

# Registered Cooperatives and Local Government Unit in the Province of Nueva Ecija Philippines: Status, Participation and the Way Forward

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## Research Article

**Keywords:** Cooperatives, participation, local government, the Philippines

**Posted Date:** May 18th, 2021

**DOI:** <https://doi.org/10.21203/rs.3.rs-531925/v1>

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# Abstract

This study described the status of registered cooperatives in Nueva Ecija using descriptive–correlational research and a combination of quantitative and qualitative methods. This study found out that majority of the respondent cooperatives are operating for more than 25 years; with more than Million authorized capital; have annual net surplus of P1.2 Million or more; are multi–purpose; and with more than 100 members. The Local Government Units(LGU) are active in teaching the members of the cooperatives to abide rules and guidelines and in supporting the role of cooperatives in the province. However, they should provide aid to cooperatives to efficiently deal with their problems. Additionally, the LGU is informing the cooperatives about their rights and responsibilities. They are not suppressing cooperative members’ opinions and they accept queries coming from the cooperative members. Decision–making responsibilities regarding cooperative matters with the aid of the government were shared by the officers of Cooperatives and LGU. The LGU trust the cooperatives by giving full degree of power of all the benefits that are provided to them by the government. Likewise, cooperatives have no systematic source of authority and influence over the LGU. Despite of the difference in responses of the respondents in non–participation and citizens power, they are similar in tokenism as level of participation. Cooperatives that are new in existence, with low capitalization and with less number of members needed high degree of participation with their members and high degree of partnership and support with the Local Government Units (LGUs). The respondents recognized the help of the LGU in their promotion and in providing trainings but intensified aid and empowerment of the cooperatives are requested by the members and officers to the LGUs. Lastly, the respondent- cooperatives requested that establishment of cooperative office, strengthened tie-up with the LGU, information dissemination on cooperativism, increase aid and funding and partnership with other entities are means to heightened cooperatives participation in development.

## Introduction

The cooperative movement began in Europe in the 19th century, primarily in Britain and France. The Shore Porters Society (TSPS) as the first documented consumer cooperative in 1769 is the world's first cooperatives established in Aberdeen in 1498. Located in a barely furnished cottage in Fenwick, East Ayrshire (Fairbairn, 2012). Over 140 years cooperative group was formed gradually from merger of many independent retail societies and their wholesale societies and federations. Twenty years after, in 1863 the Rochdale Pioneers opened their cooperative in North of England Cooperative Society with 300 individual coops across Yorkshire and Lancashire (Thompson, 1994). In rural areas of U.S. in 1930s, electrical co-operatives became an important economic strategy that continue to operate successfully through events such as Hurricane Sandy in 2012.

According to Quillooy and Pabuayon (2015), there is so much expectation in cooperatives contribution towards the country’s socio-economic development and in nation-building. The transformation of micro and small cooperatives into medium and large cooperatives may have a significant contribution in promoting a just society. The cooperatives are envisioned to contribute in the achievement of SDGs in the

areas of eradication of poverty and hunger, quality education, decent work and economic growth, reduced inequities, responsive production and consumption, climate action; peace, justice and strong institution; and gender equality (CDA, 2017).

Cooperatives can narrow the gap between the wealthy and the poor. Through its function as social equalizer that lies its strength on social capital. In cooperative industry the poor has an opportunity to exercise their influence that concern their outputs and products (Teodosio, 2009). In fact, as a voluntary organization it captures the economic scale in providing business and other services to their members. It has an outreach capacity that extend the protection and security over informal economies and rural areas.

In Philippines there are 25,611 registered cooperatives last 2016. The sheer volume and speed of multiplying the cooperatives growth reflects the society's trust that comes from democratic-controlled association of individuals in cooperatives. By the year 2020 the cooperatives will double in number and their member that might reach to 25 million (Quillooy and Pabuayon, 2015)

Cooperatives become one of the major pillars of people empowerment due to democratic in nature. Whereas, as a democratic governance transparency and accountability is the essential components (Gabriel, 2017). Due to values recognition of government, the laws regarding cooperative's is implemented that leads to accelerate expansion. Whereas, it became the government policy instrument in promotion of social justice and economic development (Castillo and Castillo, 2017).

Cooperatives business is globally ubiquitous. In fact in United States, there are more than 29,000 cooperative businesses that operates in almost every economic sector such as: agriculture; childcare; financial services; health care; housing; employment services; food retailing; and utilities. According to Deller et al (2009), US cooperatives employ more than 850,000 people, own over \$3 trillion in assets, and generate more than \$500 billion in annual revenue. While in Japan majority of the retail distribution is own by cooperatives. Japanese consumer cooperatives had a total turnover of \$22 billion on March 2007. The 158 independent Japanese co-op societies presently hold 2.8 percent from the Japanese retail market share that employed over 26,00 people.

Additionally, in Philippines specifically in province of Nueva Ecija, there are 66 registered Cooperatives (CDA-Nueva Ecija Masterlist,2016). Most of the cooperatives as claims by officers are thrives due to cooperative's sustainable hard work and support from other private enterprise for fair trade opportunity. But only few of them states that the success of cooperatives is due to good partnership between LGU.

There are many issues and concerns encountered by Cooperatives. One of this, is lack of member's knowledge about principles and definition of cooperatives from other business ventures. When members have cooperative knowledge (CK) they can serve the cooperative purpose (Dunn, 1988). Second, is lack or absence of development plan, budget and operational policies. These documents serve as guide for the cooperative officers and staff to maximize the use of limited resources to prevent high receivables or past due that further stifles the growth of the cooperative. It is necessary that all cooperatives must have a

crafted manual of operations or policies that provides the safety nets in internal control on use of funds and allowable limits of exposures to individual members.

