



Baguio City, Philippines

Volume 4, Issue 3 July - September 2002

The BBCCC COOPSERVER

Cooperative Community News and Features
"PROGRESS THROUGH UNITY AND SERVICE"

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ISSUES IN POSITIONING CREDIT UNIONS IN THE MARKETPLACE

(VIABILITY, EFFICIENCY, PROFESSIONALISM, GOVERNANCE)

*Excerpts of the Paper presented by GM Amado Jesus F. Cendaña
 at the ACCU Forum 2002, September 19 - 21, 2002
 Bangkok, Thailand*

The role played by the credit unions in addressing the world's economic as well as social ills in the past and today cannot be over-emphasized. Ever since the credit cooperative concept was pioneered one and a half centuries ago in Europe by two prominent local German Leaders- one a village mayor Fredrick Wilhelm Raiffeisen of Weyerback and another a lawyer, Herman Schulze from the city Delitzch, the movement spread out across the seas as it reached all corners of the globe. Against the backdrop of a prevailing economic misery then confronting the rural peasants and craftsmen in his village, Mayor Raiffeisen established a "thrift and loan society" designed to provide credit to the local villagers. Based on the principles of self-help, self-responsibility and self-administration, it later became the first rural credit cooperative. Among the urban poor, Herman Schulze founded a mutual loan society known as "**Volksbanken**" (**Peoples Bank**) aimed at providing an avenue for credit for the small and middle class businessman and artisans in the city of Delitzch. From these beginnings, the rest is history. Still focused on addressing this economic concern, to date we have credit unions spread throughout 91 nations serving more than 108 million members and their families. But with the world's population now recorded at more than 6.2 billion with 80% or around 5.0 billion considered as having less including difficulty in accessing financial products and services, credit unions are now faced with the challenge of providing the poor the needed access to a working capital and affordable financial services in order to assure themselves a decent and comfortable life. As credit unions, however, share in the responsi-

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BBCCC GM Jess Cendaña receiving token from Dr. Vorawoot Hirunruk, President, Federation of Savings and Credit Cooperatives of Thailand (FSCT) after delivering his paper at the ACCU Forum 2002 last September 19 - 21, 2002 at Bangkok, Thailand.

"YOUTH: FUTURE OF THE NATION AND OF THE CREDIT UNIONS"

The line sounds very familiar yet very true. This was pointed out so many times in the recently held Workshop on Marketing Across Generation: Youth which was organized by the Association of Asian Confederation of Credit Unions (ACCU) and held in Bangkok, Thailand. The workshop of the Youth which was simultaneously held with the workshops for the CEO's, HRD, and Women was made possible by the two hosts, namely the Federation of Savings and Credit Cooperative of Thailand Ltd. (FSCT) and Credit Union League of Thailand Ltd. (CULT).

The goals of the Workshop were to review the promotion of the credit unions to the Youth, identify the challenges, introduce enhancement of products and services, and improve the marketing strategies to increase the number of the youth using the services of the credit unions.

The question on why is there a need to invest in the Youth was the first challenge to the delegates. The answers were very much in the same line of thinking, namely:

- To promote the value of savings and thrift.
- They are a good source of ideas for a positive change.
- To promote social awareness.
- To promote the sustainability of the credit unions since the youth will serve as a pool of human resource of the credit unions.
- To develop leadership skills and abilities since the youth will be the future leaders.
- To divert the behavior of the youth to more productive and worthwhile activities.
- To minimize if not prevent migration.

After identifying the rationale for investing in young members, the next challenge was to identify activities/concepts/issues could be adopted or even changed to encourage the youth to join the credit unions. Various answers from all the delegates were raised basing it on the need of each credit union and country. Most common were the following

- ♦ Make a distinction of the youth membership and the general membership so that they may learn to make decisions on a small scale.
- ♦ Create a program for the out-of-school youth as social responsibility of the credit union
- ♦ Promote educational scholarships (which the BBCCC is already doing).
- ♦ Creation of a common logo for the youth.
- ♦ Creation of a website by which the activities and programs of the credit union can be easily accessed and viewed.

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Officers and Staff Attend Agricultural Marketing and Agricultural Cooperatives Workshop

BBCCC officers and staff attended the ICAO/NKMFI ICA/ROAP Joint International Workshop on "Agricultural Marketing and Agricultural Cooperatives in Rural Development" held at the Edsa Shangrila Hotel on September 12, 2002. The International Cooperative Alliance Regional Office for Asia and Pacific (ICA-ROAP) is an independent, non-government association which unites, represents, and serves cooperatives worldwide. The National Korp Mart Federation (NKMFI) is a movement that aims to bridge a harmonious and gainful relationship between producers and consumers by working within the principles of cooperative development. At the close of the workshop, a panel presentation, consisting of experiences in the different regions, was given by representatives from Japan, India, Korea, Sweden and Taiwan.

Chair Atong Fernandez, Vice Chair Ampy Rimas, Directors Ruben Corpuz and Emy Fuerte, AIC Chair Lolit Genove and Grocery Head Marie Paz Pascua attended the workshop.

Positioning . . .

(Continued from page 1)

bility of answering this need, it faces other players in the picture which even attempt to ease out the former from performing its role. Taking advantage of the poor's vulnerability in their desire to live and survive we see today financial institutions be they banks, private loan and savings associations, individual money lenders, loan sharks and others venturing to exploit as much good financial business as possible. Because of handsome profits they manage to rake out of their usurious transactions with these less fortunate sector of our society, they aspire to capture this financial opportunity and would even do all possible means to push aside our credit unions from continuing to provide easy and affordable financial services. This threat the CU movement cannot afford to ignore. The competition in the market place has not been more challenging indeed than today. And this brings us to the issue on what credit unions should prepare and do as they confront this chal-

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GM Jess, Chair Atong, Vice Chair Ampy posing with the different coop leaders from Bangladesh, Nepal, Australia, Malaysia and Indonesia at the ACCU Forum 2002.

