



On the Crafting of CDA's Charter

POSITION PAPER of the CDA Personnel Nation-Wide

We, the CDA personnel nation-wide represented by the Regional Directors, have come together with a firm collective intent to advance what we believe is our moral and official obligation to participate in the crafting of the CDA Charter which will best serve the interest of the more than twelve million cooperative members, in whose name and for whose cause we are in CDA for.

We are in the midst of deep reflection at this stage of CDA's 24th year of existence as a new Charter is being crafted to define what it should be, after which, re-organization will be in the offing. Together with that reflection goes with it our prayers that those who are taking the cudgels of crafting so important a charter should listen to those who have painstakingly been frontlining CDA for decades, bravely facing the challenges of serving our cooperatives, despite the shortage of budget and even of personnel.

In frontlining an office which was constitutionally created to "promote the viability and growth of cooperatives as instruments for social justice and economic development", we are saddened by bills depriving CDA to do capability-building and empowering functions; worse, abolishing even its developmental function. For us, such will grossly deviate from the *raison d'être* of the creation of an office as envisioned by the framers of the 1987 Constitution.

Ito po ang aming paninindigan na sana po kami'y pakinggan:

ANG PAGSUSOG NG BATAS AY GINAGAWA UPANG BIGYAN NG BUHAY ANG LAYUNIN NG BATAS. ANG MGA MUNGKAHING PROBISYON AY HINDI NAGBIBIGAY BUHAY SA LAYUNIN AT ESPIRITU NG BATAS. KUNG ANG MGA MUNGKAHING PROBISYON AY NAGHAHATI AT HINDI MAGBUBUO SA ATIN, MAS MABUTING WALA NA LANG PAGSUSUSOG NA GAGAWIN!

We are therefore expressing our unified stand to strongly recommend the following:

OUR UNITED STAND:

A. On the Title of the Substitute Bill

It is our firm collective stand that there should be **NO REPEAL** but **MERE AMENDMENT** of RA 6939.

This is so because we believe that a repeal of CDA Charter implies a rejection of the organization. Amendment is more appropriate because it aims to enhance the organization.

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B. On the abolition of development function of CDA

It is our firm collective stand to RETAIN THE DEVELOPMENT FUNCTION OF CDA.

The DEVELOPMENT FUNCTION is the main reason of the existence of CDA. The CDA is created as an authority for the development of cooperatives.

Besides, the abolition of development function is unconstitutional. The constitution of 1987 is clear. Article XII Section 15 states "Congress shall create an agency to promote the viability and growth of cooperatives as an instrument for social justice, equity and economic development."

In addition, Republic Act 9520, the Philippine Cooperative Code of 2008, states that "It is the declared policy of the state to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice. The state shall encourage the private sector to undertake the actual formation and organization of cooperatives and shall create an atmosphere that is conducive to the growth and development of these cooperatives.

"Towards this end, the Government and its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable said cooperatives to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement that is free from any conditions that might infringe upon the autonomy and integrity of cooperatives."

On practical terms, 91% of cooperatives in the country are in the categories of micro (76%) and small (15%). As such, they have limited means and capacities to do business and compete in open market. They need help, technical, managerial and financial, to build up business and meet the needs of members. Abolishing the development functions of CDA means a denial of the cooperatives by the government the needed support to make cooperatives truly as instrument of social justice, equity and economic development.

Furthermore, developmental and regulatory functions should not be taken separately, much more be pitted against each other. Regulation must be seen in the perspective of developing and strengthening cooperatives and not to be taken as a measure to eliminate the unfit and to include only those who can comply with the standards set by the regulator.

C. On the Conduct of Trainings

It is our firm collective stand for CDA to retain its function under Sec. 3(b) of RA 6939 which is “to develop and conduct management and training programs upon the request of the cooperatives...”

Based on studies of development experts, poverty in this country is rooted, not in the lack of resources, but in the powerlessness of the people to have access and control over their resources. As a countervailing measure, the marginalized sectors must be drawn into mainstream of development processes by enhancing their skills and capabilities, thus, empowering them. In empowering the cooperatives, an office created to advance cooperativism must be a leading edge in developing a systematized and ladderized approach through the inculcation of knowledge, values and skills which our cooperatives are in dire need of.

This will not affect the services being rendered by accredited training providers but will serve as venue to complement, reinforce and supplement the provision of human resource development to cooperative members, officers and CDA officials. The same shall not impede but rather enhance the principle of subsidiarity. Most of our micro and small cooperatives cannot afford financially as each one, be micro or big, has to spend some P100,000 to avail of all these trainings. The State must exercise the legal principle of *Parens Patriae* so that this country can develop its human capital, knowing that a country which has not developed its human capital is penalized by slow growth.

D. On the abolition of the rule-making power of the Authority

The rule-making power of the Authority must be retained as such function is an integral component of the regulatory functions of the Authority. Furthermore, it grants CDA the flexibility to be responsive to challenges, problems, and opportunities of the time. The broad range of concerns of CDA and the wide degree of variability of development of different types of cooperatives necessitate the retention of this provision in the Charter in order to make CDA effective, efficient, and responsive administrator of the Cooperative Code.

E. On the Status of CDA personnel in the eventual re-organization

It is our firm collective stand that CDA personnel should be automatically absorbed, not just merely given preference. However, those who opt to separate

from the service shall be given a separation pay computed at 1.5 month's salary for every year of service. A fraction of a year of service shall be considered 1 year.

It is our unified stand that the Chairman, as Head of the Agency, shall act as the Chief Executive Officer, as provided for under the Administrative Code. The members of the Board shall serve on a full-time basis due to the magnitude and complexity of their duties and responsibilities.

