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9. ABSTRACT

A discussion of low-income, rural cooperatives, or "Emerging Cooperatives," which act as catalytic agents for community development between the people and the political machinery. The cooperatives are analyzed here from two dimensions--civic sophistication of the leadership, and economic thrust of the activities and educated awareness of the membership. Members, numbering over two million, are pedominantly black, educationally disadvantaged, economically poor, and politically dispensible. Nevertheless, the Movement has proved to be an effective weapon against poverty, a motivator of community pride, and an instrument for the members' involvement in community development activities.

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The Role of Low-Income Rural Cooperatives in Community Development

T. T. WILLIAMS

THE ROLE of Emerging Cooperatives in community development must be analyzed from two dimensions: civic sophistication of the leadership, and economic thrust of the activities and educated awareness of the membership. Casual observation of the extent to which these entities are being realized leaves much to be desired. The Emerging Cooperative Movement is in need of support in both areas in order to exert the maximum impact on community development [16]. The Emerging Cooperative Movement has proven to be an effective weapon in the poverty war arsenal. The movement has served as a motivator of community pride and as an instrument for the members' involvement in community development activities [16].

Emerging Cooperatives are usually referred to as a group having a high percent of low-income members. These are the cooperatives organized and managed by individuals who are the residuals of an affluent society. The members are predominately black, educationally disadvantaged, economically poor, and politically dispensable. However, the growing number of Emerging Cooperatives dramatizes the faith and confidence the members have in the movement [14].

It is estimated that there are some 2,500 Emerging Cooperatives with a combined membership in excess of two million. These numbers take on greater significance when it is recalled that less than 20 years ago there were less than 100 such cooperatives with a membership of about 10,000. In 1969 the Office of Economic Opportunity published for the first time a "Co-op Directory" listing some 200 low-income cooperatives organized as a result of the Economic Opportunity Act of 1964 [9].

Civic Sophistication

In the final analysis, the catalytic agent for community development is a determined group of people, knowledgeable about how the political machinery can be utilized to improve the quality of life [5]. Over the years, the Emerging Cooperative Movement has been that catalytic agent in many rural communities, but the political sophistication to sustain and accelerate the thrust is floundering for lack of aggressive support.

From a civic viewpoint, the Emerging Cooperative Movement has been "community oriented." The civic thrust of the movement reflects the composite of the members who are residents of the neighborhood, work in the community, and spend the major portion of their earnings for basic necessities. The members mirror the civic goals of individuals similarly situated in the rural or urban community [1].

While the ultimate civic goal of the Emerging Cooperative Movement has been to improve the quality of life for the membership, the immediate thrust has been playing catch-up. Usually, when community problems have been diagnosed, programs formulated, and regulations promulgated, the members of Emerging Cooperatives are brought into action to assist with the implementation. Seldom are the members consulted for input or advice during the development stage of the program. The result is that programs intended to encourage community involvement fail to reflect the needs of that section of society, earlier referred to as the residuals of affluency [14].

The greatest growth period for the Rural Emerging Cooperative Movement was during the 1960s. These were also the years in which society was experiencing many changes as more Americans were demanding a greater role in all affairs affecting their daily activities [9].

Members of the Emerging Cooperative Movement were attempting to utilize the cooperative principles at a most difficult time in history. This was a period in which we failed to share the cooperative experiences with an emerging group determined to share in the fruits of a highly developed society [10].

Experiences of the Emerging Cooperative Movement provided this country with a keener insight into the civic potential and the economic plight of the residuals of affluency in community development.

During the greatest growth period of the Emerging Cooperative Movement, this nation

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experienced significant changes in the characteristics of rural America [2]. Our stockpile of arsenal to fight the poverty war was at its greatest strength while the number of family farm operators and their families were moving to urban centers ill-prepared for the new life style [6]. On the surface we made inroads in the area of equal opportunity while sharp differences continued to exist between the economic status of black and white Americans residing in both the rural and urban sectors [17].

