ABSTRACT

Renowned for the potential in alleviating poverty, co-operative movement has been encouraged and supported by the government. This research investigates co-operative performances and efficiency in Malaysia using quantitative and qualitative methods. The first essay revealed that co-operatives' role in economic development is still relevant. Credit and banking co-operatives had contributed to the movement's growth and development. The National Co-operative Plans are important blueprint for co-operative development in the country. Investigation on factors influencing co-operative membership in the second essay revealed that membership is favourable to the older age groups as compared to younger age groups. Those working in government sector are more likely to be members. The duration of membership and frequency in annual general meeting attendance are found to be positively related to co-operative shareholding. An analysis on satisfaction and perception of co-operative performance showed that patrons are satisfied with the quality and reliability of goods and services. There are positive perceptions on the benefits of co-operation and on the role of co-operative in economic development and community wellbeing.

Data Envelopment Analysis (DEA) of co-operative membership target groups in the third essay showed the co-operative groups' efficiency score of 0.605 or equivalent to 65.3 percent inefficiency level in producing outputs. Co-operatives have operational "slacks" and inefficient resource usage. Tobit regression showed that turnover, equity and members are significant in influencing efficiency scores of co-operatives. Comparison of efficiency and productivity level of Bank Rakyat with conventional banks showed that Bank Rakyat was among the top five banks. Further analysis by including 5 other Islamic banks brought it to top six positions. The source of total factor productivity progress was technological progress while technical efficiency change remained stagnant. Tobit regression analysis revealed that loan intensity and assets were significant in determining the efficiency scores. Environmental factors are significant in influencing technological and scale efficiencies. Bank's status (co-operative or Islamic) is significant in influencing technical and pure technical efficiency of banks.

Action research in the last essay reviewed that co-operative establishment requires local communities involvement in decision-making process, human capabilities enhancement programmes, empowerment, entrepreneurial spirits, leadership qualities and local community commitments. Of the three community co-operatives in Marine Park Islands, Tioman achieved highest while Redang experienced moderate progress. Tinggi co-operative failed because lack of leadership, commitment and entrepreneurial spirits. Although co-operatives in Tioman and Redang have the potential to be the vehicle in alternative livelihoods strategy and social cohesion objectives, the co-operatives are faced with ample challenges.

This research contributes towards an economic approach in performance evaluation of co-operatives in Malaysia. The high percentage of inefficient co-operatives revealed had provided empirical evidence that achievement of the Second National Co-operative Plan goals by 2015 will be affected. Results and recommendations from study are important for improvement of current co-operative management, policies, laws and regulations in Malaysia.

ABSTRAK

Gerakan koperasi Malaysia mendapat sokongan dan galakan dari kerajaan kerana berpotensi membantu membasmi kemiskinan. Kajian ini menyiasat pencapaian dan kecekapan koperasi di Malaysia dengan menggunakan kaedah penyelidikan kuantitatif dan kualitatif. Esei pertama menunjukkan bahawa peranan koperasi dalam pembangunan ekonomi masih relevan. Koperasi kredit dan bank menjadi penyumbang kepada pertumbuhan dan pembangunan gerakan ini. Dasar Koperasi Negara adalah pelan tindakan penting bagi pembangunan koperasi negara. Penyiasatan ke atas faktor yang mempengaruhi keanggotaan dalam esei kedua mendedahkan yang keanggotaan memihak kepada kumpulan umur yang lebih tua berbanding kumpulan muda. Pekerja sektor kerajaan didapati lebih cenderung untuk menjadi anggota koperasi. Tempoh keanggotaan dan kekerapan menghadiri mesyuarat agung tahunan didapati berkaitan secara positif dengan pegangan saham koperasi. Analisis kepuasan dan persepsi terhadap prestasi koperasi menunjukkan pelanggan berpuas hati dengan kualiti dan kebolehpercayaan barangan dan perkhidmatan. Terdapat persepsi positif mengenai manfaat bekerjasama dan peranan koperasi dalam pembangunan ekonomi dan kesejahteraan masyarakat.

Analisis Litupan Data (DEA) ke atas kumpulan sasar koperasi dalam esei ketiga menunjukkan skor kecekapan 0.605 atau tahap ketidakcekapan sebanyak 65.3 peratus dalam menghasilkan output. Terdapat kekurangan dalam operasi dan ketidakcekapan penggunaan sumber. Model regresi Tobit menunjukkan perolehan, ekuiti dan anggota mempengaruhi skor kecekapan koperasi. Perbandingan kecekapan dan tahap produktiviti Bank Rakyat dengan bank konvensional menunjukkan yang bank koperasi adalah di antara bank kelima teratas. Analisis selanjutnya mengambilkira 5 bank Islam lain menempatkan bank koperasi ke tempat keenam teratas. Sumber kepada kemajuan jumlah faktor pengeluaran bank koperasi ialah kemajuan teknologi, manakala perubahan kecekapan teknikal kekal tidak berubah. Analisis regresi Tobit mendedahkan intensiti pinjaman dan aset bank adalah signifikan dalam menentukan skor kecekapan. Faktor persekitaran signifikan dalam mempengaruhi kecekapan teknologikal dan skala. Status bank (koperasi atau Islam) juga signifikan dalam mempengaruhi kecekapan teknikal dan teknikal tulin bank.

