

CU AS LEARNING ORGANIZATION
*in the scheme of caring economy*¹
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Cooperative is the dynamic form of business entity that embodies the social content and the value of cooperation. It signifies the virtue of humanity of the people in promoting and meeting of their common needs by mutual action, transparency, clear governance, democratic control and sharing of economic benefits on the basis of codetermination patronage by members. It is a business entity which has as its ultimate goal the promotion of the economic welfare of its member and their contextual social responsibility. Therefore cooperative gear up not only financial capital but also social capital which is relevant to the economic welfare or incentive of its members.

“A credit union is a cooperative society organized within a group of people with a common bond of interest ; operating in accordance with law to promote thrift among its members and to create a ready source of a credit for provident and productive purpose ; to educate in the wise use of money ; and to train in cooperative techniques.” Santiago Manongdo, *the Credit Union Challenge* (2000).

In many instances, we also see the important of education of members. The members must be fully enlightened if the cooperative movement must succeed where participatory in all its forms, is a manifestation of collective strength. This strength is due to the solidarity of members in a cooperative caused by their full understanding and appreciation of the true nature, principles and cooperative value. The virtue of humanity and cultivating the true emancipatory and participatory in their own economic undertakings also trust, generosity, solidarity, self help, and mutual sympathy among members.

According to Riane Eisler in her new book entitled “The Real Wealth of Nations” (2007): *Creating A Caring Economics: building the real wealth is not merely financial, but includes the contributions of people and our natural environment.* Here, Eisler goes beyond the market to reexamine economics from a larger perspective – and shows that we must give visibility and value to the socially and economically essential work of caring for people and the planet if we are to meet the enormous challenges we are facing.

Eisler proposes a new “caring economics” that takes into account the full spectrum of economic activities – from the life-sustaining activities of the household, to the life-enriching activities of caregivers and communities, to the life-supporting processes of nature. She shows how our values are distorted by the economic double standard that devalues anything stereotypically associated with woman and femininity; reveal how current economic models are based on a deep-seated culture of domination; and shows how human needs would be better served by economic models based on caring. Most importantly, she provides practical proposals for new economic inventions-new measures, policies, rules, and practices-to bring about a caring economics that fulfills human needs.

Credit Unions can not rely on their existing sources of advantage of survival; they must able to learn and create innovative strategy and action as their environments change. Inculcating and sustaining advantage in the midst of rapid change requires the credit union to learn the new technologies, new services rendered, and new ways of managing. In the future, the only truly sustainable source of advantage will be the credit union’s ability to change and to learn new information, technology, skill in managing future better performance.

In consonance with above-mentioned undertakings, there are now attempts to enhance the skills and general knowledge of credit committee members to allow them to conduct consultancies that may be helpful to their present task of making credit analysis.

While the main purpose of credit union is savings and loans, several credit unions are now embarking on additional services in the field of cooperative entrepreneurship, income generation through trading and investment, capital build up in the agribusiness scheme, and agricultural extension skills. With such additional services, there is indeed need of credit committee members who can deal with credit analysis, consultations, income generation feasibility studies and related skills useful to small-scale businesses. In the near future, therefore, CU hopes to be able to deliver supporting training and consultation schemes in those particular skill requested by credit committee members. These can be second generation

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undertakings for those CUs that have succeeded in their primary function of savings mobilization.

Therefore all credit union stakeholders should inculcate their organization become learning organization. Based on this paradigm, we could also stress that learning organizations are credit unions that view change as a positive opportunity to learn and create new sources of sustainable credit unions advantage with putting the people first focus on various organizational practices that promote the proactive scheme, change-oriented learning. Couple with the efforts in instilling and maintaining good local wisdom and other wisdom in doing business which is compatible to the needs of the member as owner and customer and also dynamic business challenges in the future to come. Although inculcating new forms of learning can be a difficult job, credit unions that are successful in doing so can better adjust and drive in a rapidly changing environment.