The 1972 median income among whites was $11,457 compared to $6,864 for blacks. Even though the proportion of black workers in the total work force jumped by 8 percent between 1966 and 1972, most blacks were employed on jobs paying low wages. Compared with the national average, the unemployment rate for blacks is four times greater than that for whites [12].

We know from experience that it is most difficult to mobilize communities when the purpose of getting people to work together is to challenge the conditions causing discrepancies in income and employment. Too often this has been the main civic thrust of the Emerging Cooperative Movement.

The Emerging Cooperative Movement is partially responsible for organizing the largest exercise in participatory democracy in rural America. Support for this observation is revealed by studying findings of the Joint Center for Political Survey [8]. The study findings reveal that the number of blacks holding elective offices increased over 15′ ercent from 1969 to 1973. The greatest gains were recorded in the rural areas of the South where the Emerging Cooperative Movement received popular support from the residuals of affluency. Leadership of Emerging Cooperatives capitalized on the growing concern for involvement to gain greater community support [3].

In many instances the early "community oriented" thrust of the movement was to challenge the insensitivity of the establishment. The establishment usually fought back with all the power at its command. In the process a communication void was created at a time when cooperation was so necessary for the development and the implementation of community development programs.

During the formative years of the Emerging Cooperative Movement, we also witnessed a decline in the caliber of grassroot leadership [13]. Rural communities were left with some difficult problems in that leaders with the proven ability had left the areas in search of a better life in the city [4]. The leaders who surfaced to guide the community and the Emerging Cooperative Movement experienced difficulties in motivating the people and gaining membership support.

Today, in a limited way, Emerging Cooperative members are assuming a greater leadership role in sensitizing the civic responsibilities of the total community. This is observed with a greater interest on the part of elected officials relative to the needs of the residuals of affluency. Despite such concerns of elected officials, the movement is faced with a situation in which a large number of the members are outside the political mainstream.

Big business and big cooperatives (established) are self-centered. Most of them have been rather successful in meeting the needs of the affluent Americans [11]. On the other hand those Americans classified as residuals of affluency must share in the remnants of that society.

A brief review of the early years of the political thrust of the Emerging Cooperative Movement brings two fallacies to surface. First, too much responsibility was delegated to the residuals of affluency for winning the poverty war. The blind cannot lead the blind. And second, the "community oriented" thrust of the Emerging Cooperative Movement for involving people in the poverty war was overemphasized. Getting people aroused about improving their plight is one thing, having the sophistication for orchestrating all elements necessary to develop and implement community improvement programs is another. The sophistication for developing the leadership ranks of the Emerging Cooperative Movement was lacking. In too many instances, the leadership was required to design and implement political strategy without the support or the cooperation of the Established Cooperative leadership. Board members of the Emerging Cooperatives experienced difficulty in projecting their leadership qualities to gain community support.

Despite the limitations of the Emerging Cooperative Movement, there has been an apparent diminishing resistance from the establishment and the community concerning the movement's political thrust. There seems to be a mutual feeling of respectability and a greater willingness to lend assistance.

Another major spin-off from the early political experiences of the Emerging Cooperative Movement is reflected in the increased community pride on the part of the membership. The Emerging Cooperative membership working con-

currently with other Great Society programs, Model Cities and Community Action, brought into sharp focus the realization of what democratic government is all about—a government of the people and by the people. The combined thrust of the Great Society programs helped to rekindle hope in the future of democracy. We have observed the demand for additional responsibilities by the Emerging Cooperative leadership in community development. Members of the movement are working with other groups to assure that the fruits of our affluent society are shared equitably.

With the trend toward the use of revenue sharing for community development programs, a strong, sophisticated Community Action group is necessary. A community void of such support and sophistication will find it difficult to influence the use of revenue sharing funds or programs.