Penyelidikan tindakan dalam esei terakhir menggambarkan yang penubuhan koperasi memerlukan penglibatan masyarakat tempatan dalam proses membuat keputusan, program peningkatan keupayaan manusia, pemerkasaan, semangat keusahawanan, kualiti kepimpinan dan komitmen masyarakat setempat. Daripada tiga koperasi di Kepulauan Taman Laut, koperasi Tioman mencapai kemajuan tertinggi manakala koperasi Redang mengalami pencapaian sederhana. Koperasi Tinggi gagal kerana masalah ketiadaan kepimpinan, komitmen dan semangat keusahawanan. Meski pun mempunyai potensi digunakan bagi mencapai strategi kehidupan alternatif dan objektif perpaduan sosial, koperasi berdepan dengan banyak cabaran.

Kajian menyumbang kepada aspek pendekatan ekonomi dalam penilaian prestasi koperasi di Malaysia. Penemuan peratus ketidakcekapan yang tinggi memberikan bukti empirikal yang pencapaian matlamat Pelan Koperasi Kebangsaan Kedua pada tahun 2015 akan terjejas. Keputusan dan cadangan dari penyelidikan ini adalah penting untuk peningkatan pengurusan semasa, dasar-dasar, undang-undang dan peraturan koperasi di Malaysia.

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ABBREVIATIONS

AFO	Area Farmers' Organizationsn
AFB	Affin Bank Berhad
AFBIS	Affin Islamic Bank Berhad
AGM	Annual General Meeting
AHP	Analytic Hierachy Process
AMB	Ambank Berhad
ALLIB	Alliance Bank Berhad
ANGKASA	Angkatan Koperasi Kebangsaan Malaysia Berhad
ATM	Automated teller machine
BOD	Board of Directors
BR	Bank Kerjasama Rakyat Berhad
BSN	Bank Simpanan Nasional
CCM	Co-operative College of Malaysia
CDA	Co-operative Deposit Account
CIC	Cottage Industry Co-operatives
CIMB	Bumiputra-Commerce Bank Berhad
CIMBIS	CIMB Islamic Bank Berhad
CLF	Central Liquidity Fund
COAC	Centre for Orang Asli Concern
CDD/*KEMAS*	Community Development Department
CRS	Constant Return to Scale
DCD	Department of Co-operative Development
DDC	District Development Co-operatives
DEA	Data Envelopment Analysis
DMU	Decision Making Units
DRS	Decreasing Return to Scale
EFFCH	Technical Efficiency Change

EuroCoop	European Community of Consumer Co-operatives
FA	Factor Analysis
FDA	Fisheries Development Authority
FELCRA	Federal Land Consolidation and Rehabilitation Authority
FELDA	Federal Land Development Authority
FSB	Financial Sector Blueprint
FSMP	Financial Sector Master Plan
FOA	Farmers' Organization Authority
FO	Farmers' Organization
GDP	Gross Domestic Product
EONB	EON Bank Berhad
HLB	Hong Leong Bank Berhad
HLBIS	Hong Leong Islamic Bank Berhad
IAC	Internal Audit Committee
ICA	International Co-operative Alliance
IRS	Increasing Return to Scale
JSFO	Johor State Farmers' Organization
KADA	Kemubu Agriculture Developemnt Authority
KEDA	Kedah Regional Development Authority
KESEDAR	South Kelantan Development Authority
KPRP	Koperasi Pembangunan Rakyat Pahang Berhad
MB	Malayan Banking Berhad
MPA	Marine Park Area
MADA	Muda Agricultural Development Authority
MARA	Council of Trust for Indigenous People
MARDI	Malaysian Agricultural Research and Development Institute
MATRADE	Malaysia External Trade Development Corporation
MCSC	Malaysia Co-operative Societies Commission
MMLT	Muamalat Bank Berhad

NAFAS	National Farmers' Organizations
NCP	National Co-operative Policy
NCP2	Second National Co-operative Policy
NEP	New Economic Policy
NDP	National Development Policy
NIE	New Institutional Economics
NVP	National Vision Policy
OPP3	Third Outline Perspective Plan
PECH	Pure Efficiency Change
PPN	State Farmers' Organizations
PPK	Area Farmers' Organizations
PTE	Pure Technical Efficiency
PMD	Prime Minister's Department
PUB	Public Bank Berhad
RTS	Return to Scale
RIDA	Rural and Industrial Development Authority
RISDA	Rubber Industry Smallholders Development Authority
SE	Scale Efficiency
SECH	Scale Efficiency Change
SFS	Syariah Financing System
SIRIM	Standards and Industrial Research Institute of Malaysia
SMP	Second Malaysia Plan
TE	Technical Efficiency
TEFFCH	Technical Efficiency Change
TECHCH	Technology Change
TFP	Total Factor Productivity
TMPJPK	Working Capital Fund-Department of Co-operative Development
UniKL	University Kuala Lumpur

U.S.A.	United States of America
U.K.	United Kingdom
VDC	Village Development Co-operatives
VRS	Variablr Return to Scale
WIC	Workers Investment Co-operatives

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