Continuing Education Graduates Get Petty Cash Loan Incentives

COOPERATIVE Education pays. Literally.

The Board of Directors of the Baguio-Benguet Community Credit Cooperative (BOD-BBCCC) approved a policy that members who graduate from any one of four continuing cooperative education (CCE) seminar workshops will be afforded a P100 additional privilege in their petty cash loan.

The BBCCC through the Education Committee is now offering four CCE seminar workshops based on six Member Education Modules (MEM) designed by Cooperative Education Ilocos Norte (CEIN) namely MEM 01 *Why Cooperative (The Purposes of Cooperatives)*; MEM 02 *Pillars of Our Cooperative (The Seven Cooperative Principles)* MEM 03 *Me in the Cooperative (The Cooperative Organization)* MEM 04 *Why Me? (Functions of the Cooperative Members)*

Two other MEM's which complete the above are MEM 05 *Why Do We Meet? (The Cooperative Members in the General Assembly)* and MEM 06 *Let's Do Business (The Cooperative Net Surplus)*. All six MEMs are part of the CEIN Basic Member Education Program which aims to fill fundamental education needs of cooperative members.

By virtue of a BBCCC-CEIN Memorandum of Understanding (MOU), the cooperative has been allowed the use of these MEMs following the CEIN Training and Licensing of three BBCCC members as MEM facilitators. So far, Ed-Com member Mary Ann Bungag, Rafael Marzan and Jolyna Alcantara have been licensed to conduct CEIN MEMs 01 and 02 after successfully conducting a series of CCE seminar workshops for three learning groups comprised of BBCCC members which served as their on-the-job training (OJT) last May 29-31, 2002.

Last September 14 and 15, Bungag and Alcantara, underwent the OJT licensing test for MEMs 03 and 04. For this OJT session, CEIN Education Specialist Ernie Labrador and CEIN Assistant Education Adviser Jakob Mathias Wichmann accompanied by Danish Intern Kirsten Mortensen came all the way from Laoag City, Ilocos Norte to appraise their performance.

All the four modules will be used for the mandatory CCE of all interested BBCCC members with the aim of developing and keeping them well-informed leading to a better and enriched cooperative. Hence, any member who completes all four training modules will be richer by P400 whenever he avails of a petty cash loan.

Chair Atong Fernandez, Vice Chair Ampy Rimas, Maan Bungag and Jolyna Alcantara pose with Resource Speaker, Timmie Tenedero and participants at the Accounting for Non-Accountants Seminar held at the BBCCC Brillantes Hall.

DO YOU KNOW?

Our young savers at the moment number 1,200 with Fixed Deposit of almost a million (P998,145.04) and Savings Deposit of almost 2 million (P1,997,431.65). Congratulations to them and their parents!

Our membership increased by 350 for the third quarter covering July, August and September. Only the qualified participants of the Seminar on September 1, 2002 have been approved as of press time.

On the other hand, 72 members withdrew their membership, 6 with right of re-entry and 12 without right of re-entry.

Two skills trainings for livelihood empowerment and the support system for microfinance were conducted recently: Fish and Meat Processing, September 14 – 15, 2002 given by Mr. Cip Alvarado, Senior Training Specialist, RO-DOST; Christmas Decor Making given by Mrs. Elba Bautista, September 28, 2002; Accounting for Non-Accountants, Oct. 5, 2002 given by Ms. Marites Tenedero, CPA; Novelty Items' (give-away and gift items) will be conducted on October 28, 2002.

These seminars are given free of charge to all BBCCC members, Non-BBCCC members pay P100.00.

The yearly **Capital Build-up Drive** has been started last October 1, 2002 and will last until December 31, 2002. For every additional One Thousand Pesos (P1,000.00) to your Fixed Deposit, you get a free raffle ticket which gives you a chance to win beautiful prizes. The raffle draw for the lucky winners is scheduled on January 4, 2002.



EDITORIAL

TAKING SIDES:

SOME ISSUES AND CONCERNS IN THE COOP MOVEMENT

BBCCC Chair, Atty. Renato C. Fernandez

[Like waves a-pounding, the swirling mass of innovations causes an awakening stir, if not unsettling shakes and upheavals among *all* cooperatives. At least, as is, the Coop Movement is moving, and if pulled or pushed hard enough, fast enough, to respond with the *right* course of action. Issues and concerns from all sides are confounding, indeed, but we at BBCCC, despite claims to the contrary, have to take sides somehow, sooner or later, deliberately. Mind you, both complacency and modesty aside, each side seduces a-tempting, "Take me, I'm *right*, I'm *good*!" We have to be clear.]

Here are a few hot issues and concerns a-churning, challenging the cooperatives today:

Itself an issue: *Who decide for the Movement?* Government, the Coop Sector, the Globally Oriented, Local Practitioners, Visionaries, Legislators, Managers, Volunteers, Technocrats, Humanists, Etc., Etc.? Further, who decides what's right and good for BBCCC and its members? To what extent are we bound by decisions made by others elsewhere?

From **Andrew So**, past president of the Asian Confederation of Credit Unions (ACCU) posed during the ACCU Forum 2002:

Should ethics be part subject of a federation's training and educational programme?

Should social auditing be promoted and practiced?

Should ethical funds be promoted and marketed?

Should federations have a programme to help credit unions phase out volunteerism?