The cooperative has been the policy instrument of the government in promoting social justice and economic development. The policy is reflected in 1987 Philippine Constitution and in the enabling laws passed by Philippine legislature. Mandated in Constitutional Provision (1987) the creation of agency that will use cooperatives as social justice and economic development instrument (Article XII Section 15). This law promotes the cooperative's expansion and mobilization of less privilege members of society for active participation in nation-building.

In response to the Constitutional mandate, Congress of the Philippines (legislature) passed the Cooperative Code (Republic Act 6938) and Cooperative Development Authority (CDA) Charter (RA 6939) on March 10, 1990. The Cooperative Code and CDA serve as the guideline of cooperatives operation and promotes the viability and growth of cooperatives in regard to administration, capital, allocation and others in promotion of equity, social justice and economic development.

This study highlights the actual practice of LGUs in the province of Nueva Ecija in providing necessary support to registered cooperatives in their thrust towards inclusive economic growth and development, and as it is envisioned by the Local Government Code of 1991 and other provisions within the 1987 Philippine Constitution, specifically of R.A 6939. Whereas the CDA is mandated to "coordinate the efforts of the local government units and the private sector in the promotion, organization, and development of cooperatives. There are many studies regarding cooperatives but only few focus in describing the status of the cooperatives by LGU representatives and officers of the cooperatives based on the Ladder of Citizen Participation in terms of non-participation, tokenism; and citizen power.

## **I.1 Statement of the Problem**

This study focused on describing the status of the registered cooperatives in the province of Nueva Ecija. Specifically, it sought answer to the following questions:

1. What is the profile of the respondent cooperatives in terms of:
  - 1.1. Number of years in existence;
  - 1.2. Capitalization;
  - 1.3. Annual net surplus;
  - 1.4. Nature and kind of cooperative; and,
  - 1.5. Number of members?
2. How do the respondents describe the status of the cooperatives based on the Ladder of Citizen Participation in terms of:

2.1. non-participation;

2.2. tokenism; and

2.3. citizen power

3. Is there a significant difference in the description of the LGU representatives and officers of the cooperatives regarding the status of cooperatives?
4. Is there a significant relationship between the profile of the cooperatives and their status as to non-participation, tokenism, and citizen power?
5. What are the issues and concerns encountered by the respondent cooperatives?
6. What policies are suggested by respondents about cooperativism in Nueva Ecija?

## **I.2.Theoretical framework**

This study adopted the Sherry Arnstein's (1969) in describing the status of the registered cooperatives in Nueva Ecija. It denotes in this theory the "ladder of citizen participation" particularly on the variables such as Non-Participation, Tokenism, and Citizens' Power. In the non-participation part, the real objective of the power holders is not to enable people to participate in planning or conducting programs, but to enable power holders to "educate" or "cure" the participants. As to tokenism, the ground rules allow the people to advice, but the continued right to decide is retained to the power holders. For the Citizen power, it is in this condition the people can enable to negotiate and engage in trade-offs with traditional powerholders and the people obtain the majority of decision-making seats, or full managerial power.

In the input box is the profile of the respondent cooperatives, their status as to non-participation, tokenism, and citizen power and the issues and concerned encountered were gathered and processed using survey questionnaire and appropriate statistical to arrive at the output on the

The profile of the cooperatives was correlated to their status as to non-participation, tokenism, and citizen power. After that, issues and concerns of cooperatives were investigated in this study to have a clearer view of the situations of the cooperatives and their partners in the government.

## **Research Methods**

The method of research utilized in this study was descriptive-correlational research. Descriptive-correlational is describes the current condition of phenomenon (Calderon, 2007) by interpreting the gathered data accurately. The respondent's cooperatives profile and the registered cooperative's status was described as to non-participation, tokenism, and citizen power as rated by the LGU and officers of the cooperatives as well as the issues and concerns encountered by the cooperatives. Additionally, it

correlates the relationship of the variables between the profile of the respondent cooperatives and their status (Statistical Solutions, 2018).

Purposive sampling is use in respondents that select in five (5) cities of Nueva Ecija that includes the following: San Jose City, Science City of Muñoz, Palayan City, Cabanatuan City and Gapan City. The geographical location of this cities is delineated in figure 2.

Ten cooperative officers and 2 LGU representatives were selected from afore mention cities with a total of 60 respondents. Table 1 construed the distribution of respondents as per city in Nueva Ecija.

**Table 1. Distribution of the Respondents**

City	Cooperative Officers	LGU Representatives	Grand Total
San Jose	10	2	12
Munoz	10	2	12
Palayan	10	2	12
Cabanatuan	10	2	12
Gapan	10	2	12
<b>Total</b>	<b>50</b>	<b>10</b>	<b>60</b>

Additional criteria are set in choosing the respondents of this study such as: a cooperative that has been operating for 5 years or more, have been in the five cities of Nueva Ecija, and have more than 50 members. Structured questionnaire that consist of close and open ended questions is use in gathering information regarding the status of the registered cooperatives as rated by the cooperative officers and LGU representatives. Close ended question is used in collecting the profile of the respondent cooperatives and the status of the registered cooperatives on the aspects of non-participation, tokenism, and citizen power. On other hand, the open-ended part is focused on acquiring issues and concerns experienced by the cooperatives.

Cronbach's alpha is used to check the reliability with the result of 0.935 for non-participation, 0.891 for tokenism, and 0.894 for citizen participation. The questionnaire is administered in duration of 3 weeks. The rating scale of the close-ended questionnaire and corresponding verbal description were presented on Table 2.

