

UNIONS' FORUM: STRATEGIZING FOR THE STRENGTHENING OF THE COOPERATIVE UNIONS IN THE PHILIPPINES



The recently-concluded Forum on *Strategizing for the Strengthening of the Cooperative Unions in the Philippines* was, in the words of PCC Chair Dr. Gary Leonardo, a follow-up of a forum on *Reinventing the Cooperative Union System*—but this time with shared pertinent data on the state of the unions, which were presented based on 2018 data from CDA.

With regard to some basic cooperative metrics, the PCC Chair noted the disparity between unions and the coop sector as a whole in the following:

	UNIONS	TOTAL CO-OPS
Assets (Php Million)	113	429.680
Gross Revenues (Php Million)	33.6	67,571
Asset Turnover	29.7%	15.7%
Net surplus	0.875	18.6
Net Margin	2.6%	27.6%
Return on Assets	0.8%	4.3%
Estimated Equity (Php Million)	104.3	297,140
Equity Multiplier	1.08	1.45
Return on Equity	0.8%	6.3%

What unions need to improve on, he stressed are the net margin, return on assets and return on equity.

Region-wise, Dr. Leonardo’s presentation showed that only four regions registered a significant presence of unions.

REGION	NUMBER OF UNIONS	% SHARE OF TOTAL UNION ASSETS	% SHARE OF TOTAL UNION GROSS INCOME
CAR	5	3.0%	15.2%
NCR	10	39.6%	27.0%
REGION 4	2	26.3%	16.2%
REGION 11	4	20.9%	25.0 %

The PCC Chair also made reference to the programmatic organization of PCC, which is led by five clusters that are business-driven, together with one advocacy and education cluster that will be spearheaded by unions. He also cited PCC’s strategic goals for unions as that of: Representation; Advocacy; and being the Knowledge and Resource Centre for the sector. In all three areas, unions would, or should play a significant role, especially in lobbying for measures to help strategize how the cooperative sector can be further strengthened.

Different interpretations?

In his presentation, the state of Philippine Registered Coops, Russell Baldomar, Head Secretariat of UMMC, admitted that at CDA’s level, its interpretation of unions is different, wherein he cited that there are regions in which unions are allowed to conduct businesses whereas in others, these are not allowed. He also elaborated on the Hierarchy of the Philippine Cooperative Movement which begins from the bottom with individuals, before progressing to Primary Coops of 20 different types and on to Secondary Coops, which are composed of unions and federations.



Citing the case of the Tertiary Cooperative Unions and defining what a Cooperative Union is, he stressed that registered cooperatives and federations at the appropriate levels can be organized to form a union or can join existing cooperative unions to represent the interest and welfare of all types of cooperatives at the provincial, city and national levels.

As for functions of Cooperative Unions, Mr. Baldomar stressed that among their duties are: to represent their member organizations/ to acquire, analyze and disseminate economic, statistical, and other information relating to its members within its area of operation/ to sponsor studies in the field of economic, legal, financial, social and other phases of cooperation and publish the results thereof/ to promote the knowledge of cooperative principles and practices/ to develop the cooperative movement in their respective jurisdictions/ to advise the appropriate authorities on all questions relating to cooperatives/ to raise funds through membership fees, dues and donations, contributions and subsidies from local and foreign sources whether private or government; and to perform such other non-business functions as may be necessary to attain the foregoing objectives. The presentation also emphasized that ‘cooperative unions may assist national and local governments in the latter’s development activities in their respective jurisdictions.’

Mr. Baldomar also admitted that there are unavoidable clashes between the CDOs and unions, especially where CDOs give trainings for free.

As per CDA data. He added that there are 59 registered cooperative unions, with NCR taking the lead with 57 secondary and two tertiary entities. In terms of CDA compliance, he cited that only 66.1 % are reporting. Region-wise, 68.83 % in Luzon are compliant, with 33.33% in Visayas and an astonishing 100 % in Mindanao.

In a poll survey that followed where respondents were asked, how they feel about the co-op unions' situation, 37 % keyed in that they were happy, with 17% sad.

Going beyond the sorry state

For esteemed coop stalwart Fr. Anton CT Pascual, he admitted how the coop unions are in a sorry state, but he expressed how the movement is hopeful of PCC's very strong support in unifying the sector. He also emphasized his concept of learning, unlearning and re-learning to help unions regain their strength.

In Reinventing The Union System, Fr. Anton stressed the building of a culture of cooperation, where it needs to be capitalized at the Micro (Primary) level to be elevated to Macro (Regional), engineered by the union system, and with the need for greater unity in sticking together. When the whole is greater than the sum of its parts, he emphasized the need for synergy, where elements interact and when combined, produce a total effect greater than the sum of the individual parts. He also called for instilling unity in diversity where understanding differences is also a key to enriching human interaction.