From **Robby Tulus**, former director of the International Cooperative Alliance – Region of Asia-Pacific (ICA-ROAP):

"The Federation must [therefore] shift the old paradigm "Not for profit, not for charity but for SERVICE" that is no longer relevant to running a competitive credit union enterprise in the 21st century, into a new one that emphasizes "Service Excellence". Service excellence grows out of

good business practice as well as good members' relations, hence profit (surplus) is not a bad thing after all." (Agree, or not agree? Take a side.)

From former Coop NATCCO party list congressman **Cris Paez**, summarizing ACCU HRD workshop results:

There has to be shift from voluntarism to professionalism in cooperatives.

We should learn from corporate promotion and marketing strategies.

Should we shift from personalistic, familistic values to impersonal, contractual and businesslike orientations in our cooperatives?

From the 2002 **Benguet Electric Cooperative (BENECO) General Assembly**, passed as a resolution:

Moved, for BENECO to convert itself into a CDA-registered "stock cooperative", for management to conduct information drive and educational campaign on the matter among members, and to hold referendum for said conversion.

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The members of the BBCCC Coopserver Editorial Board while they're busy preparing the third quarter issue of the newsletter. From left, Director Oca Adversalo, Vice Chair Ampy Rimas and Bong Tadeo.



**AMPY RIMAS
OCA ADVERSALO
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THE BBCCC COOPSERVER IS A QUARTERLY NEWSLETTER OF THE BAGUIO-BENGUET COMMUNITY CREDIT COOPERATIVE WITH OFFICES AT NO. 56 COOPERATIVES STREET, CORNER ASSUMPTION ROAD, BAGUIO CITY.

Women Entrepreneurship Development in Credit Union "Capacity Building and Empowerment"

Vice Chair Amparo T. Rimas
Participant at the Women Workshop
September 16-18, 2002
ACCU, Bangkok Thailand

The workshop, underscored the need for women empowerment in credit unions. It defined women empowerment as women having an access to the needed financial services, participating in decision making that leads to improved economic standards.

Noting that most of the users of the credit union are women and that experience show most women take consumer loans, it was admitted that credit unions have not institutionalized support services to starting woman entrepreneur to thrive women are still poor. Women tend to be vulnerable if they do not have income and monthly depending upon their husband's support. It is also limiting their participation in the credit union activities. In response to this situation, the ACCU, during the past 15 years, provided services to member countries on gender training and policy development to create a conducive environment. It has introduced a specially focused microfinance (savings and credit with education) program to its members since 1999. About 80% of the have less outreach are woman, which is indicative that women need more access to credit and savings. It is also a process to act that poor women need to have self-employment by engaging into a viable microenterprise.

In 2001 ACCU launched a new project on women empowerment through microfinance. It aimed to institutionalize a microfinance product especially designed for poor women. This product is not only providing the savings and credit facilities but also incorporating support service for microfinance development. Thus the project activities include training on business skills development, planning and management. In this way, it facilitates the establishment of a Business Development Center that would provide and coordinate skills training, market information, linkage with the market and production which business knowledge, vital to the growth breed sustainability of microenterprise, women lack. The project targets 4,000 – 6,000 women members in 45 – 60 credit unions accessing financial services and support services to enhance their entrepreneurial skill. On ground now in Sri Lanka, Thailand and Indonesia and Nepal, it will serve as model for credit unions – the Philippines, Malaysia and Bangladesh.

The ACCU envisions that the workshop on Women Entrepreneurship Development is once more an opportunity mode available to its members for mutual transfer know-how and capacities, policy directions, encourage innovations, and provide inputs in response to challenges in the region.

The objectives of the workshop were:

1. to review
2. to review policy environment for women leadership participation in credit unions
3. to review and develop women entrepreneurship skills program, to institutionalize the Business Develop-

ment Center as a support service to women Entrepreneurs

4. the achievement on women empowerment in CU's in the last 2 decades
5. to develop entrepreneurship network in the national and regional levels.

The topics discussed were highly informative and challenging. Miss Intalip Patrawart of the Faculty of Economics and Cooperatives, discussed CU's Achievement in Empowering Women. Ms. Nicola Bullard talked on the Impact of Globalization to Microenterprise Development for Women in Developing Countries"; Ms. Thelma Kay, of the Gender and Development Section, UN ESCAP, dwelt in "Microenterprise for the Empowerment of Women" after the paper presentation, a case study on business management, marketing and trading in Modern Economy, featuring the Thai Craft Association was made. Another case study was made on the Best Practices of Microfinance for the ACCU.

The workshop concluded with a discussion on how to institutionalize the services of the Business Development Center. Finally the recommendation to the CEO's of ACCU of "The Way Toward Women Empowerment through Microfinance was crafted and presented at the plenary session.

The workshop was participated in by 18 women cooperative leaders and entrepreneurs representing 8 countries. The workshop was highly interactive and maximized the participatory approach.



BBCCC Vice Chair, Ampy Rimas (seated second from left) with women cooperative leaders at the Women's Workshop, ACCU, Bangkok, Thailand, September 16 – 18, 2002.

Positioning . . .

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lenge. To surrender the market place to our competitors is to abandon our noble mission of alleviating the miseries of our less fortunate brethren. What then are those key concerns we should focus on, to assure ourselves that we would still be there in the years ahead of us.

Given the present global economic and social environment today, the basic and primary issue which credit unions should address is SURVIVAL AND SUSTAINABILITY. The old rule of the jungle "survival of the fittest (strongest)" still holds true today. Our financial competitors are aggressively grabbing all opportunities in the financial arena and if we do not act accordingly we will find our people turning their back on us. It becomes imperative then for us coop leaders to plan out our strategies and tactics so we won't lose out in the financial marketplace. The keystone to survival is strength. The extent of one's survival lies on how strong one can be.