**Table 2. Scale for Status**

Scale	Range	Verbal Description
4	3.25 to 4.00	Agree
3	2.50 to 3.24	Moderately Agree
2	1.75 to 2.49	Slightly Agree
1	1.00 to 1.74	Disagree

The data was analyze using the statistical tools such as frequency, percentage, mean, weighted mean, t-test, and correlational formulae for computation of numerical collected data. In computations of gathered information the data analysis of Microsoft Excel 2010 and Statistical Package for Social Sciences (SPSS) were employed. On other hand, the non-numerical data from interview were presented in narrative forms.

The data on status registered cooperatives as described by LGU representatives and the officers of the cooperatives was presents, analyzes, and interprets. Similarly, the profile of the cooperatives, issues and concerns encountered by the cooperative officers, and the relationship between and among the major variables is also presented.

## Profile Of Cooperatives In Nueva Ecija

Delineated in table 3 is the profile of cooperative's respondent as to years of existence, authorized capitalization, nature and types of cooperative, and number of members.

### Table 3 Profile of Cooperatives Respondents

<b>Number of Years in Existence</b>	<b>Frequency</b>	<b>Percent</b>
5 to 14	9	18.00
15 to 24	13	26.00
25 to 34	23	46.00
35 to 44	5	10.00
Total	50	100.00
<b>Authorized Capitalization</b>	<b>Frequency</b>	<b>Percent</b>
Less than P1,000,000	8	16
P1 Million to Less than 3 Million	3	6
P3 Million to Less than 6 Million	1	2
P6 Million to less than 9 Million	0	0
P9 Million to Less than 12 Million	1	2
P12 Million to less than P15 Million	4	8
P15 Million and Above	33	66
Total	50	100
<b>Annual Net Surplus</b>	<b>Frequency</b>	<b>Percent</b>
Less than P100,000	5	10.00
P100,000 to less than 300,000	2	4.00
P300,000 to less than 600,000	9	18.00
P600,000 to less than 900,000	1	2.00
P900,000 to less than P1.2 Million	1	2.00
P1.2Million and Above	32	64.00
Total	50	100.00
<b>Nature and Types of Cooperative</b>	<b>Frequency</b>	<b>Percent</b>
Agriculture	4	8.00
Consumers Cooperative	6	12.00
Credit Cooperative	5	10.00
Institutional	4	8.00
Lending	1	2.00

Lending and Consumer	1	2.00
Multi-purpose	12	24.00
Primary Cooperative	7	14.00
Producers	1	2.00
Residential	3	6.00
Saving and Credit	6	12.00
Total	50	100.00
<b>Number of Members</b>	<b>Frequency</b>	<b>Percent</b>
50 – 99	9	18.00
100 to 199	14	28.00
200 to 299	9	18.00
300 to 399	1	2.00
400 to 499	2	4.00
500 and Above	15	30.00
Total	50	100.00

It is apparent that more than half (56%) of the cooperatives have been operating for more than 25 years while 25 to 34 and 35 to 44 is 46% and 10% respectively. Stability of cooperatives is reflected in this data due to active participation of registered members and presence of transparency and accountability in cooperatives management specifically in financial and public administration. Transparency and accountability as cited by Ong and Gabriel (2018) is not only monitor the leader's legislative duties but also response efficiently to public demands in commensuration to quality of services in value of public money.

In the nature of cooperatives majority of the respondent are multi-purpose, primary cooperative, consumer and saving and credit in (12 or 24%), (7 or 14%), (6 or 12%), (6 or 12%) consequently. Cooperatives is ubiquitous not only in Nueva Ecija Province but also globally due to its socio-economic contribution (Quillooy and Pabuayon, 2015).

## **Status Of Registered Cooperatives As Described By The Lgu And Cooperatives Based On The Ladder Of Citizen Participation In Terms Of**

### **2.1. Non-participation**

Table 4 shows the status of cooperatives in terms of non-participation as described by the two groups of respondents.

**Table 4. Status of Cooperatives in terms of Non-Participation**

	COOP	LGU	Combination	
Non-Participation	WM	WM	WM	Verbal Description
1. The LGU is involved in educating the members of the cooperatives.	3.24	3.80	3.52	Agree
2. The LGU participates in persuading cooperative members to follow regulations.	3.22	3.80	3.51	Agree
3. Advising cooperatives and its members about their function in the community was done by the LGU.	3.14	3.80	3.47	Agree
4. There is no distortion in participation of the cooperatives regarding LGU programs for them.	3.10	3.40	3.25	Agree
5. The cooperatives have legitimate power in their municipalities.	2.96	3.10	3.03	Moderately Agree
6. Relevant functions of the cooperatives in the community were recognized by the LGU.	3.20	3.80	3.50	Agree
7. The cooperatives served as vehicles for promoting government projects.	3.00	3.80	3.40	Agree
8. LGUs are helping the cooperatives to deal with their problems efficiently.	3.00	2.90	2.95	Moderately Agree
<b>Overall Weighted Mean</b>	<b>3.11</b>	<b>3.55</b>	<b>3.33</b>	<b>Agree</b>

*Legend : 3.25 to 4.00 Agree; 2.50 to 3.24 Moderately Agree; 1.75 to 2.49 Slightly Agree; 1.00 to 1:74 Disagree*

Both of the respondents agreed that LGU are involved in educating the members of the cooperatives and persuading cooperative members to follow regulations. Then followed by recognizing the functions of the cooperative in the community with WM of 3.52, 3.51 and 3.50 respectively.

This support by some respondent.

