

Singapore Government

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**SPEECH BY MR CHUA SIAN CHIN, MINISTER FOR HOME AFFAIRS,
AT THE 2ND ANNIVERSARY DINNER OF THE SINGAPORE NATIONAL
CO-OPERATIVE FEDERATION, AT THE NEPTUNE THEATRE
RESTAURANT ON SUNDAY, 31 JULY 1983 AT 8 PM**

Today we celebrate International Co-operative Day as well as the Second Anniversary of the Singapore National Co-operative Federation (SNCF). It has been more than two years since the SNCF was inaugurated. As an apex organisation it has befallen on the SNCF the task of leading, servicing and unifying the co-operative movement in Singapore. It is therefore an opportune occasion to do some stock-taking of what the SNCF has achieved so far, what remains to be done and the challenges that lie ahead.

In July last year, 32 co-operative societies comprising mainly the bigger ones were affiliated to the SNCF. Since then 11 more smaller co-operatives have joined making a total of 43. They have done so after realising the benefits they could derive from their affiliation. These 43 co-operatives have individual memberships which represent 94 per cent of the total number of co-operative members in Singapore.

However, there are 27 co-operatives which have yet to join the SNCF. They are the smaller ones and the reason for not joining is mainly because they could not afford the affiliation fees. To accommodate them, the SNCF had recently amended its bye-laws to reduce the annual affiliation fee from a dollar a member to 30 cents. We can now expect most of them to join the SNCF. We should in the near future have for the first time a unified co-operative movement in Singapore.

It is important that we have a strong unified co-operative movement in Singapore just as we have a strong united trade union movement under the NTUC. This is because both the co-operative and trade union movements are like sister organisations which complement one another. While the trade unions ensure that the worker gets a fair wage, it is the co-operative movement that can ensure that the ordinary wage earner derives maximum benefits from his earnings. It was the formation of consumer co-operatives such as WELCOME which is now FAIR PRICE that our wage earners have been protected from falling victims of profiteering. Co-operatives such as INCOME and the thrift and loan societies have encouraged our workers to be thrifty and to save.

However, just as in the case of the trade unions, for the co-operative movement to be able to discharge its functions and protect the interests of its members well, it must continue to have at its helm honest and competent leaders and managers. To date, most of our co-operatives, particularly the big co-operatives have built up a great deal of public confidence and trust in them. This is because they have by and large been run on sound management practices. As a result, they have been able to provide services and sell consumer items at competitive prices to the benefit of their members and customers.

Our big co-operatives have also expanded their operations. With the merger of WELCOME and SILO leading to the formation of FAIR PRICE we now have a very huge co-operative running 33 supermarkets. I understand that FAIR PRICE intends to expand its operations further and in the next 30 months to set up 10 new supermarkets and departmental stores to serve new HDB estates such as in

Hougang Town Centre, Bukit Batok and Potong Pasir. The Telecoms Co-operative Thrift and Loan Society and the Postal and Telecommunication Co-operative Thrift and Loan Society have also merged. It has become one of the top thrift and loan co-operative with a membership of 3,700 and a capital of \$4.3 million.

These mergers and expansion should enable these co-operatives to take advantage of the economies of scale through bulk purchasing and the pooling of management talents. This should result in greater operational efficiency, lower overheads and better management. They can then pass these benefits to their members and customers. On the other hand, these developments also mean that greater responsibility will now devolve on those who are managing them. They must therefore continue to be run by men of integrity and competence not only at the top but also in the middle and lower management levels. We cannot afford any form of mismanagement at whatever level for the consequences will be disastrous as a result of the loss of public confidence in our co-operative movement.

As for the smaller co-operatives, any form of mismanagement, though it would not result in such disastrous consequences, would certainly mar the image of our co-operative movement. Thus to ensure that this does not occur, the SNCF through its Management Services Unit is providing accounting services to a number of its smaller affiliated societies. They need help to put their financial system and accounting procedure on a proper basis. The Unit has also produced a General Financial Manual booklet to give such guidance. In addition, the SNCF has also provided internal auditing services to a number of its affiliates.

On Education and Training, the SNCF has conducted 12 courses in the last 12 months. They were conducted by local and foreign experts and attended by 400 co-operative officers. This should upgrade further the expertise not only of the managers running our smaller co-operatives but also the middle and lower rank managers of our bigger co-operatives.

For the future, as our co-operative movement expands we must at the same time consolidate its foundation by ensuring that all our co-operatives are properly managed with a sound financial system and accounting procedure. Our co-operatives must also be forward-looking and not hesitate to adopt new management techniques to improve efficiency and maintain the competitive edge. To attain these, there must not be any let-up in our education and training programme to upgrade the management expertise of our co-operative officers. We must also continue to induct young men and women of ability and integrity into the movement.

The future of our co-operative movement is full of promises as there are challenges. I have no doubts that our co-operatives will rise to the challenge. I wish the SNCF and the co-operative movement continued success.