With the advent of globalization of the market economy in this era we now observe the increasing concentration of economic power in large corporations and multi-national companies. Big financial institutions and banks pool their resources together through mergers or consolidations if only to gain more strength and power in facing the economic challenges around the world.

Along with the idea of suggesting merger among small and relatively weak cooperatives is the need to build strong and

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Youth: Future of the . . .

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- ◆ Organize summer camps or vacation activities that will make the youth not idle during those times.

The most difficult task was actually to answer the question on how to overcome the commercial amalgamation against the values of savings and thrift. With this question, the delegates were at standstill, seeming to wait for a miracle on how it is possible know to lure the youth away from all the things that make them happy now, like internet cafes, on-line computer games, cellphones, and the like. Nonetheless, ideas were still generated, it ventured on making the products and services eye-catching and fitting the needs of the youth in each particular region or place. Keeping communication links open with other CU's will at least update one another on what's new and what's hot, and what's not.

All in all, the workshop managed to fulfill its goals. Each Delegate came out with plenty of ideas and action plans ready to be presented to their own primaries or leagues or federations. With newfound friends from all over Asia, they agreed to be in constant communication, to share updates and information regarding their respective youth segments and to continue the friendship which the event initialized. (Michelle S. Cariño – BBCCC Delegate to the Youth Workshop)

CULROC Friendship / Exposure Program 2002

A Great Learning Experience

GM Jess Cendaña

(Reprinted from ACCU News, Vol. 32, No. 5,
September – October, 2002)

The credit Union League of the Republic of China Friendship/ Exposure Program 2002 has once again proved to be a successful activity held last August 14 – 20 in Taiwan. The CULROC's Program in coordination with ACCU invited 7 Asian Credit Union leaders: From CULT: Mr. Pranom Sueb-am, President, Mr. Chatpracha Jirawaree, 1st Vice President; from FSCT: Mr. Nontawach Smathi, Chief Planning & System Development Dept., from CULHK: Mr. Andrew Ho Chi-Hung, Director, from NATCCO: Mrs. Aurora Maghari Labrador; from PFCCO: Fr. Mar DJ Arenas, Chairman and Mr. Jess Cendaña Credit Union Manager.

The Asian Credit Union Management Forum was one the highlights of the program. The Forum gave the participants and senior staffs of CULROC the chance to share their insights and experiences on credit union operations particularly on areas related to membership growth and development, education and training programs as well as on business and services extended to members. Some concerns facing the credit union movement were as well tackled especially on the issues of aging leadership in most credit unions, governance and government - credit unions relations. A healthy discussion of strategies addressing such issues provided everyone the occasion to learn from each other.

A presentation of the Credit Union Research Center (CURC) Program aimed at improving and strengthening the credit union in Taiwan was one of the highlights. Based at the Feng Chia University under the Department of Cooperative Economics, CURC in cooperation with CULROC started in 2000 and has been in the task of doing research and imperial studies on credit union operations in Taiwan, offering training and consultancy services, and establishment a data bank which may provide information resources related to the movement.

The credit union exposure component of the one week CULROC program brought the participants to an urban and rural primary credit unions Tai – Chung and Nan – Tou countries. The His-Tun Credit Union, a parish-based credit union in the city of Tai-Chung had the time to present their program of operation to the visiting delegates. A visit to a small but very successful aboriginal credit unions in the mountain village of Li-Hsing in Nan-Tou country further provided the participants the opportunity to observe the impact of such credit union on the lives of the villages in the place. The President of CULROC, Legislator, Walis Pelin was also around to welcome the group.

All in all, the Friendship/Exposure Program was well-balanced having incorporated under both the educational and the pleasure components. A day was scheduled to provide Asian participants with a visit to the National Museum of Natural Science and relaxation at the Chung-Min City Sports Club. Fellowship dinners gave occasion for closer bonding among participants. Of course, the delegates enjoyed the splendid taste of Chinese cuisine. The program

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Taking sides . . .

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Notwithstanding the fact that BENECO has ceased to be debtor to NEA due to the assumption by PSALM of its loans to NEA, shall BENECO still be required to comply at all times (E.O. No. 119) with all NEA policies governing the electric coop's relationship with NEA?

If BENECO becomes a "stock cooperative", how can we be certain that the owners will not become excessively profit-rather than service-oriented? What about rural electrification in the remaining "unprofitable" barangays and sitios needing missionary or service extension?

From the Office of the Presidential Adviser on Cooperatives, as submitted for discussions among coop leaders at the Philippine Cooperative Center:

Should all credit unions shift from the "fixed deposit" system of savings pooling to that of "share capital"? (From associational to corporate structure)

Should the proposed Cooperative Central Finance System for deposit insurance, liquidity pooling and management, coop central banking, fund assistance conduit-ship, performance standardization, etc. be implemented through facilities of the government-owned Land Bank of the Philippines? Will this not compete with expressed roles of Bangko Kooperatiba ng Pilipinas (formerly Metro South Coop Bank), Philippine Federation of Credit Cooperatives, and NATCCO Central Finance Facilities?

Must the Standard Chart of Accounts be recommended, or enforced, for adoption by credit cooperatives? Same with the forthcoming Performance Standards? (Attn: CDA).

From the ICA Model Coop Housing, especially Sweden Form (highest form?), the scheme newly adopted by PFCCO, NATCCO, SLU-SVP, and the proposed NORPHIL Development & Housing Cooperative:

In order to be economically strong the housing cooperative – not the members – should be the owner of all property including land and buildings.

To be part-owner means that the member owns a part of the whole cooperative and has the right to use the house for ever, as if she/he owned it.

