provide us a computer, I really hope we can get a solution to this problem considering that the prospect of our group's souvenir products is really promising, and our market has already reached other countries."



Mr. Mario Espeso

General Manager, Labo Progressive Multi-Purpose Co-op (LPMPC), Philippines

"The BDC of LPMPC was established to identify and implement viable enterprises and services that will support and scale up members' livelihood activities and enterprises. Hence, in addition to the financial, economic and social services that our Co-op usually provides as part of our regular business development services, we have also developed and integrated IT in our BDC aimed at having highly skilled co-op officers and staff, better informed and active members; and establishing globally competitive business for LPMPC and its members."

Mr. Sukit Jadpai

Chairperson, Pattanachumchon Baanputabag Credit Union, Thailand

"I recognize the importance of IT through our IT training center. Here, children in our remote area, with 12 to 13 schools, can have the opportunity to get IT training through the training program we launched in February 2007. Nowadays, we are able to conduct five different IT levels of training. This training program is really beneficial for the children as it can enhance their school work while enabling them to further improve not only their lives but also that of their families. We cannot ignore IT—it is very useful in our daily lives."



Ms Lamiad Thongkli

Member-entrepreneur, Huaykhanang-Tungna Credit Union, Thailand

"I get great support from Huaykhanang-Tungna Credit Union in terms of loans for expanding my business and in marketing because of its BDC where members can display and sell products. It is very good that the Credit Union established the IT training center because by using the Internet launched in the Credit Union, I can search for new information to compare prices (for my fresh and processed agricultural products) to the Thai central market of agricultural products."



AWCF supports CBDCs

The previous pages of this Monograph relayed the experiences on CBDCs, including those that are IT-enabled:

- how two national co-op federations and one national NGO network that promotes co-ops—all AWCF member-organizations—have learned, applied, promoted, established, and operated CBDCs
- how these organizations' members and affiliates have embraced CBDCs and are operating them to even better serve their members, especially those with enterprises
- how individual members have supported the efforts of their co-ops and NGOs to help them through CBDCs, and how effective, timely, and IT-based business development services have positively affected the members' enterprises and the growth of their personal lives as well.

Those featured in this Monograph were the:

- Credit Union League of Thailand (CULT), led by General Manager Mr. Sahaphon Sangmek
- Forum for Indonesian Co-operatives Movement (FORMASI Indonesia), led by Ms Anik Dwi Martuti, Executive Secretary
- National Confederation of Cooperatives (NATCCO), Philippines, headed by Mr. Cresente Paez, President and Chief Executive Officer
- Huaykhanang-Tungna Credit Union, Indonesia, led by Manager Mr. Thanom Poolsri
- Bina Desa, Indonesia, represented by Ms Yuyu Rahayu, Head of the Secretariat Unit
- Lamac Multi-Purpose Co-operative (LMPC), Philippines, led by General Manager Ms Ellen Limocon.

AWCF acknowledges the efforts of its member-organizations as the frontliners in propagating the idea and inspiration among co-ops to establish CBDCs. CULT, FORMASI Indonesia, and NATCCO, as umbrella-organizations, have long been involved in and committed to alleviating the plight of their networks' affiliates and individual members through various modes of assistance including credit and savings facilities, training and education, entrepreneurial development and assistance, and even micro-finance projects to reach out to the very poor. With these umbrella organizations' participation in the AWCF-InWEnt "it@coops Project" in 2004-2007, they obtained deeper learning and more ideas about CBDCs and business development services that they can

operate and offer in their networks. Beyond the Project, the CULT, FORMASI Indonesia, and NATCCO networks have sustained and even expanded their actions to empower and enable their members, particularly by being entrepreneurs through their MSMEs. The networks have made CBDCs and IT a part of their programs and services, and some of the co-ops that participated in the Project have done the same thing.

As AWCF had initially embarked on the it@coops Project's overall goals and objectives under its "Women Entrepreneurship Development" Program, it is proud to highlight that many women are among those now accessing, using and benefiting from IT-enabled CBDCs—women are enhancing their knowledge and skills in starting and/or scaling up their enterprises using entrepreneurship development as a tool. More co-ops have also become committed to use their resources to support enterprises that are set up, owned and managed by women. And as always been emphasized by AWCF and other development organizations, when women's situation and condition become better, their families and communities also benefit.

The AWCF network—with its member-organizations, their affiliates, and individual members—can now share many best practices and experiences in using CBDCs to economically and socially empower the co-ops, the members, and the communities.

The CBDC may not itself be a physical structure but may come in the form of, say, business development services or comprehensive entrepreneurial support or other forms that a federation, network, or primary co-op can offer to the members. One can also find that the CBDC is not IT-enhanced or -enabled for some reason, like if the organization does not have the resources or facilities to use IT applications. However, AWCF recommends that IT applications be used by a CBDC in order to maximize potentials of business development services—and thus gain greater edge—in areas like streamlined operations, more effective services, more marketing outreach, etc. A CBDC, as earlier discussed in this Monograph, can start with simple tools or equipment, such as a landline or a fax machine, as it moves to investing on and using more complex IT tools. This is how it should be as the co-op progresses and members' needs become more varied and demanding. As the CBDC increasingly uses IT, then it will need the services of a person with knowledge and skills in IT, such as a trained staff, to manage and operate the facilities.