Inextricably linked which may be done prior to the crafting of the CDA Charter are the following proposals to amend RA 9520 which have significant bearing in strengthening CDA, to wit:

I. On Quasi-Judicial Power

It is our firm collective stand that CDA be granted Quasi-Judicial Power.

The granting of quasi-judicial power to CDA to resolve intra-cooperative conflicts involving election of officers and governance of cooperative is important to make CDA useful to the resolution of these two most commonly encountered problems among cooperatives.

In this regard, however, CDA is aware of Article 137 of the Cooperative Code, RA 9520, as far as resolution of intra-cooperative conflicts is concerned. Under this rule, the intra-cooperative conflicts shall be resolved through mediation and conciliation, and voluntary arbitration. Observations point out that this procedure is ineffective in resolving intra-cooperative conflicts involving election of officers and cooperative governance. As a consequence, the non-resolution of the conflicts results to splitting of cooperative, an outcome not conducive to the growth and development of cooperatives in the country.

II. On Cooperatives in Education System

The CDA proposes the retention of the section Cooperative in the Education System with some modification. The section should read as:

The Authority shall create a system of education, training and research for cooperatives. The system shall recognize the existing state and private schools, colleges and universities as well as cooperatives with capacity to conduct education and training for cooperatives. The authority shall also re-define the use of Cooperative Education and Training Fund (CETF) in the creation of the said system of education, training and research for cooperatives.

A new system of education, training and research should now be installed to insure a uniform or standard way of delivering the education and training services to members. The new system shall evolve towards the creation of cooperative college.

As of today, we allow cooperatives to conduct the training for their officers and members. The collected Cooperative Education and Training Fund (CETF) is used as the source of fund for this purpose. The observations are clear that the CETF is not properly used and the conduct of training and education is so varied in terms of depth, breadth and methods. The used of CETF shall be re-defined to partly finance the operation of the Cooperative College.

So much time and resources have been lost in the present system of education and training. It is now high time a new system shall be installed to have a sound, effective, and efficient system of cooperative education, training and research in the Philippines.

III. On Agricultural Cooperative

Under RA 9520, agriculture cooperative is not particularly defined as a type of cooperative. This is a big oversight in the law.

CDA strongly proposes the inclusion of this section in the revision of the cooperative code.

Agriculture including agrarian reform is the largest sector of the economy in terms of land area covered, number of people dependent on it for living, and contribution to GDP. It is also a major source of foreign exchange. But the ability of our agriculture sector to feed our people is now declining. It is also a known fact that the highest incidence of poverty in the country is in the agriculture and rural sector.

Given the abovementioned considerations, it is imperative that in order for our country to survive and compete in a globalized economic system, we need a strong productive agriculture sector. The development of cooperatives in agriculture and rural areas is the only way for the Philippines to compete in the globalized economy, to feed its people, have food security, and reduce rural poverty.

In crafting the CDA Charter to strengthen CDA, it behooves upon our Honorable Legislators to consider the following:

1. To rationalize the seemingly irrational set-up of cooperativism in the country where a number of development agencies of government are implementing their own respective cooperative programs with much bigger budget than the whole of CDA. This means the new Charter shall empower an office constitutionally

created to respond to the metamorphosing of cooperatives that are continuously re-defining themselves to squarely resolve the intricacies of development, i.e. all development programs of every agency have now integrated cooperativism as the vehicle of the beneficiaries to sustain their respective programs/projects/activities be it on agrarian reform, community-based resource management, sustainable agriculture, women's health, job generation, food security and ecological integrity. This truism makes the broader role of CDA on empowerment, regulatory and development even more essential.

2. Since the creation of CDA 24 years ago, the number of cooperatives has significantly increased even six-fold but the number of plantilla positions of 736 has remained the same; worse, the number of personnel has decreased to 544 for reason of "rationalization" which for several years (from 2003 to 2013) had disallowed CDA to fill-up vacant positions, many of which have become unfunded.

3. One CDS-II field personnel has to inspect more than one hundred cooperatives with just a monthly travelling allowance of P1,500. Despite such limitation, we are proud to report that they have inspected and assisted almost all cooperatives nation-wide in far-flung communities using their own personal resources – from out of their passion to serve the least of our brethren.

Changing the Charter must be based on a concrete ground, an analysis based on some researches on why cooperatives are not gaining headways in societal transformation as instruments of social justice, equity and sustainable development in a highly pyramidal social and economic structure. Indeed, a strong office is imperative, one that will prove equal to the task. Empowering that office calls for a Charter that broadens its functions with sufficient resources and manpower and to become the "wind beneath the wings of the cooperatives." If such be not the case, then, we humbly request our Honorable Legislators not "to clip such wings" by passing a law that is not acceptable to us in particular, and to the cooperative movement in general.

We are collectively manifesting our UNIFIED POSITION, with a firm belief that working in CDA for more than two decades now has given us that concrete ground and the moral authority to express our views with a prayer that we be heard.

We hereby committedly affix our signatures as a strong manifestation of our collective stand as one CDA family:



DIR. ORLANDO R. RAVANERA
CDA Cagayan de Oro
President, Association of Regional Directors



DIR. GIOVANNI T. PLATERO
Deputy Executive Director III



DIR. RAY R. ELEVANS
OIC Executive Director

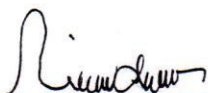


EMERLINA T. RACELIS
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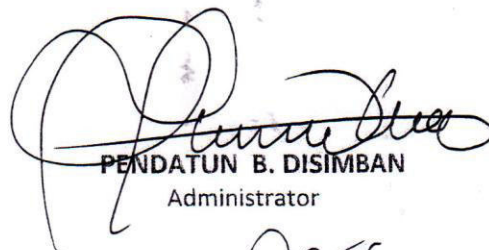
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PENDATUN B. DISIMBAN
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