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PREFACE

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In this issue:

INFORMATION FLOWS AND INSTITUTIONAL FUNCTIONS RELATED TO PROBLEMS OF SMALL FARMERS

*by M. B. Badenhop**

INTRODUCTION

The developing world community must depend upon small farmers for increases in agricultural production to meet the nutritional requirements of a tenaciously increasing population. Development experts, who in the past have often found it easy and convenient to ignore the small farmers, are now becoming more aware of the small farmers' role in the development process. This is due to the large number of small farmers in the developing countries and to the impact of the small farmers' problems on the rest of society. There is a growing recognition among development experts that greater concerns for equity, or a more equal sharing of the amenities of life, are issues that should be considered as part of the goals of national policy of the developing nations. Whatever the impetus, in order to achieve self-sustained national development the entire agricultural sector must reap the benefits of development. Active participation by small farmers in the development effort is required for national, political, and economic stability.[1]

Constraints that need to be overcome by small farmers in order for them to be viable generally revolve around variables associated with technological changes, institutional arrangements, and information needs.[2] It is the purpose of this paper to place in proper perspective the roles of information, communication, and institutional activities in removing constraints which block acceptance of technology. Accordingly, the availability of information that is adaptable to the resources and managerial competence of small farmers is discussed (Figure 1). The role of institutions in developing information for clientele and effective communication with clientele is reviewed. Questions on the types of information needed and on information flows are raised. Persons interested in expanding the amount of relevant empirical information available to small farmers and in creating effective development strategies and programs to help them should find this report useful.

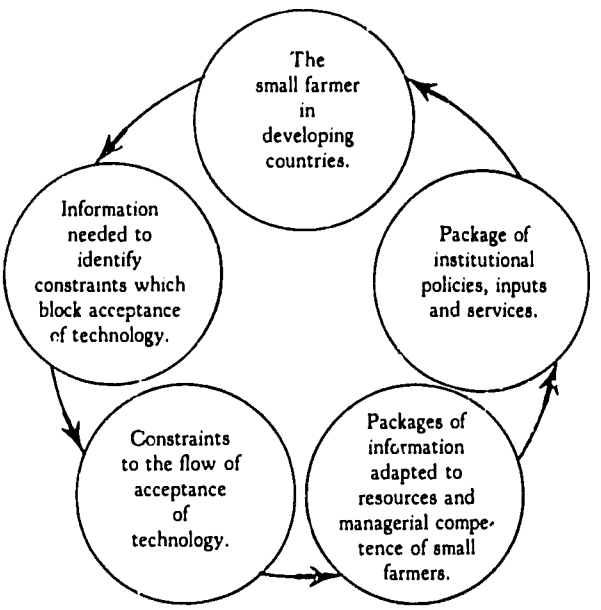

Figure 1. Institutional Functions Related to the Small Farmer in the Developing Countries.

Source: Adapted from: Ensminger, Douglas [2].

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[1]*Certain conditions are necessary before small farmers can improve their status. Small farmers need access to land resources, either to own or rent, and to the services of public sector institutions. For inputs, such as improved seeds and fertilizers, suitable credit should be available to qualified borrowers. For small farmers to be viable, equitable tenure arrangements are essential. Accurate price information to guide management decisions should be available to the small farmers and the small farmers must learn improved production and marketing practices. Perhaps most important to the small farmers is access to the political process as a means of obtaining and maintaining institutional services. Small farmers need access to institutional services in an organized way for their demands to be effective [4].*

[2]*Ensminger [2] defines a constraint, when related to small farm agriculture, as anything that restricts or inhibits the small farmer from either wanting to, or being prepared to, risk changing from his traditional agricultural practices to adopting and integrating new agricultural technology into his farming practices and family living patterns.*

INSTITUTIONS DEFINED AND IDENTIFIED

Many past efforts to reach small farmers with effective development projects have been failures [1]. The lack of institutional infrastructure and institutional services for small farmers has been a major constraint contributing to those failures. For the purpose of this paper:

> *Institutions, broadly defined, refer to the patterns of relations among people, including relations among organizations of people. The concept of institution includes customary ways of doing things, as well as reference to specific organizations. By definition, institutions are products of relatively stable and routine patterns of interpersonal and interorganizational behavior. Institutions are thus limited in their flexibility and capacity to innovate. This characteristic of institutions is both a strengh and a constraint.*
>
> *"Institutional services" encompasses the "people problems" associated with the task of overcoming the gap in food demand and supply. It is people who eat, people who reproduce people, people who produce food, people who become organized into formal and informal groups, people who discover new knowledge, and people who accept or reject the knowledge available to close the food-population gap. In sum, institutions and institutional practices inadequate to the task can be enormous barriers to closing the food-population gap [2, pg. 665].*

If the public institutions could develop effective guidelines for communicating with small farmers and then be given the mandate, the continued support, and the resources to reach them, a part of the challenge of providing accurate, timely, and useful information to small farmers would be achieved. If agricultural institutions could find ways to better understand small farmers and then adapt their organizations to serve them, the problems facing small farmers would be met in a major way.

