

A model cooperative for social integration: Koperasi Pasar Chow Kit Road Bhd

Walking through the Chow Kit Road maze, one can't miss Koperasi Pasar Chow Kit Road Bhd. Inside this wet market, it is a visually captivating scene. One is confronted by the vibrant and colourful mosaic of the food trade in the wide range of produce and products being sold. It is an experience for all the senses. The diversity of produce ranges from herbs to vegetables and fruits, fresh fish and meat and all the ingredients required for daily cooking or special events that anyone could need. Every inch of space is fully utilised in a multicoloured display of variety. It is the perfect efficiency of space use by any measure.

The functional aesthetics of this trading activity is belied, however, by the dirty and smelly drains that surround it. Somehow, the public and the government are oblivious to this anomaly, overwhelmed by the rich offerings of this unique wet market.

Next is the diversity of the participants: a gamut of vendors, butchers, fishmongers, retailers and migrant workers. Vendors young and old, of different ethnicities — Malay, Chinese and Indian — all ply their offerings side by side in a loud and noisy, but harmonious, babble. No one trader has a bigger lot than the other. There is no mark of territorial lines, but they know the limits of their spaces. Deficiencies in stock are easily replenished with the help of adjacent retailers, to the satisfaction of the buyers. It is a stark and remarkable tableau of equitable co-existence.

No doubt this is a typical scene in Malaysia's wet markets in general. However, the Chow Kit Road wet market stands out because of the cooperative principles that bind the trading community there — business-wise as well as in the social dimension.

What are the additional advantages that the cooperative principles yield to the Koperasi Chow Kit Road's retailers compared with other wet markets that do not operate on a similar basis? Many may be unaware that the advantages go beyond dollars and cents.



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The benefits of such an association are embedded in the principles that govern cooperatives. The first principle is self-help. A cooperative is established to create a community where every member benefits equitably, where members need to help themselves while also helping each other. This practice of mutual help among the traders is clearly apparent, which benefits both their businesses and consumers too. The cooperative is run by the members, for the members.

Cooperatives thrive on democracy. All members have control over the cooperative and no one individual holds more power than the other. Members choose their representatives by voting, where each individual has one vote per election. It upholds equality — where each member of a cooperative should benefit from the same rights, based on their level of contribution. This culture breeds respect for the equal right of every member regardless of skin colour, age or physical infirmities. With this value, the merciless “dog eat dog” business culture is replaced by mutual respect and concern for each member's voice and rights. In short, the cooperative is democratically governed.

Equity creates a harmonious relationship among all members — and they are treated equally without discrimination. Cooperatives form a unified organisation where each organisation supports other cooperatives to form a united network. This formula is behind all successful cooperatives such as Amul Dairy Cooperatives in India, Fonterra Cooperatives in New Zealand and the world's largest cooperative, Mondragon in Spain. Similarly, it is the unifying factor that sustains agricultural producer cooperatives in advanced countries such as the US, Japan and those in the EU.

Besides equitable distribution of profits (in accordance with members' contributions), the cooperative principles nourish the members with esprit de corps that creates a sense of group cohesion in the organisation and solidarity among members. The group cohesion makes it easier for members to work together to achieve common objectives regardless of skin colour. This is the

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“ideal” that Malaysia has been striving to achieve for years with minimal success.

Koperasi Pasar Chow Kit Road Bhd proves that social integration can be achieved even in a highly competitive business environment with diverse players from various socio-economic profiles. They allow cooperative values to permeate their business operations and most importantly exercise these as their personal values in business relationships with competitors. Rather than competing ruthlessly among themselves, they chose to work collectively under the umbrella of a cooperative to ensure equity while ensuring a thriving business for all. The cooperative safeguards that no one is left behind in their business. Without the cooperative, some weak businesses may have to close down, beaten by unfair competitive forces.

The success of this cooperative has far-reaching implications for social integration in Malaysia. This model should be emulated in other sectors, especially small businesses such as small retailers, pasar malam traders, and occupants in low-cost flats and apartments. The cooperative model is highly relevant to flat dwellers to help the occupants share resources for activities such as nurseries for kindergartens, shops and businesses in the flats, and for financing and credit. Cooperatives are widely practised in Singapore, particularly among the high-rise apartments.

However, cooperatives are still not popular among small and medium enterprises (SMEs)

with the exception of credit and consumer cooperatives. Studies carried out by Universiti Putra Malaysia indicate that the failure of some cooperatives was largely due to poor understanding of the cooperative model. In those cases, most members equated the cooperative with an investor-owned company, which provides dividends based on the investment made. Because of this wrong premise, most members were not involved in the cooperative's activities, which resulted in the poor performance of the cooperative. In the US, the acid test for a cooperative lies in three criteria: user-owned, user-controlled and user-benefit. These imply that a member must be involved in the cooperative activities as a user. As a user, he or she owns the cooperative, controls and receives benefits/dividends from the cooperative. Using these tests, some local cooperatives do not qualify, particularly in the basic “user” criteria.

Malaysia is still searching for a strong unifying factor to integrate its diverse population divided by race and religion. Koperasi Pasar Chow Kit Road Bhd indicates that embracing cooperative principles can iron out differences, encourage governance by bigger objectives such as democratic participation, fair competition, equitable distribution of profits and, most of all, mutual caring for one another. The model can be replicated in communities, schools, institutions and businesses to achieve social integration besides promoting the business objectives of the cooperatives. As concluded by José Maria Arizmendiarieta, the father of the famous Mondragon Cooperatives, the purpose of a cooperative is not to enrich individuals but to create a rich society. ■

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