The coop union system, he added, builds the cooperative culture, which is entirely different from the corporate, NGO and government mindset as it is based on the principles of coop pioneers Owen, Raiffeisen and Schultze-Delitzsch, and on the tenet of Self-Help, Self-Responsibility and Self Administration where coops rely among themselves instead of on government assistance or donations. Too, cooperatives strongly adhere to ethical values of Solidarity, Equity, Responsibility, Self-help. Equality, Openness, Honesty, Social Responsibility, Caring for others which are all correlated with the mantra of *'Better Learning Together: Our Cooperative Trust'* to relearn the values like Rochdale's and inspired by the ICA's cooperative principles, especially cooperation among cooperatives and concern for others and the communities.



Fr. Anton wholeheartedly suggested that the movement be strongly supportive of unions, based on the credo that *'if unions are weak, so becomes of the sector; what is needed is strong leadership that will set the pace for the strengthening of unions at all levels.'* In Strategizing for the Cooperative Unions, what is to be promoted is to Create More Value To the Coop Union System wherein comes Leadership that is Credible, Competent and

with Character, by taking a look at the big ones, whose assets are P100 million and above, with a larger number of members and which can even help lead the unions where these big, successful entities have set benchmarks of excellence and professionalism via their proven track records; Effective Programs, which possess magnitude, impact, relevance, urgency and sustainability; an Effective Ecosystem, which is achieved via interdependence, interconnection and by being interrelated, especially among secondary and tertiary, via more dialogues and of instilling workable solutions and processes that are complementary and not competing; and a Mission Focus of never losing sight of why you formed the union which represents cooperatives of all types.

As for the CETF, Fr. Anton emphasized that the legal basis is that the maximum surplus of 10 % shall be distributed, with 50 % remitted to a higher level cooperation—but also to be allocated to the union for it to carry out its programs.

In closing his presentation, Fr. Anton graciously invited all those participants online to join him in chanting the mantra, *'A Strong Union Is A Strong Co-op Sector, And A Strong Co-op Sector Is a Strong Co-op Movement.'*

Constructive feedbacks and other points for clarification

During the open forum that followed, which was facilitated by PCC CEO Edwin Bustillos, all those who voiced out their own insights wholeheartedly agreed that now is the time for the unions to be strengthened. Yet each of them had their own concerns that need to be re-evaluated.

For Ms. Cielo Garrido, CEO of San Dionisio Credit Cooperative, she raised her concerns on the need to fix the structures of the unions; the need for a concrete agreement with all the unions spearheaded by PCC as the apex organization; and for unions to be at the forefront of advocacies and not to focus only on trainings.

Fr. Anton praised Ms. Cielo's constructive feedbacks where he cited how primaries should be members of the secondary and not the tertiary as well as national, but by having instead a special partnership with the big co-ops. He also emphasized the interconnectivity of the union system with the primary and secondary.

Russell Baldomar also lauded Fr. Anton's invaluable efforts, adding that PCC can also take the lead in guiding these unions. But for PFCCO's Cong. Roberto Mascariña, he wanted the movement to follow the rules, but cited the need for more training for unions, especially for CDA to train these unions so there cannot be a clash on the functions of the unions. In the case of Barangka Credit Cooperative, he noted how, in their capacity in Marikina, his co-op forged partnerships with unions which, in turn, were able to help the smaller cooperatives. He also raised concern on being confused about the remittance of CETF, to which he added the importance of the unions being allocated their proper amount from this CETF.

QCUC's Jon Manansala agreed with the recommendation that the unions should lead the CDC, but observed how certain CDCs conducted seminars where attendees are being charged, which is against the law, and of which these CDCs duplicate the responsibilities of unions in the conduct of seminars for the primaries.

Many of those who were present were satisfied, yet those who are sad echoed the reality that nationwide, the number of unions is dismal especially in other regions. Sir Gary added how the union presence is strong only in four regions, with the dilemma being the lack of training providers as well as the lack of initiative to promote the unions.