*“LGUs provide capability building and trainings as mandated by law”.*

*They support and organize training and their training facilities were used in educating and teaching their participants”.*

LGUs are active in teaching and persuading the cooperative's members to abide rules and guidelines in supporting the role of cooperatives in province. Additionally, LGUs are compliant in R.A 6939, Section 3 that coordinate the LGUs and private sector in promotion, organization and development of cooperatives. On other hand, the respondents are moderately agree in having the cooperatives a legitimate power in their municipalities and in helping the cooperatives by LGUs to deal with their problems efficiently with WM of 3.03, and 2.95 orderly. This reflects that LGUs needs to attend the issues of cooperatives in effective and efficient manner. In Accordance to Co, 2001 synergy is needed between the LGU and a cooperative on local development for a stronger impact upon the community.

## 2.2. Tokenism

It is shown in table 5 the status of the cooperatives in terms of tokenism as described by the LGU and respondent.

**Table 5. Status of the Cooperatives in terms of Tokenism**

	COOP	LGU	Combination	
Tokenism	WM	WM	WM	VD
1. The LGU aids the cooperatives members in informing about their rights and responsibilities.	3.18	3.70	3.44	Agree
2. Meeting set-up by the LGU does not turn for one-way communication.	2.96	2.40	2.68	Moderately Agree
3. The LGU does not dominate the meeting by providing the cooperative superficial information.	3.18	3.60	3.39	Agree
4. Discouraging questions or giving irrelevant answers were not done by the LGU when dealing cooperatives.	3.16	3.70	3.43	Agree
5. Cooperative members' opinions regarding matters involving organizations was not suppressed by the LGU.	3.26	3.80	3.53	Agree
6. The LGU does not limit the input of cooperative members.	3.34	3.20	3.27	Agree
7. The officers were not given limited position in an organization created by LGU dealing with cooperative concerns.	3.16	3.20	3.18	Moderately Agree
8. The LGU does not negotiate members' participation requirements and does not provide enough information requirements with cooperative.	2.60	1.60	2.10	Slightly Agree
9. Most of the technical and financial assistance given by the LGU was of 3 <sup>rd</sup> rate policy, paternalistic and condescending.	2.68	2.00	2.34	Slightly Agree
<b>Overall Weighted Mean</b>	<b>3.06</b>	<b>3.02</b>	<b>3.04</b>	<b>Moderately Agree</b>

*Legend : 3.25 to 4.00 Agree; 2.50 to 3.24 Moderately Agree; 1.75 to 2.49 Slightly Agree; 1.00 to 1.74 Disagree*

The LGU and the cooperatives agreed that the LGU is informing the cooperatives about their rights and responsibilities (WM=3.44), cooperative members' opinions regarding matters involving organizations were not suppressed by the LGU (WM=3.53) and discouraging questions or giving irrelevant answers were not done by the LGU when dealing with cooperatives (WM=3.43). This shows that the LGUs act in accordance with the Cooperative Code of the Philippines (R.A.6938) when they are dealing with the cooperative civil liberties and their members' sentiments and beliefs.

### **2.3. citizen power**

Table 6 exhibits the status of the respondent cooperatives as described by the LGU and cooperatives in terms of citizen power.

	COOP	LGU	Combination	
<b>Citizen Power</b>	<b>WM</b>	<b>WM</b>	<b>WM</b>	<b>VD</b>
1. Power is redistributed through negotiation between cooperatives and LGU.	3.12	3.20	3.16	Moderately Agree
2. The cooperatives and LGU agree to share their plans with one another.	3.18	3.20	3.19	Moderately Agree
3. The decision-making responsibilities regarding cooperative matters with the aid of the government were shared by the officers and LGU.	3.18	3.80	3.49	Agree
4. There is an organized power-base in the municipality to which the cooperative is accountable.	2.86	3.10	2.98	Moderately Agree
5. Negotiation power was enjoyed by cooperatives over the LGU.	2.80	3.00	2.90	Moderately Agree
6. Cooperatives have dominant decision-making authority over a particular plan or program.	3.08	3.30	3.19	Moderately Agree
7. There are separate and parallel groups of cooperatives and LGU with provision for cooperative veto if difference of opinion cannot be resolved through negotiation.	2.88	3.20	3.04	Moderately Agree
8. The LGU trust the cooperatives by giving full degree of power of all the benefits that are provided to them by the government.	3.14	3.70	3.42	Agree
9. Cooperatives have total control of all the assistance given by the government.	2.82	3.60	3.21	Moderately Agree
<b>Overall Weighted Mean</b>	<b>3.01</b>	<b>3.34</b>	<b>3.18</b>	<b>Moderately Agree</b>

*Legend : 3.25 to 4.00 Agree; 2.50 to 3.24 Moderately Agree; 1.75 to 2.49 Slightly Agree; 1.00 to 1:74 Disagree*

Both of the respondents agreed that decision-making responsibilities regarding cooperative matters with the aid of the government were shared by the officers and LGU (WM = 3.49) and the LGU trusted the cooperatives by giving full degree of power of all the benefits that were provided to them by the government (WM =3.42). This implied that there was a good partnership between the LGU and cooperatives regarding the shared policy making of issues in cooperatives.

## **Significant Difference In The Description Of The Lgu Representatives And Officers Of The Cooperatives Regarding The Status Of Cooperatives In Terms Of**

### 3.1. Non-participation

Construed in table 7 the difference in the responses of the Cooperatives and LGU as to non-Participation. It reveals that there is a significant difference in the response of LGU (WM=3.55; Variance=0.1371) and cooperatives (WM=3.11; Variance=0.0121) as to non-participation using t-test. The two groups have different responses in providing information about the community function and in recognizing the cooperative's functions in community. Therefore, the null hypothesis of no significant difference between the responses of the two groups is rejected.

