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## Examining Social Conversion Factors and their Impacts on Cooperatives' Potential to Enhance Members' Capabilities

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### Introduction

- ❑ The cooperative enterprise as a tool for fostering human development
- ❑ The cooperative enterprise as a tool for promoting equality of capabilities

### Introduction

- ❑ The cooperative enterprise can play a major role on poverty alleviation
- ❑ Despite those claims, the idea that cooperatives have failed in its purpose is quite rampant

### Introduction

- ❑ The role of cooperatives in fighting poverty in a human development setting
- ❑ Following Amartya Sen's framework, development can be seen as a process of expanding the real freedoms that people enjoy.

### Introduction

- ❑ The approach is based on the idea of functionings and capabilities
- ❑ Capabilities are not only about what people choose but what they are able to achieve

### Objectives of the Study

- ❑ To analyze the potential of the cooperative enterprise as a mean that might enable the achievement of valuable beings and doings;
- ❑ To identify and examine the impacts of social conversion factors on cooperatives;
- ❑ To draw implications in relation to the social conversion factors.

## Methodology

### Amartya Sen's Theoretical Framework

- Development is seen as a process of expanding real freedoms that people enjoy.
- Human freedom vs. Narrower views of development
- Freedoms also depend on other determinants, such as social and economic arrangements as well as political and civil rights.

## Methodology

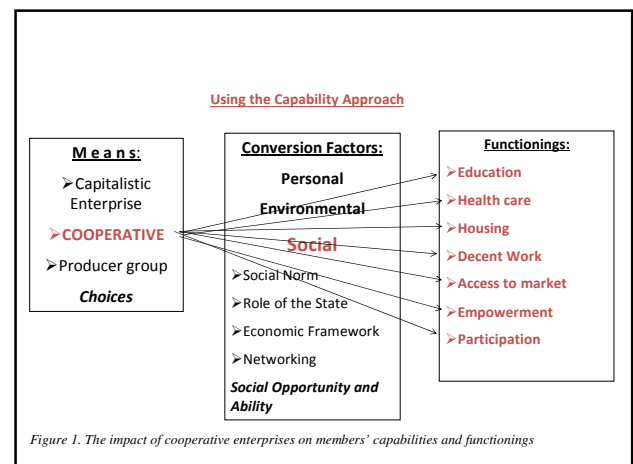
### Functionings and Capabilities

- Functionings are the various things a person may value doing or being (Sen, 1999).
- Capabilities are the various combinations of functionings (beings and doings) that the person can achieve.
- Since capabilities are not only about what people choose but what they are able to achieve, they depend partly on personal circumstances and social constraints.

## Methodology

### Conversion Factors

- The relationship between means (to achieve capabilities) and functionings and capabilities is influenced by conversion factors.
- They are classified in personal, environmental and social factors that can explain how effectively the characteristics of a mean can enable functionings.
- Conversion factors are definitely important to understand how capabilities can be converted to achieve individual functionings.



## Results and Discussions

### Cooperative Cases (3)

- Dairy Farmers' Cooperative
- Cacao Farmers' Multipurpose Cooperative
- Banana Growers' Multipurpose Cooperative

## Results and Discussions

Roles of Cooperatives	Coop 1 Importance Rating (1 to 5)	Coop 2 Importance Rating (1 to 5)	Coop 3 Importance Rating (1 to 5)
Cooperatives promote socio-economic dev.	4.5	4.2	4.6
Cooperatives help ensure food security	4.7	3.8	4.9
Cooperatives help in poverty reduction	4.6	3.6	4.1
Cooperatives help generate employment	4.3	3.4	4.6
Cooperatives improve gender equality	4.4	3.4	4.7
Cooperatives provide accessible financial services	4.6	3.9	4.9
Cooperatives provide livelihoods for the poor	4.1	3.8	4.0
Cooperatives promote rural enterprises	4.2	3.3	2.8
Cooperatives provide accessible health services			

Table 1. Role of Cooperatives ranked according to importance

## Results and Discussions

Issues and Challenges Faced by the Cooperative	Coop 1 Importance Rating (1 to 5)	Coop 2 Importance Rating (1 to 5)	Coop 3 Importance Rating (1 to 5)
Legislative reforms on cooperatives	4.1	3.3	3.6
Governance issues: accountability to members	4.2	4.5	3.1
Regulation of cooperative members	4.2	4.4	3.9
Need for training and human resource development	4.1	4.3	4.1
Access to credit	4.2	4.1	3.9
Public awareness & membership growth	3.9	4.4	3.3
Marketing of Product		4.8	

Table 2. Issues and challenges faced by the cooperative ranked according to importance

## Results and Discussions: Social Conversion Factors

Social Norms	Coop 1 Importance Rating (1 to 5)	Coop 2 Importance Rating (1 to 5)	Coop 3 Importance Rating (1 to 5)
"Pakikisama"	4.8	4.6	4.6
"Bayanihan"	4.4	4.6	4.7
Concept of Shame/"Hiya"		2.8	2.7
Hospitality	4.6	4.6	4.7
Crab mentality			
Family Centered	4.0	4.2	4.7
Conforming and Acceptance	4.1	4.1	4.6
"Utang na loob"	3.2	3.6	4.6