Because the housing operations of cooperatives in the Philippines are organized not really as housing cooperatives of the highest form, there might be some difficulties next time when another group of people wants to be assisted by a cooperative with a housing project.

From some members, BBCCC, as overheard:

Awanen koma ti (remove the rule on) co-makers.

Remove existing loan ceilings for as long as member has capacity to pay and with sufficient collaterals.

These, my fellow cooperators and friends of the Coop Movement are only a few of so many disturbing issues and concerns coops and their leaders and members face today. Join us in the exercise. These

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From the Manager's Desk

AMADO JESUS F. CENDAÑA

Our last quarter of the year has been traditionally marked as our Capital Build Up period. For the past two years, our membership has positively supported our Capital Build Up (CBU) Drive. The good response to this program exhibited by our membership only reveals their continuous desire to pursue the growth of their own respective fixed deposits. As of end of August, 2002, our members' equity has grown to more than P291 million (P291, 376, 732. 00). Let us challenge ourselves this time to hit the P300 million mark by the end of this year. Can we generate the P9 million difference to attain our end-year target? Definitely yes if we give our Drive the same support we have been giving it in the past. Therefor we ask you to participate again in this program and let us make it successful once more.

The month of October is a very significant month for BBCCC. For one thing it was in October (to be exact October 11, 1958) when our credit union was born. Forty-four years ago fifteen (15) school teachers headed by Atty. Alexander Brillantes (BBCCC Founder) decided to associate themselves together and formed a credit union. Two months later on December 23, 1958 it was registered as the Baguio Teachers Credit Union, Inc. that credit union is now our BAGUIO-BENGUET COMMUNITY CREDIT COOPERATIVE with more than 13, 500 strong members. Those fifteen members started pooling their money together amounting to around P300.00 to start their operations. What they began mobilized others to follow and the rest is history. Today we have more than P291 M (as of August) representing our members' fixed deposits. That little cooperative "seed" which our teacher-pioneers planted four decades ago has grown into a big healthy "tree" bearing all those "fruits" our present membership is presently enjoying. Let us continue caring for it as we call and invite still others in the community to join us so they may share as well in the benefits that can be derived from such a movement.

Also October is still a special month for us because Cooperative Month falls within it (October 16 – November 15). The month provides us the opportunity to ponder on the many benefits and gifts the cooperative movement extends to us. But as we appreciate such merits, we are as well called upon to spread the coop concept around. If cooperativism is good, let that goodness be known to others. If your credit union is good, invite the people around you to share with that goodness.

On SUNDAY, November 10, 2002, we will be having our yearly FAMILY DAY Celebration at the former SLU Boys High School Gym. We invite everyone from the oldest grandfather and grandmother to the youngest baby in the family to come and fun. Lots of prizes again await us as our families enjoy those games lined for everyone.

Join us in the family fun of contests and games, which can be participated in by every member of the family. Lots of prizes await all winners and goodies_ a _plenty for all who attend.

PLENARY POLICIES OF THE COOPERATIVE

Atty. Bernard D. Padang

Member: BOD, and Legal Committee, and Education Commi.

The Baguio-Benguet Community Credit Cooperative is a juridical entity with rights, powers, and responsibilities by law to protect and ingratiate itself, to advance in accordance with its vision-mission, and to accomplish its set goals or specific objectives. And by provisions of the existing cooperative law (R.A. No. 6938) and the vastness of the Cooperative's experiences, it always acts not only for a meaningful existence but also for its undeterred material development.

So long as it is not contrary to law, morals, good custom, public policy, and public order, the Cooperative is without restraint to pursue whatever it decides or even destroys accordingly but always for the better.

The Articles of Cooperation and By-laws of the Cooperative are designed precisely for the Cooperative's self-realization in full and to maximize advantages or opportunities as well as forestall abuses of any sort. That is why these governing Articles and By-laws may be amended or revised outrightly at will by the members as the need sometimes easily arises.

Like the mass based principle of the Philippine Constitution, sovereignty in the Cooperative resides in the general membership. The Cooperative hopes to see, as it always encourages, greater participations of its members during the perennial general assembly.

The officers of the Cooperative from the BOD down to the various committees are only the agents of, and are subordinated to, the Coop members. Thus, these officers are bound to make decisions and apply policies to protect, to relate primarily with, and in service to, their principals who are no other than the majority at least of the Coop's members.

The need to cultivate trust and emasculate mutual aid among the officers, employees, and members of the Cooperative naturally remain within reach. But where there is an omission or a violation has been committed and one is faulted for sure after due process, the Cooperative will not hesitate to let the axe fall hard where it should with a thud.

Good deeds, works, and accomplishments especially the extraordinary ones are definitely worth the stars. The Cooperative will always be keen to recognize or provide incentives in some ways for those deserving. Yes, we reap the fruits of out labor and may the deserving tribe in our midst multiply a hundredfold!

Cooperativism is an art of doing both business and service and establishing a community unified even in diversity. And since it stands likewise as an economic endeavor, the Cooperative must earn first to give better returns of investment and services. But the utmost cooperation of all the Coop members is truly indispensable.

For the greater glory of God, of cooperativism, and of society as a whole, our Cooperative is down-to-earth enough as it competes in this corporate world if not to outdo legitimately and outlive the rest. It is not a matter of come what may but what will surely be for the Cooperative. Let it be!

SEMINAR-WORKSHOP ON STANDARD AUDITING SYSTEM FOR COOPERATIVES

BBCCC Director, Emerita C. Fuerte, Chairperson of CARCU; Treasurer, Marcial Esquejo, as President of the PICPA Baguio-Benguet Chapter and member Mrs. Josephine Acop, Coordinator of the Accountancy Dept. of Saint Louis University, joined hands to organize a seminar-workshop to update coop managers, accountants, internal and external auditors of the whole region to the new Standard Auditing System for Cooperatives (SASC). This was held at the AVR, SLU Library last September 6 & 7, 2002. There were 63 participants from the coop sector, CPAs and the academe.