The results of Southern University's involvement in outreach services demonstrate the need for a mechanism designed to provide civic education to individuals with the characteristics of Emerging Cooperative membership [15]. Institutions such as Southern University are uniquely qualified to develop and to implement such a mechanism. Southern University, like the other original sixteen 1890 Land Grant Colleges established by the second Morrell Act, has the specific responsibility of providing training for people of color [7]. These colleges have the orientation and the experiences of disseminating information to the residuals of an affluent society. Adequately funded, the 1890 Land Grant Colleges could bring about greater civic awareness between the Emerging and Established Cooperative membership and the Land Grant College Complex.

Established Cooperatives have the experience of manipulating politics to the advantage of their membership. This fact was observed by some recent public disclosures. The 1892 Land Grant Colleges which were established by the first Morrell Act have a proven record of assisting the Established Cooperative membership in their development efforts [7]. However, effective mechanisms to articulate the needs and to effectuate the solution to the needs of Emerging Cooperative Movements leave much to be desired.

Economic Thrust and Educated Awareness

The Emerging Cooperative Movement must never become so involved with the working of politics that it loses sight of the economic needs and aspirations of people. Through the years, the leaders of the movement have been concerned with the utilization of all resources to improve the quality of life for its members, who desire a dignified job and a home with the other basic necessities.

One could convincingly argue that the services and support needed by the Emerging Cooperative membership to assure economic viability are available for the asking and that the failure of the Emerging Cooperative Movement to utilize such services is due to the inability of the Established Cooperative members to conceptualize what is needed by the Emerging Cooperative Movement. Certainly some merit can be given to this position. However, economically speaking, members of the Emerging Cooperative Movement understand what is required of them to make their cooperative economically successful. Likewise, the members are committed to the cooperative principles. In addition, Emerging Cooperative members are desirous of helping their organization become economically viable and sensitive to the membership needs. The missing link in the Emerging Cooperative Movement is that these goals have not been realized.

Some of the criticism waged against the lack of economic thrust incorporated in the activities of the Emerging Cooperative Movement is reflected in the inability of the membership to conceptualize what a cooperative is all about. The textbook presents cooperatives as an organization whereby people pool their resources to accomplish collectively what they cannot do individually. While most textbooks on cooperatives view them as an economic entity, the typical Emerging Cooperative has all the textbook characteristics—one man, one vote, and services at cost—other than a cooperative.

Specifically, Emerging Cooperatives have the following characteristics: (1) short history of operation as a legal entity—many of these cooperatives do not have a charter, even though they have been in operation for an extended period; (2) limited membership loyalty—only a few Emerging Cooperatives can depend upon membership for purchase or sale supports; and (3) realized limited savings for the membership—a relatively small number of Emerging Cooperatives have paid patronage dividends, and fewer still have realized any significant savings, real or otherwise, for the membership [16].

Most Emerging Cooperatives are operating on borrowed money and borrowed time with both

at the termination point. Promise of realizing economic goals or objectives by the leadership of the Emerging Cooperative Movement must be supported with actual accomplishments.

Even though the Emerging Cooperative Movement has realized little economic success for the membership, the mere recognition of such a possibility by the residuals of affluency is encouraging. This is significant when it is recalled that members of the movement have come together at a difficult time to help each other in a manner that most critics will accept as the "American way." A growing number of Emerging Cooperative leaders are insisting that the Land Grant Complex assume a more active role in helping their membership in the pursuit of economic goals.

Gaining increasing support among the Rural Emerging Cooperative leadership is the feeling that the family farms should be consolidated under a cooperative arrangement. However, more data should be collected and analyzed concerning the social and economic impact of consolidation of family farms under a cooperative umbrella before any position is advanced. An aggressive economic thrust of the Rural Emerging Cooperative Movement has been to serve as a catalyst to preserve the economic viability of the family farm, and this should continue as its major goal.

Southern University researchers are attempting to appraise what it is that makes an economic family farm unit. From preliminary findings two factors stand out: the type and combination of farm enterprises and the affiliation the operator has with successful cooperatives when purchasing inputs and marketing farm outputs. In other words, the Established Cooperative with proven purchasing and marketing techniques plays an important role in determining the economic success of a family farm.