Table 3. Social norms that are present in the cooperative with importance rating

## Results and Discussions: Social Conversion Factors

Government Support	Coop 1 Importance Rating (1 to 5)	Coop 2 Importance Rating (1 to 5)	Coop 3 Importance Rating (1 to 5)
Trainings	4.6	4.8	4.5
Capacity Building	4.4	4.3	4.5
Technical Support	4.8	4.5	
Legal Consultation			4.2
Financial Assistance			4.3

Table 4. Government support received by the cooperative with importance rating

## Results and Discussions: Social Conversion Factors

Government Support	Coop 1 Satisfaction Rating (1 to 5)	Coop 2 Satisfaction Rating (1 to 5)	Coop 3 Satisfaction Rating (1 to 5)
Trainings	4.5	4.6	4.6
Capacity Building	4.1	3.9	4.4
Technical Support	4.6	4.1	
Legal Consultation			4.3
Financial Assistance			3.6

Table 5. Government support received by the cooperative with satisfaction rating

## Results and Discussions: Social Conversion Factors

Economic Factors	Coop 1 Importance Rating (1 to 5)	Coop 2 Importance Rating (1 to 5)	Coop 3 Importance Rating (1 to 5)
Product Demand	4.8	4.4	4.7
Productivity	4.8	4.4	4.7
Income	4.7	4.6	5.0
Employment	4.3	4.4	4.3
Globalization		4.2	4.0
Laws on International Trade		4.2	4.0
Technological Progress	4.6	4.3	4.0
Political Conflict			4.0
Economic Shocks		3.9	4.4

Table 6. Economic factors that can affect the cooperative with importance rating

## Results and Discussions: Social Conversion Factors

Network/Linkage	Coop 1 Importance Rating (1 to 5)	Coop 2 Importance Rating (1 to 5)	Coop 3 Importance Rating (1 to 5)
Federation of Cooperatives	4.8	4.2	3.3
Cooperative Union			
LGUs	3.9	4.9	3.5
Private Companies	4.3	3.1	5.0
POs and NGOs:		4.8	3.6

Table 7. Network/linkage established by the cooperative with importance rating

## Results and Discussions: Social Conversion Factors

Network/Linkage	Coop 1 Satisfaction Rating (1 to 5)	Coop 2 Satisfaction Rating (1 to 5)	Coop 3 Satisfaction Rating (1 to 5)
Federation of Cooperatives	4.7	3.3	3.5
Cooperative Union			
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Private Companies	4.4	2.9	4.7
POs and NGOs:		4.5	2.8

Table 8. Network/linkage established by the cooperative with satisfaction rating

## Results and Discussions

Functionings in the Cooperative	Coop 1 Satisfaction Rating (1 to 5)	Coop 2 Satisfaction Rating (1 to 5)	Coop 3 Satisfaction Rating (1 to 5)
Education		1.3	4.6
Health Care			
Regulation of cooperatives		1.6	2.4
Housing			
Decent Work	4.2	1.5	4.4
Access to Credit	4.8	2.3	4.2
Access to Market	4.8	4.1	4.4
Empowerment	4.8	4.5	4.6
Participation (Coop management and activities)	4.8	4.1	4.6

Table 9. Functionings in the cooperative with satisfaction rating

## Conclusions

- ❑ The role of cooperatives in socio-economic development, ensuring food security and providing financial services are the most important roles perceived by the members.
- ❑ The most important issues and challenges perceived by the members are access to credit, regulation of cooperative members and governance issues.

## Conclusions

Social Conversion Factors	Relevant Items	Impacts
1. Social Norms	-Hospitality -"Pakikisama" -"Bayanihan"	1. Changes in work attitude and values 2. Encourage members to work harder 3. Members become sensitive with their obligations and responsibility 4. Enhance volunteerism 5. Boost members' confidence & trust 6. Increase benefits from collective action (production and marketing)
2. Role of the Government	-Trainings -Capacity Building -Technical Support	1. Additional knowledge on key management systems and operations 2. Increase members' capabilities
3. Economic Framework	-Product Demand -Productivity -Income	1. Provide opportunities and threats to the cooperative 2. Indirectly increase/decrease the members' capabilities
4. Network/Linkage	-Federations -LGUs -Private Companies	1. Additional knowledge on key management systems and operations 2. Increase members' capabilities

## Implications

- ❑ Collectiveness is very important because most capabilities can exist for a member only if they exist for cooperative members as a whole.
- ❑ However, the effectiveness of the cooperative enterprise as a mean for enhancing capabilities depends on the influence of social conversion factors.

## Implications

- ❑ Thus, social conversion factors that exist in and around the cooperative must be explored in order to understand how capabilities can be converted to achievable individual functionings.
- ❑ Being aware of such matters allows the cooperative to become a socially and economically viable business enterprise.

Thank you for your attention. . .