Ms. Lolita Genove, AIC Chair & CARCU Treasurer, Ms. Nida Flavier, AIC member and Ms. Jane Suyatan attended the seminar-workshop. Facilitators for the workshop included former CDA Director Iraidia Banaira, Mrs. Fe Caingles, also of CDA, and SLU accountancy faculty Profs. Josephine Ocampo and Chit Arzaga.

The workshop is one of the first to be conducted to respond to the CDA circular requiring the creation of a Recognition Board of Certified Public Accountants (CPAs) whom can audit cooperatives. Beginning 2003, not just any CPA can audit cooperatives. A certificate of participation to a similar workshop is necessary for recognition by the CDA and PICPA.

BBCCC Officers Mars Esquejo, Lolit Genove, Emy Fuerte with members Ruby Balangue, Mila Cardona, Dean Noel de Leon, Chit Arzaga pose with CHED official and Chair, Board of Accountancy at the Audit Seminar



TESTIMONIAL – ORIENTATION FOR BBCCC SCHOLARS HELD

Forty-nine (49) BBCCC scholars and parents/guardians met with the Board of Directors, Management, and the Scholarship Committee component of the Education Committee of BBCCC on Saturday, August 3, 2002, at the BBCCC Hall for testimonial-orientation.

The morning program started with an invocation by Ms. Ofelia Padlan, the Guidance Counselor of the Baguio City National High School (BCNHS) and a member of the Scholarship Committee. The singing of the Pambansang Awit was led by Ms. Melba Timbreza, the BBCCC staff in-charge of the scholars. Dir. Amparo Rimas, BBCCC Vice-Chair/Vice-President and Education Committee Chairperson, welcomed the participants, guests and the BBCCC family present. In her opening remarks, she congratulated the new scholars as well as their parents. She inspired the scholars to excel not only in their academics but also in their behavior not only in school, at home, and in the community. She appealed to the parents to guide and help their children by providing the good example to them.

The orientation/information regarding the BBCCC Scholarship Program followed and was given by Dr. Mario Valdez, the Scholarship Committee Component Head. In his inspirational message, Atty. Renato Fernandez, BBCCC Chair/President started by recalling his boyhood studies and how his sacrifices paid off when he graduated in college and is now a lawyer and a cooperative leader. In his message, he advised the scholars to have a strong determination, unfading interest and patience in order to achieve an education which is a vital asset to any person, he be a businessman, lawyer, housewife, etc. Dir. Gregorio Andal also shared his thoughts to the group. He advised the young scholars to try their best always so that they will be successful in all they do. One of the 4th scholars Rachelle Ann Cogua, who was elected as the BBCCC Scholars' President for school-year 2002-2003 later in the morning during the organizational meeting, gave a testimony or witnessing on how BBCCC had helped her so far with the scholarship program. A representative from the parents thanked BBCCC for helping the parents in guiding the scholars to have a well-rounded personality, and not just financing their schooling.

An open program and merienda preceded the organizational meeting of the scholars (The list of officers elected was published in the previous issue-Volume 4, Issue 2 of the COOPSERVER).

In her closing remarks, Mrs. Nancy Gazmen, Values and Guidance Education Supervisor of DEP-ED, Division Office of Baguio City and member of the BBCCC Scholarship Committee, extolled the scholars for their efforts academically, but advised them to also take into consideration including in themselves values which will strengthen their character as a person. Towards the culmination of the program, the BBCCC Manager, Mr. Amado Jesus Cendaña introduced a distinguished visitor in the person of Mr. Ranjith Hettiarachchi, CEO, of the Asian Confederation of Credit Cooperatives (ACCU).

Positioning . . .

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cohesive leagues or federations. Countries like Korea (NACUFOK), Taiwan (CULROC) THAILAND (CULT) and others have proven that with a formidable umbrella organization of credit unions in a country, much can be expected in terms of assuring the viability and sustainability of the cooperative movement. With extensive network machinery the relatively small credit cooperatives may receive the necessary support (material as well as technical) that would allow them to still participate in the market competition and overcome the pressures coming from the other key players in the financial landscape. With national leagues and federations constantly monitoring and doing surveillance over their operations in the field, credit unions can continuously assure the poor people in their respective communities affordable financial products and services. Credit unions number is big in many Asian countries but if they remain fragmented and not united, they'll soon find themselves marginalized if not lost in the marketplace.

Another issue which may enhance our sustainability is on membership growth, suffice it to say that there is power and

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First Aid and Basic Life Support Seminar

The Philippine National Red Cross (PNRC), Baguio Chapter Conducted a seminar on First Aid and Basic Life Support, including Disaster Preparedness among teachers and high school students of the different public schools in the city last July 20, 2002 the auspices of the Baguio Benguet Community Credit Cooperative.

There were sixty (60) participants for the Seminar. The topics discussed included: General First Aid, Cardiopulmonary Resuscitation, Airway Obstruction Management (choking), Wounds, Poisoning, Bandaging, and Emergency Rescue and Transfer. Also discussed were precautionary measures to prevent accidents at home and in school. The participants had hands-on on the different bandaging techniques and on transporting injured persons. Demonstrated were techniques on the AR/CPR.

Mr. Ryan C. Aromin, CSR-SS/RCY and Scarlett A. Velosos, SS Instructor headed the team that conducted the seminar. They were assisted by RCY Volunteers Christopher Panapan, Allan Sagibal.