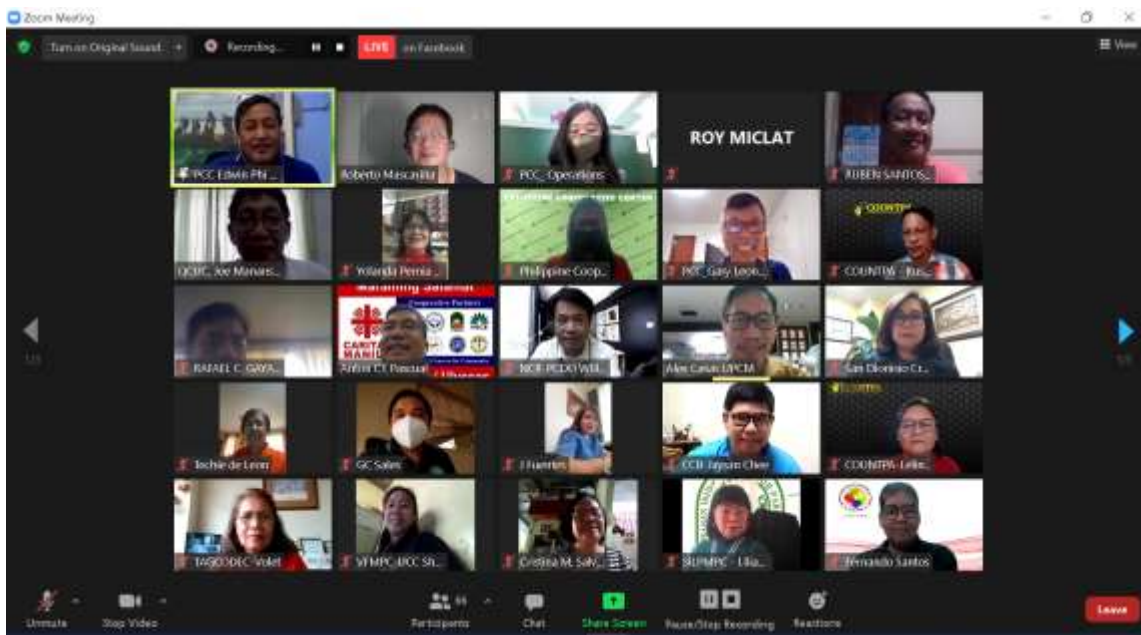
Beng Soriano was also for the group in showing her support to strengthen the unions, but called for the need to pay attention to the micro cooperatives. She was also confused about the remittance issue with the CDA—especially among those entities that do not remit.

PCC CEO Edwin Bustillos, in his *General Objective To Strengthen The Union System*, pointed out that there is indeed hope to strengthen it, with the need to work more. He added that PCC and UMMC are continuing their partnerships to help in consolidating unions, with the need to go on an expanded information blitz whereas outside of the federations, there needs to be emphasis on what the roles of unions will be, as instruments to represent the movement at all levels of governance.

Closely related to this are both PCC’s and UMMC’s efforts to facilitate the consolidation of unions per region, with the need to create a TWG that is aimed at the grassroots level. Outside of the data that were presented, what Sir Edwin was calling for are the points of improvement that can strengthen the unions, especially on a regional level, and to address whatever gaps there are. He also took noted of many being not compliant with CDA requirements.

To ensure that the unions are represented and strengthened at local levels, the PCC CEO is calling for greater engagement with LGUs and other representations where the movement’s advocacies can be put forward, as well as greater dialogue between federations and unions. And to ensure that unions will not be left behind with regard to training, he is calling for PCC and UMMC to have concerted efforts in conducting such trainings. The Generalist Education can be carried out by unions, with the Specialized ones by federations.

In an exchange of insights that followed, Dr. Gary called for the need to identify the champions in the island regions, especially for UMMC to help in letting the big coops push the unions as that incentive to convince the small- and micro- to take part in—to which Fr. Anton added that the key for realizing this are the large coops.



As for the existing data, Cong. Mascariña was requesting if these could be used for TWGs. He suggested that big coops support the smaller unions, especially in regions where unions need greater attention. In terms of classification of unions, Mr. Manansala inquired on how these can be exactly defined, especially on the basis of CETF collection; Fr. Anton added that with regard to size, asset and collection, emphasis is being put on asset as far as DTI and CDA are concerned yet mentioned the need to further evaluate this matter.

Juliet Fuentes of PCU Davao shared a very strong observation that there are difficulties of unions being strengthened due to restrictions imposed by CDA, which hinder their opportunities to grow. She cited the example of their entity where they got grants in putting up a training center for which part of the proceeds were, in turn, acquired from outside rentals. Ms. Fuentes expounded on how their entity was able to be economically viable that they even forewent CETF; she also cited their catering business that provided them with extra income. She noted that despite their training center that is an income grosser, CDA is 'killing' the unions. Cong. Ponciano Payuyo inquired in the case of electric cooperatives, what kind of training shall be offered vis-à-vis their relevance to unions, and if their members are supporting unions—to which Mr. Bustillos replied on the need to define such trainings to be conducted by the primary or tertiary, and of which Mr. Baldomar added that they can be members of the sectoral unions.

In another poll that followed, 93% agreed with the draft, with 97% who gave their thumbs up with participation in other strategic plans.

Admittedly, even if one wishes to attain 100% perfection, this may not be easy to achieve immediately. All it takes are continuing dialogues, engagements, re-evaluation re-analysis of the finer points before these can be carried out with finality smoothly and surely. Of course, let us also admit that beyond the defined and distinct roles that unions and federations have, both sides CAN work together. If we go further and look at common denominators, they do exist between unions and primaries, both being people-oriented that can uplift mindsets and well-beings in their uniquely definitive way. In as much as unions will carry out their quest to promote the movement through their invaluable efforts in advocacy by instilling the coop culture and putting this to practice as the way for more sustainable growth and development, the federations will be the ones that will translate the unions' dreams into workable realities via the coop-owned and operated business entities that they take pride in. Let us also count the potential numbers of union members who themselves are a defined niche market for these federations!