On my mind, if we talk about learning organization, it can be itemized into several programs, projects, activities or actions that can be undertaken, such as:

1. Continual training.
2. Building the synergy of centralization and decentralization, particular strategic alliances such as interlending, financial and non financial net-working
3. Inducing of openness and diversity of ideas and enriching membership education and democratic values
4. Exchanging of multiple experiment and experiences in doing business
5. Maintaining tolerance mechanism and participatory scheme
6. Inculcating conflict resolution and diversity managing among other things related to the public civility
7. Enhancing practical economic business intelligence and financial competency and some aspect of risk management
8. Enhancing social sensitivity, social capital, social intelligence, social fund, and social responsibility
9. Building and maintaining local wisdom and other wisdom
10. Continual sharing of ideas, feed back, feed forward, and keeping up to date concepts and action
11. Encouraging CU entrepreneurial development and strategic alliances such as interlending, financial and non financial networking.
12. Cultivating business growth and its redistributive effect in line with social justice and social responsibility
13. Generating efficiency not only in saving, lending scheme and other aspect in the financial sector, but also in some extend of real sector
14. Building up fairness such as fair price and justice for all
15. Creating employment through its micro funding and other types of funding
16. Maintaining self reliance and self help, also collective self reliance and collective self help
17. Adopting virtual organizational format learning processes in the internet driven CU

The key characteristics of internet-driven CU include (1) forming a direct link among CU and between CU and its members, (2) enabling to access new members in new area of services, and (3) helping CU gain access to real-time information on members needs, saving and loan patterns, pricing, product availability, and so forth.

A virtual organization format need to be able to rapidly adjust and connect their skills, knowledge, base, and activities with those of their members, customers and other stakeholders.

A side from these, we could also asked for discussing what is the role of CU in financing clean technology products and services. According to Ron Pernick and Clint Wilder in their book “The Clean Tech Revolution” (2007), at present we face Savvy consumers are demanding cleaner products and services that use resources efficiently, reduce costs, and embrace quality over quantity.

Today, high energy prices, polluted ecosystems, and growing awareness of climate change and the geopolitical costs associated with fossil fuels are driving a shift in consumer attitude and consumer demand for clean-tech products and services. That’s forcing companies that sell to consumers –from appliance makers to auto manufacturers-to produce cleaner, more efficient products and market them aggressively.

Companies such as organic food purveyor Whole Foods Market, the fastest-growing grocery chain in the local and global scheme, have proven that huge shifts in mainstream consumer perception, behavior, and spending are possible. The demographic sector known as LOHAS – lifestyles of health and sustainability – has swelled to 50 million people, or one sixth of the U.S. population, according to the Natural Marketing Institute. Even more significantly, those consumers spend more than \$220 billion annually on a wide range of products and services, including yoga, organic foods and cosmetics, acupuncture, ecotourism, and organic cotton clothing, according to the *LOHAS Journal*.

Ron Pernick and Clint Wilder also identify the major forces that have pushed clean tech from back-to-the-earth utopian dream to its current revolution around the globe. They focus on eight major clean-tech sectors-solar energy, wind power, biofuels and biomaterials, green buildings, personal transportation, the smart grid, mobile applications, and water filtration-they uncover how investors, entrepreneurs, and individuals can benefit from this next wave of technological innovation. Pernick and Wilder shine the spotlight on the winners among technologies, business entity, and regions that are likely to reap the greatest benefits from clean tech – and they show you why the time to act is now.

Appendix A

Cooperative spirit. Members, in good standing, know that the sources of their business and its chances for survival are entirely dependent on their individual and collective loyalty. Membership loyalty is the test of the strength in any cooperative society. As long as the group is intact the chances of survival and growth are great.

To develop this spirit the cooperative dedicate substantial part of its time and income to membership education. Emphasizing the value of education in fostering the cooperative spirit Casselman say:

“Patronage dividend should not be the cement which binds together the members of society. The cooperative spirit and the sentiment of loyalty which are necessary in all cooperative should be based on understanding of the policies and problems and of a feeling of ownership resulting from participation in the affairs of the association. Members who feel no sense of the responsibility for their organization may patronize it in fair weather but desert it at the first sign of storm.”