The student participants are in saying: "We did not only learn about first aid, disaster preparedness, and basic life support but we gained friends as well and we developed our self-confidence because we were made to talk, to explain and to demonstrate techniques in order for us to earn our certificates." Their teachers could not argue less.

BBCCC GM Jess Cendaña and Vice Chairman Ampy Rimas handed the certificates to the participants as they thanked the Red Cross Youth for a job well done.

BBCCC OFFICERS ATTEND ASIAN CREDIT UNION FORUM 2002

Eleven officers of BBCCC attended the 12th Annual Asian Credit Union Forum in Bangkok, Thailand on September 19-21, 2002. They were Chairman Atong Fernandez, General Manager Jess Cendaña, Vice Chair Ampy Rimas, Board of Directors Oca Adversalo and Greg Andal, Legal Committee Chair Nelson Gayo, Audit and Inventory Committee Chair Lolit Genove, Credit Committee Members Bhel Ronquillo and Auring Ambanloc, Secretary to the Board Marlyn Wankey, and Youth Comm. Member Mich Cariño.

Hosted by the Federation of Savings and Credit Cooperatives of Thailand Ltd. (FSCT) and the Credit Union League of Thailand Ltd. (CULT), and organized by the Association of Asian Confederation of Credit Unions (ACCU), this year's forum had for its theme "Positioning Credit Unions in the Changing Landscape".

The opening program was attended by no less than His Excellency Pitak Intrawittayanant, Deputy Prime Minister of Thailand and Honorable Prapat Panyachatraksa, Deputy Minister, Ministry of Agriculture and Cooperatives of Thailand. Mr. Jim Woo Park, ACCU President, gave the welcome address.

The forum was concerned with the need for Asian Credit Unions to respond to the challenges brought about by changes in the market environment. The general topics discussed during the sessions were: "Positioning Credit Unions in the Marketplace" and "Marketing Strategies for Competitive Positioning of Credit Unions" in fact our very own Jess Cendaña, BBCCC General Manager, presented as one of the resource speakers, a paper entitled "Issues in Positioning Credit Unions in the marketplace (Viability, Efficiency, Professionalism, Governance)". He said that although credit unions are facing a lot of challenges today from competitors, "our unique advantage of being an association of individuals working together and helping one another imbued with the values of love, respect, self discipline and cooperation gives us the strength to outdo the other keyplayers in the market place and ultimately win the game."

On September 19, 2002, the day before the formal opening of the forum, the delegates representing 19 countries were afforded the chance to visit different credit unions in Thailand in the morning. In the Afternoon, they had sight seeing along the countryside, and in the evening, a night shopping at the Suan-Lum Night Bazaar.

Indeed, attending the forum was a great opportunity for exposure to the world of credit union!

Director Greg Andal shares what he has learned

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FUERTE JOINS CUP AND PFWC IN STUDY MISSION ABROAD

Last September 16 to 21, 2002, Director Emy C. Fuerte in her capacity as Vice President of the Cooperative Union of the Philippines joined the Phil. Federation of Women in Cooperatives to a one week study mission to visit cooperatives in Malaysia and Singapore. The group of 27 coop leaders from different parts of the country had the chance to interact and learn with the leaders of five coops in Malaysia and six coops in Singapore. The delegation even stayed at the Cooperative College of Malaysia, a college which offers short term courses in cooperative management, including Bachelor degree on cooperatives as well as a doctorate degree via distance learning. Also visited were the cooperatives' Apex organization the ANGKASA and the Cooperative Union of Malaysia; the National Land Finance Cooperative Society which is engaged in providing land for agriculture and housing for its members; and a cooperative for the physically impaired which provides complete rehabilitation facilities to children, its members and general public.

In Singapore, they were awed by the vastness of the operation of only 74 primary cooperatives with 1.3 million members under one umbrella organization, the Singapore National Cooperative Federation Ltd. (SNCF). The SNCF has four major divisions, namely: Labor under the National Trade union Cooperative with 10 coops; Credit with 35 coops; Services with 14 coops and School/Campus coops with 15. The group visited one coop under each class, namely the Development of Economy for Women, a credit cooperative of women, the Fair Price chain of supermarkets, a coop drug store under labor, a Child Care Center under Services and an Industrial Cooperative Society (ISCOS), a cooperative of released prisoners that produces bags, shoes, and lot of other services.

The success of these cooperatives can be attributed to their single vision of purpose which all agree at the beginning of the year. An example is adopting a slogan like "Coop a Place for the People" or "Cooperatives: A Better Life". Another factor is the strong support they receive from their government. Coops are not exempted from paying taxes, but the taxes collected from them are ploughed back to the coops in the form of assistance. Continuous education and training is a must specially to their coop leaders in order to meet emerging and relevant members and non-members needs because the non-members can avail of their services; and the synergy in the coop movement within their country as well as internationally.

VALUES IN ACTION FOR ASIAN CREDIT UNIONS

(Marilyn B. Wangkey – BBCCC Secretary)

No amount of money can ever pay the knowledge I got, the wonderful experience I had and the hospitality shown in the ACCU Forum. The theme was "Positioning Credit Unions in the Changing Landscape" participated by delegates from 19 different countries, held on September 19-21, 2002 in Bangkok, Thailand, also known as the "Land of Smiles"

I've learned that in this rapidly changing world, credit unions today face a lot of challenges and have to manage a lot of changes. Product development for credit cooperatives in the form of innovation, diversification and change management was highly emphasized. A product that would really meet the real needs of members and customers. Credit unions need to ensure that their products are carefully developed to meet the needs at world class standards and at the same time support the survival, sustainability, and identity of credit unions most especially now that we are in the era of Information Technology.

