

Dr M: They can play a bigger role in the nation's economy

Co-ops must evolve

By Adlin M. Zabri

KUALA LUMPUR, Sat. — Prime Minister ~~Datuk Seri~~ Dr Mahathir Mohamad today called on the co-operative movement to make structural changes to enable it to play a more meaningful role in the country's economy.

The existing structure might be suitable for the operation of small co-operatives but not those with a large number of members and engaged in multi-million ringgit ventures.

Opening the 13th annual general meeting of Koperasi Usaha Bersatu (KUB), Dr Mahathir said co-operatives should also employ professionals and skilled staff.

Dr Mahathir said the management and administrative structure of co-operatives must be of a flexible character suited to prevailing conditions.

A system of delegation and professional management was also necessary to ensure that decisions could be implemented speedily, he added.

"The period when thrift and loan companies were managed on a part-time basis by a few members is nearly over."

He said one of the challenges facing members of co-operatives in the country was to determine how they could adapt the system so that their organisations could function more effectively and efficiently.

If the company concept could be used to operate a one-man business enterprise and large multinational conglomerates, there was no reason why co-operatives could not function likewise.

Those concerned should figure out how the co-opera-

NOV 21 1993 NST 2 NOV 1993

tive concept could incorporate characteristics like flexibility to enable them to become engaged in a broad range of ventures and be competitive, he said.

Dr Mahathir also said co-operatives could play a major role in mobilising resources to ensure that rapid and dynamic economic growth was achieved.

"This is especially so when the number of co-operative members has reached more than four million.

"A co-operative must also have a niche of its own in modern economic development.

"It is important for co-operatives to move in tandem with the efforts in the private sector to realise the objectives of Vision 2020," he added.

Dr Mahathir said like organisations in the private and public sectors, co-operatives should also be run according to sound management principles.

"Unfortunately, the experience of co-operatives in the country is not very encouraging.

"Many are plagued with internal problems, mostly due to a lack of trustworthiness, abuse of power, inefficient management and the negative attitude of some members."

Dr Mahathir said much success could be enjoyed with healthy practices, adding that without diligence any business was doomed to fail.

Dr Mahathir emphasised that it was not the intention of the Government to use public funds to subsidise ail-

PLEASE TURN TO
PAGE 2, COL 7

Members urged to monitor operations of co-operatives

NS 2 NOV 1993

FROM PAGE ONE

ing co-operatives.

When there was a problem, members would urge the Government to intervene by injecting government funds or, worse, use taxpayers' money to help members of failed co-operatives.

Dr Mahathir said it was important for all members to monitor closely the operations of their co-operatives because they could no longer depend on others to bail out their failed co-operatives.

The Government, on its part, would not tolerate any malpractice and would continue to monitor co-operatives firmly under the Co-operatives Act, 1992, he added.

Later, at a Press conference, Dr Mahathir said he was confident that KUB could be fully revived.

"I am confident that KUB will be able to pay off its debts and start to make profits next year," he said.

Earlier, KUB chairman

Hassan Harun, in briefing the Prime Minister and delegates, said KUB was in the midst of finalising a few mega deals which would help the organisation clear all its debts.

"We hope to start on a clean slate with all debts repaid and some funds to build up the group," he said.

KUB, he said, was still interested in listing its holding company on the Kuala Lumpur Stock Exchange through a reverse takeover.

"We failed in our earlier attempt to do that via Union Paper," he said.

Hassan said KUB also planned to list two of its subsidiaries, KUB Development and KUB Microelectronics, on the KLSE.

Both companies had shown fine financial performance in the last couple of years.

Also present were Land and Co-operative Development Minister Tan Sri Sakaran Dandai and Information Minister Datuk Mohamed Rahmat.