**Table 7. Difference in the Responses of the Cooperatives and LGU as to Non-Participation**

<i>Non-participation</i>	<i>Coop</i>	<i>LGU</i>
Mean	3.11	3.55
Variance	0.0121	0.1371
t Stat	-3.24**	
P(T<=t) two-tail	0.0059	

**\*\*difference is significant @ 0.01 level**

### 3.2. Tokenism

Table 8 presented the difference in the response of the Cooperatives and LGU as to Tokenism. The t-test shown that there is no significant difference in the responses of LGU (WM=3.02; Variance=0.6719) and cooperatives (WM=3.06; Variance=0.0666). The two groups shared the same views and they both comply with the law. Thus, the null hypothesis of no significant difference between the responses of the two groups is accepted.

This implies that the two groups have the same views regarding the practice of tokenism. They are similar in doing no more than the **minimum**, especially in order to **comply** with the **law**.

**Table 8. Difference in the Responses of the Cooperatives and LGU as to Tokenism**

<i>Tokenism</i>	<i>Coop</i>	<i>LGU</i>
Mean	3.06	3.02
Variance	0.0666	0.6719
t Stat	0.12 Ns	
P(T<=t) two-tail	0.9028	

Ns = No significant difference

### 3.3. Citizens' power

Table 9 construed the difference in responses of Cooperatives and LGU as to Citizen Power. The t-test result that there is a significant difference in the responses of LGU (WM=3.34; Variance=0.08028) and cooperatives (WM=3.01; Variance=0.0264) as to citizen power. Therefore, the null hypothesis of no significant difference between the responses of the two groups is rejected.

**Table 9. Difference in the Responses of the Cooperatives and LGU as to Citizen Power**

<i>Citizen Power</i>	<i>Coop</i>	<i>LGU</i>
Mean	3.01	3.34
Variance	0.0264	0.08028
t Stat	-3.10**	
P(T<=t) two-tail	0.0068	

**\*\*difference is significant @ 0.01 level**

This supports the result in differences in decision making responsibility between cooperative's officer and LGU (WM Coop=3.18, Moderately Agree: WM LGU=3.80, Agree), and in having a total control of all assistance given by the government in Cooperatives. (WM Coop=2.82, Moderately Agree: WM LGU=3.60, Agree). The LGU observed that there is a high degree of citizen power in comparison with Cooperatives view as moderate high degree. This means that there is an issue regarding the decision-making responsibilities about cooperative matters and having a total control to the government's assistance.

## **Significant Relationship Between The Profile Of The Cooperatives And The Degree Of Collaboration Between The Cooperatives And The Lgus**

Table 10 shows the relationship that exists among the profile variables and the degree of collaboration between the cooperatives and the LGUs.

**Table 10. Correlation between the Profile of the Cooperatives and their Status in terms of Non-Participation, Tokenism and Citizen Power**

Profile	Non-Participation		Tokenism		Citizen Power	
	r-value	p-value	r-value	p-value	r-value	p-value
Number of Years in Existence	-.634**	.000	-.408**	.003	-.505**	.000
Capitalization	-.325*	.021	-.343*	.015	-.339*	.016
Annual Net Surplus	.091	.530	.047	.744	.074	.609
Nature of Cooperative	-.198	.168	-.167	.245	-.247	.083
Number of Members	-.330*	.019	-.300*	.034	-.354*	.012

**\*\*difference is significant @ 0.01 level; \*difference is significant @ 0.05 level**

The result reveals that there are significant related to the status of the registered cooperatives in terms of number of years in existence ( $r = -.634^{**}, p < 0.01$  for non-participation;  $r = -.408^{**}, p < 0.01$  for tokenism; and  $r = -.505^{**}, p < 0.01$  for citizen power), capitalization, ( $r = -.325^*, p < 0.05$  for non-participation;  $r = -.343^*, p < 0.05$  for tokenism; and  $r = -.339^*, p < 0.05$  for citizen power), , and number of members ( $r = -.330^*, p < 0.05$  for non-participation;  $r = -.300^*, p < 0.05$  for tokenism; and  $r = -.354^*, p < 0.05$  for citizen power). The profile variables are negatively related to the registered cooperative's status. This means that cooperatives in infancy stage that have less capitalization and number of members is needed high degree of member's participation and active support from Local Government Units (LGUs)

## Issues And Concerns Encountered By The Respondent Cooperatives

### 5.1. LGUs Support to Cooperative Promotion and Information Gathering

The cooperative's members describe through statement the support they had received from the LGUs regarding promotion of cooperatives and information dissemination.

Most of the respondents stated:

*"The cooperatives are supportive in terms of information dissemination and in the promotion of cooperatives."* Some respondents mentioned that *"their products and services were promoted by the LGU, especially during the cooperative month"*.

Others said:

*"The LGU supports in promoting the cooperatives and in gathering information thru the assistance of the Cooperative Development which is given feedback by the government."*

Requests of the respondents for improvement are the following:

*“We think that LGU must strengthen their effort to promote cooperative in the community”. “They should help us by providing flyers. As to promotions, LGU persons should wear T-shirts or use umbrella with logo of cooperative”.*

Other respondents wished:

*“Mungkahi po naming dagdagan ang mga personel na may malawak na kaalamant pagpapasikat ng kooperatiba at mga ginagamit na ang mga teknolohiya para sa aming produkto”(We suggest that the LGU should provide us experts in promoting cooperatives and in using technology for our products).*

By providing technological expert assistance to cooperatives will facilitate the product promotion and development. As a result, the cooperatives can stabilize communities due to community-based business anchors that leads to distribution, recycle, and even multiplying community expertise and capital.