*A credit union is born out of human need,
Grows as it serves people.
Endures as long as it is useful and wanted.
To some, a credit union is just a good business,
To others it is more,
An institution through which relation between its
members – savers and borrowers
Are placed upon a humane basis –
SERVICE, NOT PROFIT,
It is a business with a special purpose a business
with a heart.*

These are the words that truly opened my eyes on what a credit union is. Fredric William Swierczek one of the resource speaker asked if at what point does a credit union move away from a position where it benefits from a foundation of people sharing a common bond? When does it just become like one of all other financial service provider competing for market share, paying only lip service to the concept of "membership?" He said that a credit union must be supported by a tight and a proven bond. Trust between members should be felt. Its service focus must be on helping members get the most from their credit union. Service is definitely the key to retaining members. There should be a high member satisfaction.

According to Mr. Andrew So, 1st president of ACCU, the overall aim is to build a credit union that is relevant, unique and nimble with the following values: caring for people, moral integrity, trust between members, cooperation, financial prudence and social responsibility. Given the nature of a credit union as both depository for savings and a place of borrowing, it is a social insti-

BBCCC and SLU-SVP Organize NORPHIL SDHC

The Baguio-Benguet Community Credit Cooperative (BBCCC) and Saint Louis University Saint Vincent Parish (SLU-SVP) have organized the Northern Philippines Savings Development Housing Cooperative (NORPHIL-SDHC). This new housing cooperative will use the International Cooperative Alliance (ICA) Model in which there is common ownership of the housing units and the members are proprietary owners. The MOA for the joint venture was signed by Atty. Ruben Corpuz, President of the SLU-SVP HC and Atty. Renato Fernandez, President BBCCC.

The interim Board of Directors of NORPHIL-SDHC was elected at a meeting held on September 16, 2002. It is composed of the following:

| | |
|--|--------------------------------|
| Atty. R. Corpuz and Atty. R. Fernandez | - Co-Chairpersons |
| Dr. Ampy T. Rimas and Dr. Mario Valdez | - Co-Chairpersons to Education |
| Ms. Maria Minglana | - General Manager |
| Dr. Lydia Corpuz | - Chair, Membership Committee |
| Eng. Alfonso Felix | - Member |
| Mr. Felimon Rimorin | - Member |
| Mr. Greg Andal | - Member |
| Mr. Oscar Adversalo | - Member |
| Mr. Saturnino Baltazar | - Secretary |

Pre-membership education seminars (PMES) have been conducted on August 16 and 23. Topics discussed were: ICA Concept, ICA Savings Que, Membership Requirements, and Criteria for Awards.

tution. And like most institutions, it rocks on a surging sea of change, that the rate and degree of social, economical and political changes are greatest today with the explosion of knowledge and technology. The call for basic human values such as honesty, integrity, love and peace has once again been echoing as people are increasingly concerned about and affected by growing social problem, dishonesty and lack of respect for each other in the world around them. He explained further that human values are going to play a greater role in the determination of the policies of institutions. The credit union movement must surely be aware of this. For even if credit union organizations choose to ignore the changing landscape, the change will not ignore them.

BBCCC Officers Attend . . .

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from the forum:

"We were 11 officers from BBCCC that participated in the ASIAN Credit Union Forum on 'Positioning Credit Unions in the Changing Landscape' at Chaophya Park Hotel, Bangkok, Thailand. September 19, 2002 the delegates were grouped according to I.D. colors. G.M. Jess Cendana and myself joined and participated at the exposure on a community type of Credit Union located at Potburi, Southern Province of Bangkok, headed by Chairman of the Board Mr. Pratum Sueb-am.

Starting with 32 initial members in 1982, there are now 4,493 members: 2,182 regular members and 2,311 affiliate members. To date, it is one of the top ten Credit Unions in Thailand with a share capital of \$0.01 million. Their top priority cases are: 1) Investment – \$0.15 million; 2) Release BAD Dept – \$0.1 million; 3) Family expense – \$0.34 million; 4) Buy vehicle – \$0.15 million and; 5) Housing improvement – \$0.07 million.

From their total assets: 1) Time Deposit – \$1.3 million; 2) Share Capital – \$0.7 million and; 3) Outstanding Loan – \$1.8 million.

Their Membership is classified according to savings. Savings Mobilization Services offer with corresponding rate of interests per annum: 1) Regular Saving – 3%; 2) Special Saving – 5%; 3) Golden Saving – 6% and; 4) Diamond Saving – 7%.

Mr. Pratum described this community based coop as 'Best of the Best', for it awards 7% dividend from their net surplus for all regular members."

CULROC . . .

(Continued from page 6)
exhibited Taiwanese at its best.

This joint program between ACCU and the supporting countries (like Taiwan, Korea and others) will continue. Other Asian nations are encouraged to join for in the end, this cross-cultural activity will always prove to a great learning experience. Indeed, **credit unions bring people together.**



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Positioning . . .

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strength in numbers. A membership penetration in the Asian region of around .40% only shows that we have not yet marketed successfully well enough the credit union advantage in our respective areas. While we see continuous growth in our CU membership yearly (2001 data – 10, 570, 827), our latest figure is but a minute fraction vis-à-vis the number of our Asian population today. There are 900 million poor right here in Asia whom we have yet to reach and penetrate. The question we should ask ourselves is not how big have we become but on how many more shall we invite to come. We, as credit union leaders, should sit down and craft aggressive growth strategies before our competitors lure our potential customers to their fold. The option left for us is to grow or we go out of business.

Taking sides. . .

(Continued from page 7)

are points to ponder, ventilate, and pass upon. Visualize, take sides, and help shape, and etch the benchmark, of the cooperatives of the future.