Five institutional systems of concern to small farmers through which agricultural production and marketing information should flow are:[3]

1. The institutional infrastructure involved in providing adequate and timely inputs — such as credit, seed, pesticides, fertilizer, and breeding stock — to farmers.
2. The institutional systems involved in organizing, managing, and allocating land and water resources.
3. The system of incentives required to motivate farmers to produce more food and processors and consumers to reduce food loss.
4. The institutional system for identifying information needs and for developing and delivering food production and utilization information to the users in the food system.
5. The institutional structures and practices necessary to improve storage, processing, utilization, transportation, and marketing facilities.

IMPROVING THE INFORMATION SYSTEM: A MODEL

A key point in making an information system more effective is to improve established linkages between the developers, the deliverers, and the users of information. An interrelated system of organizations and committed personnel is required in order to improve these information linkages. At least five functions must be fulfilled before any real improvement can take place: 1) research and development of appropriate new technology;[4] 2) adequate local testing of technological developments; 3) dissemination of information to users; 4) adoption of new practices; and 5) a continuous system of feedback and interaction among all participants in the system, with emphasis on the involvement of the farmer.

There are many institutional arrangements for creating an interrelated system of agricultural information, none of which is universally the "best" arrangement. In short, the institutional structure must be "built" to fit the country, though the requirement of effective linkages is universal. One way to accomplish this is to utilize the emerging agricultural universities and international research centers. These organizations provide nuclei on which to build national, and perhaps international, models of information development and delivery. A way to visualize such a system is indicated in Figure 2.

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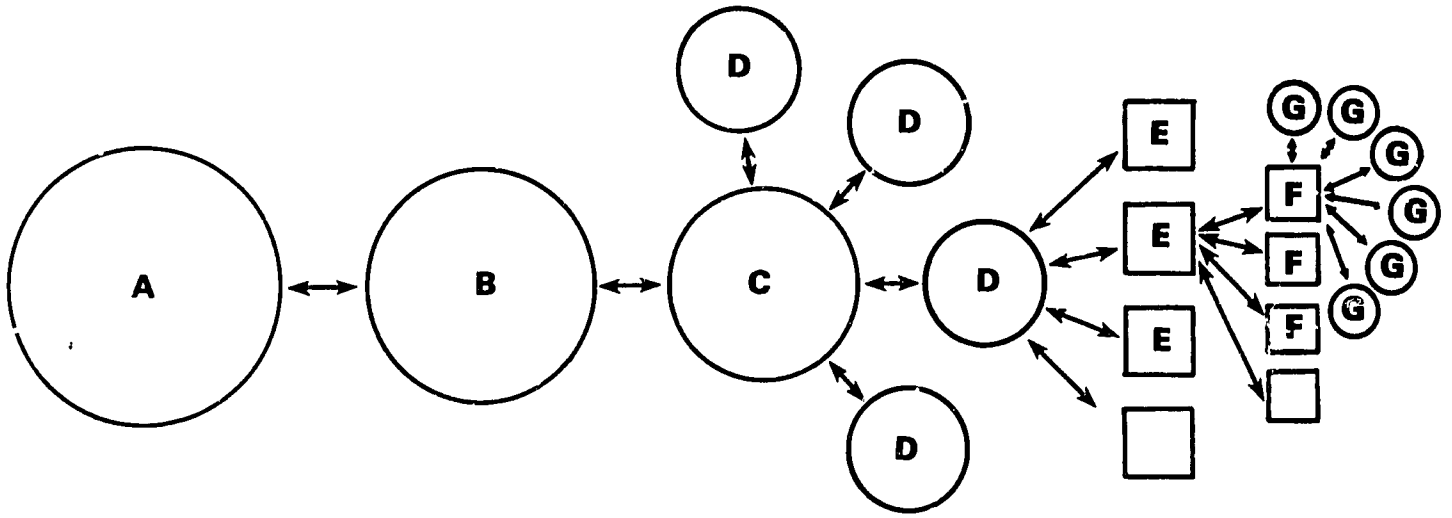
[3] *This classification of institutional systems is based on the report of a workshop held in conjunction with The World Food Conference of 1976 at Iowa State University. Models for providing technical assistance and the concept of institution building were discussed at this workshop.*

[4] *New agricultural technology has reached only 10 to 15 percent of the world's three billion farmers according to Norman Borlaug, agronomist and Nobel Prize winner [5].*



A— Agricultural university or research institute.
B— Agricultural experiment station focusing work on problems farmers have with each major crop
C— Substation for each different agro-climate (environment)
D— First stage of on-farm testing by research staff assisted by extension personnel and cooperating farmers
E— Series of trials on farms to verify data from research at "D"
F— Experimental package in larger farm plots to check reliability of the package and also to generate added seed stock
G— Demonstrations conducted by extension personnel

Figure 2. Model System for Agricultural Information Development and Delivery

Source: [2]

Staff from the agricultural experiment station must be a part of the information development process from its beginning through the implementation of experimental packages in larger farm plots to check reliability of the packages and also to generate added seed stock. Also, they must follow what is happening in the demonstrations conducted by extension personnel. Participation of the experiment station staff in extension demonstrations will assure they become aware of production problems which will assist them in establishing priorities for future research.