## **5.2. LGUs Support to Trainings and Seminars of the Organization**

Majority of the respondents are contended with the support of the LGUs to the cooperatives in terms of providing trainings and seminars. Here are some of their comments:

*“LGUs provide capability building and trainings as mandated by the law”*

*“The LGU provided financial assistance for the trainings of officers”*

*“LGU is supportive in terms of organizing trainings. Training facilities of our LGU can be used by the coop for every training and other coop programs”*

*“The LGU persuades mandatory trainings for cooperative officers and members”*

Some recommendations of the respondents are the following:

*“Ipagpatuloy at paunlarin ang mga binibigay na training tungkol sa pagnenegosyo” (Continue to organize and strengthen the training about putting-up a business)*

*“Officers should be trained to enhance knowledge and skills and to be updated of new policies regarding cooperatives”*

*“Invitations and programs should be sent as early as possible in order to have well-organized and well attended trainings”*

It is paramount to update the member’s skills and knowledge that is align to new policies through training in formulation of development plan, budget, and operational policies. Defying recommendation and operation on a trial basis leads to incurrence of losses. Failure to craft cooperative policies by some elected or appointed officers and hired management staff is probably due to lack of understanding their function (UN, 2019).

### 5.3. LGUs Support to Audit

As to LGUs audit support, all qualitative answers of the respondents revealed that the LGUs are not involved in the auditing practices of the cooperatives:

*“LGU endorses accredited external auditors”*

*“Cooperatives are responsible on the audits”*

*“Expert employees in auditing assess our cooperatives”*

*“LGU does not audit the finances and record of coop. the CDA does the auditing of the coop”*

*“LGU does not help in auditing procedure because our cooperative has internal audit”*

*“Our cooperative conduct monthly audit to avoid shortage especially in grocery items”*

*“We have our own auditor”*

*“The regular audit was conducted by PCEDO staff”*

### 5.4. LGUs Assistance to Support Service

The cooperatives describe the assistance they received from LGUs:

*“LGU gives financial assistance to the support services of the cooperatives”*

*“The LGU allows the cooperative to utilize facilities for the operation of its business”*

*“LGU allowed to use the people’s hall for free the cooperative canteen and PCEMCI”*

The following are the requests of the cooperatives to improve the assistance of the LGU to the support services:

*“LGU should provide all out support for programs and projects of the cooperatives for them to be successful”*

*“LGU shall provide assistance to those cooperatives in the barangays to strengthen their knowledge about cooperative management”*

*“Ibayong paunlarin ang mga suporta at serbisyo at magdagdag ng personnel”*

*(Strengthen the support and service to cooperatives and should add personnel)*

*“Sa mga suporta ng LGU sana po mapaliit or mapalaking serbisyo dapat laging balance”*

*(Support of the LGU should be of equal importance regardless of the service)*

The support from LGUs is vital to cooperatives through project partnership. It is necessary for LGUs prior to engagement of partnerships or joint activities to initiate conduction of strengths, weaknesses, opportunities and threat analysis that may guide the cooperative stakeholders and host organizations in effective and efficient project implementation that benefits the society (Lab-Oyan, 2018).

## **Suggestion About Policies That The Respondents Believe Will Further Strengthen The Partnership Of Lgu And Cooperatives**

Table 11 delineated the respondent's description on the needed policies to further fortify the partnership between LGUs and cooperatives.

### **Table 11. Suggested Policies**

<p>Cooperative A</p>	<p>A mandate that encourages every employee to join a cooperative suitable for their needs.</p> <hr/> <p>Values and ethical standard trainings should be conducted.</p> <hr/> <p>Strengthen the City Cooperative Out Council.</p> <hr/> <p>Specific policy on cooperativism will strengthen the ties between the LGU and other cooperatives. More trainings and assistance must be provided by the LGU thru the coordination with the CDA.</p>
<p>Cooperative B</p>	<p>Involvement of cooperatives in community activities and programs related to cooperatives.</p> <hr/> <p>Open communication between LGU and Cooperatives</p> <hr/> <p>LGU should prioritize to help cooperatives since cooperative help people or members in the community. We serve and help the needs of others everyday living and I suggest that they will come up with program to help members.</p>
<p>Cooperative C</p>	<p>The LGU should have a separate office for cooperative development.</p> <hr/> <p>There should be a regular dialogue between cooperatives and LGU.</p> <hr/> <p>To strengthen LGU and Cooperative Collaboration we have to link and work with the cooperative movements. Go out, organization promotion and development of cooperatives in carrying out government policies.</p>
<p>Cooperative D</p>	<p>Requesting that should have City Cooperative Office to cater 60 Registered Cooperatives records from CDA Central Luzon has the most numbers of cooperative and yet we are "SECTION" under City Agriculture and Livelihood Management Office</p> <hr/> <p>Financial support on projects of cooperatives.</p> <hr/> <p>Magkaron ng regular na programa nang training o leadership training ng mga opisyal at members. Ganon rin sa mga kabataan tungkol sa kahalagahan ng mga kooperatiba sa komunidad. (There should be a regular program of leadership training to the officers and members. Additionally, students must be educated with the importance of cooperatives to the community)</p> <hr/> <p>Sana po mapaliit or mapamalaking activity ng cooperative ay sumasama ang LGU upang lalong mapatibay at maipakita sa bawat member na totoo.(We hope that regardless of the event, the LGU will always aid the cooperatives so that the members will notice how serious are the LGUs in helping the cooperatives).</p> <hr/> <p>Always follow the rules and regulations.</p> <hr/> <p>Polisiya sa pagpapatibay at pagtatalaga ng kalagayang panlipunan sa bawat pangkat ng samahan. (There should be a policy regarding the strengthening of the status of every group of cooperatives).</p>

