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UNLOCKING THE POTENTIAL:

Addressing CHALLENGES faced by WOMEN'S COOPERATIVES in MALAYSIA

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The success of cooperative businesses heavily relies on how well the government supports them. Recent studies have been all about this, emphasizing how crucial it is for the government to come up with effective policies that actually work. And by effective, it means they must get stuff done even when resources are tight. Government effectiveness basically boils down to how good they are at making and putting into action these policies.



But here's the kicker: sometimes what the government thinks cooperatives need and what they actually need do not quite match up. Studies have shown that training programs and subsidies don't always hit the mark when it comes to boosting cooperative performance. Even in countries like Vietnam and China, where they've tried to give cooperatives a leg up, there's been a disconnect between the support offered and what cooperatives really require.



Take Malaysia, for instance. The government there has been big on empowering women economically, especially through entrepreneurship. They've rolled out policies left and right aimed at getting more women to start and run their own small businesses. The national aim of 30 percent women-owned Small and Medium Enterprises (SMEs) was introduced in 2011. Since then, several women-focused entrepreneurship policies and assistance programs have been implemented regularly such as DANANITA under the Majlis Amanah Rakyat (MARA), TEKUNITA through TEKUN Nasional, MyKasih Kapital, and ASEAN-JAPAN Women Entrepreneurs' Linkage Programme (AJWELP).

But here's the thing: despite all these support programs and training, women entrepreneurs mostly stick to the micro-business scene. They're not really levelling up to bigger and better ventures. And when it comes to cooperatives, women's involvement is pretty low, which isn't doing much for the economy.

And let's talk numbers. The cooperative sector in Malaysia is falling short of its Gross Domestic Product (GDP) contribution goals, big time. A bunch of cooperatives are just sitting there inactive, unable to keep the lights on. Currently, the cooperative sector contributes approximately 3-4% of GDP, notably falling short of the initially planned 10% contribution by 2020. According to the Malaysia Cooperative Societies Commission's (MCSC) Annual Report 2020, 5,303 (35.69%) cooperatives were designated as inactive or dormant. This shows that more than one-third of cooperatives were unable to maintain operations for a variety of reasons. Even though there've been some complaints here and there, most of them seem to get sorted out, but there are still a few lingering issues. In 2020, the Commission received 225 complaints on various issues, compared to 270 in 2019.

Over the course of two years, more than 80% of complaints were handled, nevertheless, 9 complaints required additional assessments under the section 64 of Co-operative Societies Act 1993 (Act 502). While the data presented is primarily concerned with cooperatives in general, it gives a context for evaluating potential issues that may affect women's cooperatives. Even though particular data on women's cooperatives may be unavailable, general patterns in cooperative performance, such as concerns with inactivity, complaints, and the need for assessments, indicate that women's cooperatives may experience comparable challenges.

Now, zooming in on women's cooperatives in Malaysia, they're barely making a dent in the cooperative landscape. Despite being a small fraction of the total number of cooperatives, they're not exactly thriving. The turnover isn't looking too hot, and they're struggling to get noticed on any top lists.

The following data are from the Malaysia Cooperative Societies Commission's 2022 Annual Report and 2023 Co-operatives Figures Interim Report. Women's cooperatives make up a very small part of the overall number of cooperatives registered in Malaysia, accounting for only 1.7% (256) of the total (15,315). Despite the constant number of women's cooperatives, membership decreased from 29,455 to 29,033 between 2022 and mid-year 2023. This suggests that member interest or involvement may be declining. They contributed RM13.53 million, or 0.03 percent, to the cooperatives' overall turnover of RM45.50 billion in 2022. According to the 2023 Interim Cooperatives Statistics Report, the performance trend appears to be stagnant. In June 2023, the turnover was only RM9.99 million (Malaysia Cooperative Societies Commission, 2023).

Furthermore, the lack of women's cooperatives from the Malaysia Cooperative Societies Commission's Top 100 Cooperatives 2023 List is alarming and reflects the difficulties women's cooperatives have in gaining recognition and success in the cooperative sector. The fact that just one women's cooperative, Koperasi Putri Terbilang Malaysia Berhad, made the list in 2021 and 2022, with none in 2023, raises concerns about the degree of support and resources available to women's cooperatives in comparison to their counterparts. Overall, the data reveals that Malaysian women's cooperatives are facing issues in terms of membership retention, financial sustainability, and expansion. Efforts may be required to solve these issues and encourage the establishment and success of women's cooperatives throughout the country.





Part of the problem seems to be the unfriendly legal environment for cooperatives in Malaysia. The rules and regulations make it tough for them to expand or try out new things. Cooperatives aren't seen as their own thing, so they have to jump through hoops to get anything done. The President of ANGKASA, Datuk Seri Dr Abdul Fattah Abdullah, underlined the discrepancy between aspirations and achievements, stating that the current regulatory framework is perceived as unfriendly to cooperatives, making it difficult for them to diversify business branches. Cooperatives, for example, are not recognized as unique corporate organizations, and therefore must establish subsidiary firms, which requires months of approval. This is most likely one of the causes of changes in turnover among Malaysian women's cooperatives, as they were unable to develop their businesses, potentially limiting their ability to earn income, create jobs, and contribute to national economies. These findings highlight the importance of targeted treatments that address the specific demands and stages of cooperative growth.

To strengthen the legal framework for women's cooperatives in Malaysia, it is advisable for the government to engage in collaboration with female cooperative members, experts, and other relevant stakeholders. This collaboration should aim to identify any shortcomings and potential

areas for improvement in the existing cooperative legislation and regulations. In addition, to foster a conducive atmosphere for women's cooperatives, it is crucial to incorporate gender equality concepts into cooperative legislation and regulations. This entails ensuring that women in cooperatives have equitable access to resources, opportunities, and decision-making mechanisms. The government must ensure that cooperative development strategies align with national policies and the Sustainable Development Goals (SDGs) to establish an inclusive and sustainable environment for women's cooperatives. This connection ensures that collaborative development is integrated into broader national and global development objectives, promoting a more inclusive and sustainable economy.

So, what's the solution? Well, in summary, the government needs to step up its game. They need to figure out what cooperatives really need and then make it happen. That means less red tape, more support, and maybe some tax breaks wouldn't hurt either. Plus, they should really chat with people in the cooperative world to get a better handle on the challenges they're facing. Bottom line: if Malaysia wants its cooperative scene to flourish, it is going to take some serious policy reform. It's time to bridge that gap between what's on paper and what's actually happening out there.



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