



## **ORGANIZATIONAL CAPACITY OF OPERATING COOPERATIVES IN THE PROVINCE OF ILOCOS NORTE**

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The study was conducted to determine the Organizational Capacity of Operating Cooperatives in the Province of Ilocos Norte. Specifically it aimed to establish the: 1) profile of cooperatives, 2) current cooperative organizational capacity index, 3) areas needing interventions for the improvement of cooperatives; and 4) the type of interventions/assistance needed to develop/enhance their organizational capacity.

Results of the study showed that there was a minimal increase of membership size per coop per year (4.86 or 5% per year).

Major problems identified by the respondents arranged based on their degree/level of gravity were: 1) high percentage of accounts/loans receivables, 2) requirements with BIR not complied, 3) policies, systems and procedures not strictly implemented, 4) poor recordkeeping, 5) decreased savings, 6) non-patronage of services/business by cooperative members, 7) lack of awareness of officers on their duties and responsibilities, 8) fast turnover of management staff, 9) decrease of share capital/net surplus and 10) bookkeeping.

Cooperatives with “poor” operation and management had problems on: 1) high percentage of accounts/loans receivables, 2) decrease in savings mobilization and with minimal capital build-up (SM/CBu) and a decrease in net surplus thus affecting the overall financial viability of the organization. An organization that is “poor” is manifested by a minimal increase or even a decrease in membership size, non-patronage of cooperative business/services and non-participation in cooperative activities by its members. Interventions needed as perceived by the cooperatives under study were as follows: On Capability Building, seminar and training programs on Cooperative Management and Financial Management emerged as the top priority areas. Under the Training Needs, Entrepreneurship, meat processing, and décor making ranked first, second and third, respectively. Under financial assistance, operating capital ranked number one followed by production and rediscounting. For Networking/Linkaging, continuing education, marketing of products and purchase of essential commodities were their top priorities.