Cooperative E	<p>Organization of City Municipal Cooperative</p> <hr/> <p>Open communication between LGU and Cooperatives. Involvement of cooperative in community activities and programs related to cooperatives</p> <hr/> <p>Sana tumulong ang DA at ang ibang agencies sa cooperatives para mas maging maayos ang serbisyo.(We request that the DA and other government agencies aid the cooperatives for better service to its clients).</p>
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## Conclusions

These are the following conclusions are derived from the findings of the study:

1. Majority of the respondent cooperatives have been operating for more than 25 years that have a P15 million authorized capital with annual net surplus of more than P1.2 million. Additionally, it is common function of cooperatives is multi-purpose with members of greater than 100.
2. The LGUs are active in teaching the members of the cooperatives to abide rules and guidelines and support the role of cooperatives in the province. However, they should provide aid to the cooperatives is needed to deal problems efficiently.
3. The LGUs are informing the cooperatives about their rights and responsibilities. They are not suppressing the cooperative members' opinions and they accept queries coming from the cooperative members.
4. Decision-making responsibilities regarding cooperative matters with the aid of the government were shared by the officers and LGU. The LGUs trust the cooperatives by giving full degree of power of all the benefits that are provided to them by the government. Likewise, cooperatives have no systematic source of authority and influence over the LGU.
5. The responses of the respondents differ in non-participation and citizen power but similar in tokenism.
6. Cooperatives that are new in existence, with low capitalization, and with less numbers of members needed high degree of participation with their members and high degree of partnership and support with the Local Government Units (LGUs).
7. The respondents recognized the help of the LGU in promoting and in providing trainings but intensified aid and empowerment of the cooperatives were requested by the members and officers to the LGUs.
8. Policies regarding putting up of City Cooperative Office that will cater to the needs of the cooperatives, increasing the knowledge of the community including students regarding the importance of cooperatives, strengthening the tie-up between the LGUs and cooperatives and increasing aid in funding, and continuing partnership regardless of the projects, are requested by the respondents.

## Recommendations

Based on the findings and conclusions, the following were offered:

1. The cooperatives may be provided with equal opportunity and source of influence to the LGUs, especially when dealing with cooperative matters.
2. The partnership between the LGUs and cooperatives in the province may be intensified so that it can be beneficial to the two parties and to the province as a whole.
3. There may be a direct open–line communication between the LGUs and cooperatives to discuss matters related to the improvement of the services or products provided by the cooperatives.
4. The suggested policies of the respondents may be studied and adopted by the authorities who are assigned in the cooperatives.
5. Highly established cooperatives may act as non-governmental organizations that provide aid in the LGU, that will take-over the role of LGUs in the maintenance of the public facilities. In effect, there will be reducing of costs in the maintenance and even increasing the revenue of the government due to tax collection.
6. Similar study may be conducted in a small and larger scale to further verify the findings of this study; and
7. Further research on cooperatives in Barangay levels may be ventured by other researchers.

## Declarations

### Competing Interests:

The authors have no competing interests

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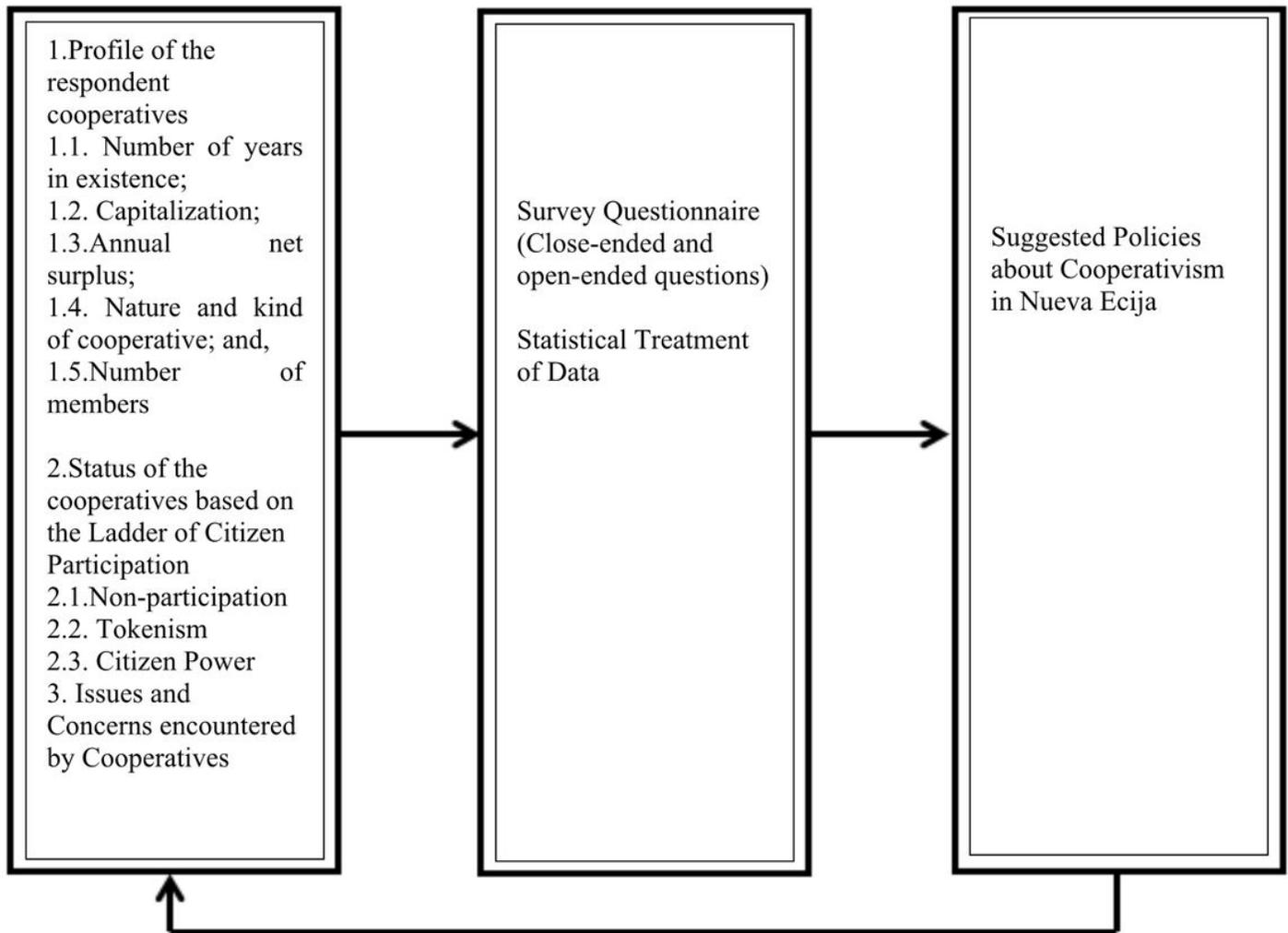
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## Figures