Cooperative attitudes. According to Onagan, if the cooperative must prosper certain attitude should be developed among members they must not only possess a common bond of interest but every one of them must also possess within him the following :

1. A deep desire to work together for a common good.
2. willingness to put forth the effort necessary to study and learn how to organize and operate the business successfully
3. The realization that he can not satisfy his physical and his cultural need by competing with, but only by cooperating with, one another.
4. A high degree of determination and persistence to meet the entrenched forces of the competitive order.
5. The development of self- discipline to follow the peaceful process of persuasion.
6. The foresight to envision clearly an economic system of opportunity, security, and partnership based on cooperation to build a proper foundation.

Onagan also defines the aims of education in the cooperative movement are centered in the following objectives:

1. To teach men to cooperate.
2. To develop in them a sense of loyalty towards their cooperative.
3. To make them understand that their loyal patronage will be for their own good and for that of society by permitting them to attain the ultimate goal of more widespread ownership, and people’s ideal of a full life for all.
4. To make men better consumers or producer, more enlightened voters, and more useful citizens. It also aims to make the membership more widespread in their business scheme or occupation.

Onagan also stress that the concept of education in the cooperative movement centers primarily in the formation of good cooperators. The training, therefore, should tend to promote the following convictions:

1. Conviction that the capitalistic and profit system in its present state is badly in need of reforms.
2. Conviction of the need and of the benefits of the cooperative system which will follow the knowledge and practice of the principles and methods of cooperativism.
3. Conviction that the solution to many of our present economic and social problems will have to be brought about by the practice of self-help, rather than by legislative measures.
4. Conviction that the right to own private property is to be defended at all costs and that the cooperative movement represents one of the effective methods of protecting that right.
5. Conviction and a deep sentiment of loyalty towards the cooperative entity and towards the movement in general.

Appendix B **A Word about CUCO's Philosophy of Dialogue³**

CUCO values people over money. All CUCO participants we met from local credit union members to the national Board of Directors are strongly committed to this principle. The commitment has resulted from CUCO's three pillar approach to development. The three pillars are: 1) education; 2) the solidarity of people; and 3) the value of self-help.

CUCO adjusts economic mechanisms to suit member's objectives. Technicians at the chapters or national level may recognize the need for certain standards (e.g. uniform accounts) or programs (e.g. interlending).

However, changes are not imposed from above. They are explained as the means to help members attain their objectives. Sometimes, the mechanisms are adjusted to suit the members. At other times, members, as a result of dialogue, change some of their behavior. For example, consumerism is sometimes replaced by the thrift habit. The strong point of the credit unions visited during the study period was their emphasis upon co-operation and solidarity among members and between credit unions with the primary concern of development of people.

This development of the people is reflected by the steady growth of lending services and maintenance of the thrift habit in times of rising costs and rising consumerism. The viability and success of credit unions was most evident in these cases of good CU, where the following practices have been inculcated:

1. Felt needs of the particular community (e.g. vendors, farmers, teachers, etc.)
2. Appropriate records, accounts and audits
3. adequate volume of loans and savings
4. continuous expansion through basic training and leadership in the field of co-operative knowledge and skills related to the thrift
5. component management and dynamic leadership
6. appropriate dissemination of information on activities

Interlending has been identified as an important financial measure. Consistent with the CUCO philosophy of dialogue and emanating from the three pillar approach, it is not being imposed on the membership but discussed with them. Because the interlending program suits the members' desires for available loans and for solidarity with other credit unions, it is being endorsed by them and supported by their credit unions. @

³ Feasibility Study on Interlending 1984, by Dr. Michael Rosberg, Dr. Thoby Mutis; under the Cooperation between the Cooperative Development Foundation of Canada and CUCO Indonesia.