We at Southern are convinced that the Rural Emerging Cooperative Movement has the potential for providing leadership to assure the family farm, even though individual cooperatives have not assumed an economically successful track record. Likewise, we are of the opinion that the realization of the Rural Emerging Cooperative Movement assuming a greater role in preserving the conventional family farm is directly related to the support the movement receives from the Land Grant Complex in general and the 1890 Land Grant Colleges in particular. To support this observation, one has only to review the development of the Established Cooperatives.

The economically successful cooperatives today were at one time relatively small. The social, political, educational, and economical climates out of which these early cooperatives flourished commanded unqualified support from the Land Grant College Complex. Turn the coin over and you observe an entirely different set of conditions confronting the Emerging Cooperative Movement during its formative years.

The Emerging Cooperative Movement with limited know-how, funds, and practically no support from the Land Grant College Complex had to fight against many odds in an effort to play a meaningful role in community development. In fact the Emerging Cooperative Movement was at a disadvantage in competing with the so-called Established Cooperatives for the technical services located at the Land Grant Complex.

In the wake of the conditions under which the Established and the Emerging Cooperatives developed, a number of Emerging Cooperative members are of the opinion that neither the Established Cooperative leadership nor the Land Grant College Complex fully support their efforts to become economically relevant in their community development thrust. They argue that through the years, thanks to the Land Grant Complex, Established Cooperatives have acquired a reservoir of know-how and loyal support from the Land Grant Complex that could be shared with the Emerging Cooperative Movement with limited adverse effect on the economic thrust of Established Cooperatives.

The experience of Southern University with the Emerging Cooperative Movement has convinced us that the machinery for sharing tested approaches for community development is strongly needed. We are equally convinced of the potential for Emerging Cooperatives exerting an accelerated impact on community development. Greater utilization of the 1890 Land Grant College resources for assisting the Emerging Cooperative Movement to become economically viable should be encouraged.

The 1890 Land Grant Colleges with adequate federal funding could fully apply their demonstrated techniques in community development. An aggressive Emerging Cooperative Movement would mirror the economic thrust of the family operations while the already committed Established Cooperatives would continue to serve as

the spokesmen for commercial agriculture. Both the Emerging and Established Cooperative Movements could draw upon the resources located at the Land Grant Complex (1890 and 1862 Land Grant Colleges) in their efforts to improve the quality of life for the membership.

Although our education system must continue to strengthen community development through research and outreach efforts, the membership of Emerging Cooperatives has limited knowledge about how our capitalist system operates. This factor alone accounts for much of the non-economic orientation of the Emerging Cooperative Movement. There is a reservoir of expertise available in the Land Grant College Complex for correcting this problem, but what is needed is a mechanism for matching needs with available resources.

In order for a cooperative to be successful, it must be under good management. Established Cooperatives recognize this importance of management in that millions of dollars are spent yearly for the training of managers who have grown up in the movement. On the other hand, managers of Emerging Cooperatives have had limited management training and the Board budget has few funds for such training. This is significant in that some managers and other officials of the Emerging Cooperative Movement have limited management training while a number cannot read or write.

The 1890 Land Grant Colleges could be that focal institution the Emerging Cooperative members turn to for research and training. These colleges already have underway research and training on how to organize and train grassroot leaders for community development. With additional federal and state funds, these efforts could be expanded.

Training needed by Emerging Cooperatives is similar to that of Established Cooperatives, but the content and delivery methods are different. For Emerging Cooperatives the delivery should be close to a one-on-one basis and offered by trainers who are sensitive to the aspirations of the participants.

In order to provide such specialized training, there should be developed a number of training centers at the 1890 Land Grant Colleges. Locating the Centers at these Colleges would provide technical assistance to the Emerging Cooperative Movement on a continuing basis and serve to utilize the proven expertise of the 1890 Land Grant Colleges in community development. During the implementation of the education thrust, the research and outreach programs underway at the 1890 Land Grant Colleges will undergird the technical assistance provided by the Center's staff.

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Session 2

THE ROLE OF COOPERATIVES IN FUTURE AGRICULTURE

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