**Figure 1**

Research Paradigm

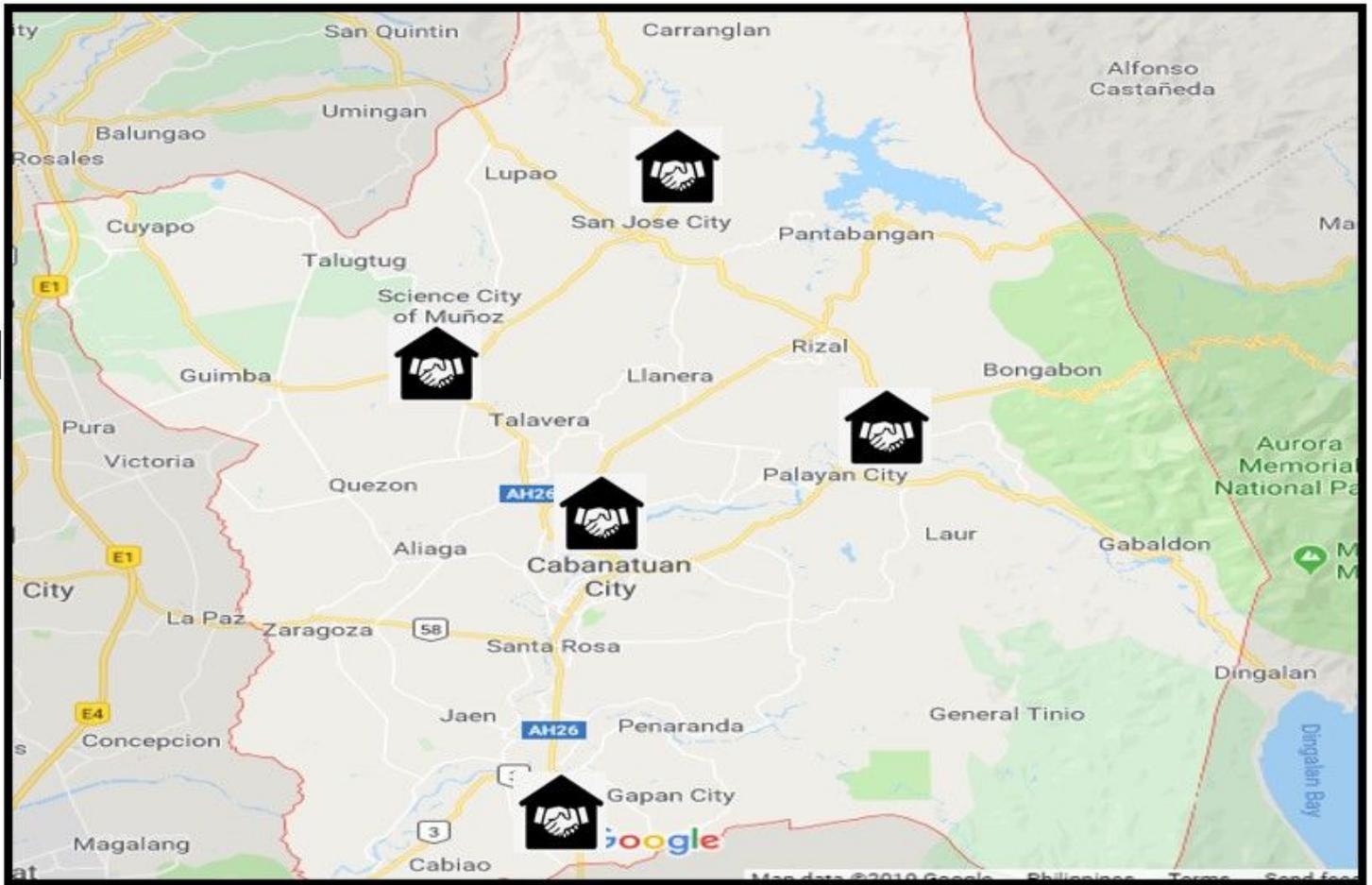


Figure 2

Map of Nueva Ecija