But, whatever the form, facilities, and services that the co-op wants to or is able to put into a CBDC, the bottomline is that the CBDC is almost a necessity, if not an inevitable step, for co-ops that want to provide a longer-lasting and more meaningful approach to entrepreneurship that goes beyond financial interventions and outcomes. An integrated capability-building and economic strategy in the CBDC is a holistic approach, as there is conscious and consistent aim at addressing the economic, social, cultural, and even spiritual needs or issues of the members, particularly the women.²

² Pereyras, Norma. Empowering Filipino Women through Micro-Enterprise Development in Co-ops: A NATCCO Network Report, paper delivered at the Public Awareness Conference on "Empowering ASEAN Women through Micro-Enterprise Development in Co-ops," organized by the Asian Women in Co-operative Development Forum (AWCF), Philippines, 12-13 February 2008.

At this point, AWCF also salutes the officers—the boards and management staffs—of the umbrella organizations and the co-ops for their commitment to make CBDCs a reality in their organizations and communities. They are, indeed, making a big difference as they actualize their co-op vision and mission by utilizing the co-op structures, values, and opportunities to develop an integrated approach to enterprise development that will transform the lives of ordinary people—the women and men of the co-ops—into stories of success and triumph over poverty, and all inequalities that poverty brings.

All this, AWCF hopes, will inspire more co-ops and co-op leaders, particularly in Asia, to adopt and use the CBDC approach in their development and empowerment efforts.

References

Kotelnikov, Vadim. Small and Medium Enterprises and ICT. Asia-Pacific Development Information Program, e-Primers for the Information Economy, Society and Polity, UNDP-Asia Pacific Development Information Program (APDIP) and the Asian and Pacific Training Centre for Information and Communication Technology for Development (APCICT), 2007.

LMPC Annual Report, Lamac Multi-Purpose Cooperative (LMPC) (Philippines, 2006).

Muñoz-Ordoñez, Sylvia. Enterprise Development in Asian and Global Perspective, paper delivered at the Forum of the Asian Women in Co-operative Development Forum (AWCF) Regional Exchange Program, Philippines, under the project Promoting Economic Empowerment for Women as an Important Dimension to Building Gender Equality in Southeast Asia, September 2003.

NATCCO Annual Report, National Confederation of Cooperatives (NATCCO) (Philippines, 2007).

Pereyras, Norma. Empowering Filipino Women through Micro-Enterprise Development in Co-ops: A NATCCO Network Report, paper delivered at the Public Awareness Conference on "Empowering ASEAN Women through Micro-Enterprise Development in Co-ops," organized by the Asian Women in Co-operative Development Forum (AWCF), Philippines, 12-13 February 2008.

Rodrigues, Roberto. Build a better world starting from communities. ICA Alliance, Issue 7, ICA (Geneva, n.d.).

The group enterprise resource book—A practical guide for Group Promoters to assist groups in setting up and running successful small enterprises, Food and Agriculture Organization of the United Nations (Rome, 1995).

Wirth, Linda. Empowerment and Development of Women in Co-operatives, paper presented at the Regional Conference on Gender Integration in Co-operatives: 10 Years Before and After—Empowerment and Development of Women in Co-operatives, organized by the Asian Women in Co-operative Development Forum (AWCF) and International Co-operative Alliance Office for Asia and the Pacific (ICA AP), Philippines, 6-8 November 2006.

www.coopwomen.org

www.natcco.coop

www.un.org

About AWCF

The Asian Women in Co-operative Development Forum (AWCF) is a network of national co-op organizations and non-government organizations (NGOs) promoting co-ops in the Asian region. It was set up by founding members: Credit Union League of Thailand (CULT), Thailand; Credit Union Promotion Club (CUPC), Malaysia; Forum for Indonesian Co-operatives Movement (FORMASI Indonesia), Indonesia; and National Confederation of Cooperatives (NATCCO), Philippines. In 1994, the Center for Agricultural Extension Volunteers (CAEV), Vietnam, became a member. In 2007, the Socio-Economic Development Organization of Cambodia (SEDOC) joined AWCF as associate member.

AWCF serves as an advocacy body and resource center in promoting gender equality and gender equity in and through co-ops. As an advocacy body, AWCF promotes gender awareness and integration of gender concerns in co-ops and social development agencies (SDAs) at the international, regional and local levels. As a resource center, AWCF assists and provides services to co-op organizations and SDAs in the areas of gender mainstreaming and co-op development.

AWCF's core programs include gender awareness, women in leadership and decision-making, women entrepreneurship development, regional policy advocacy, and advocacy on support services for women. AWCF is an "NGO in Special Consultative status" with the UN Economic and Social Council (ECOSOC). It is a member of the Conference of NGOs (CONGO), an assembly of NGOs with consultative status with the UN.

More information about AWCF is available at www.coopwomen.org