Special small production teams should form part of the staffing pattern at the agricultural experiment station and all substation locations for each different agro-climate, supported by the staff at the agricultural research station. Extension staff members should locate cooperating farmers for all of the on-farm testing work, the trials to verify research data at the on-farm testing sites, and the places for the experimental packages on larger farm plots, and to participate in the research at these steps.

In all functions from on-farm testing through demonstrations by extension personnel, farmers should be brought into the program physically and emotionally. The farmers should provide feedback on how they feel about what is being accomplished. With such involvement farmers are more likely to understand different practices and to value them accordingly. Moreover, it puts farmers, extension personnel, and research workers in a joint decision-making process. Similar versions of this model can be developed where the ultimate target users are households (homemakers) or managers and owners of the infrastructure.

TWO MAJOR PROBLEMS

Information systems are not as viable as they should be in the less developed countries for numerous reasons. Two major problems are cited: 1) training for information personnel and 2) shortages of relevant educational materials and programs.

Training for Information Personnel

It is in the best interests of the developing countries to educate their own professionals in providing viable informa-

tion and communication systems. Several things must be recognized by such countries before this can take place.[5]

1. Developing countries must recognize that professional information personnel can improve the effectiveness of research, extension, and rural improvement programs.

2. National agricultural universities of the developing countries must recognize their responsibility for educating professional information personnel and then take the necessry steps to provide appropriate training programs.

3. Funding agencies of national and state governments of the developing countries must become more supportive of academic programs to train information personnel in order to assure appropriate payoffs from the research, extension, and rural improvement programs they have been supporting for years.

4. National universities of the developing countries must find a way to bring together in an orderly fashion professionals in their universities willing to accept help of qualified professionals in information and communication systems from the developed countries who stand ready to provide such help.

The four steps listed above outline actions that should be taken to improve the capability of information delivery systems. In the meantime, the present system should be evaluated carefully to determine whether or not immediate changes might be made to enhance the efficiency of training information personnel.

A general institutional constraint within agricultural information development and delivery systems is the training presently being received by students attending universities in both the developing and developed countries. Presently, a substantial number of students are receiving advanced agricultural training without having had enough (or any) experience in farming. Research and extension personnel without farming experience gave great difficulty in "putting science into practice" or establishing credible relationships with farmers. A similar situation prevails in home economics and with other community service professionals involved in the total food-population gap.

Efforts should be made to modify training so as to increase the component related to experience. Further, the experiential component should focus on the range of technology appropriate for the country. Developed countries can contribute to the resolution of this institutional constraint by recognizing the needs of international students and by being flexible in their institutional requirements and arrangements. Professionals currently involved in research and extension roles need opportunities for additional training that will focus on knowledge needed to interact more effectively with farmers and others who are part of the agricultural infrastructure.

Curricula in technical agriculture and related subjects, such as home economics, should include courses which give students an understanding of overall development and the role of agriculture within the total economy. Such understanding would be useful as agricultural and related scientists interact with government policy makers.

Shortage of Relevant Educational Materials and Programs

Shortages of educational materials and programs relevant to the rural environment occur in most rural regions of the world. This results in part from inadequate funding of research and failure of institutional administrators to recognize the need for books and curricula based on rural life [2].

A number of steps that might be taken essential to the development of materials are suggested.

1. Specific information by country on what foods each can and does produce, food needs, and the number to be fed.

2. Research on foods available and on better utilization of food resources in local areas.

3. Periodic evaluation of educational programs on the local level and of those training the educators.

4. In some of the developing areas of the world two or more countries with similar resources might share responsibilities for research and for preparing educational materials.

5. In most countries a core of information is already available which could be assembled for immediate use.

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[5]*The four items listed were identified by Hadley Read, Office of Agricultural Communications, University of Illinois, in "A Plan to Establish a Faculty for Education in Rural Journalism and Communications Overseas," which is being implemented with the help of a USAID Title XII Matching Formula University Strengthening Program grant.*

Educational materials are needed for literacy programs, for vocational training, and for village support services as well as for agriculture, nutrition, and family health. Better educational materials to train extension workers are needed in agriculture and rural development in the less developed countries.

The quality of rural life is enhanced when the rural people themselves — both women and men — have an opportunity to participate fully with professionals in program development.

Some countries may be able to provide regional centers, with transportation networks to the surrounding villages and countryside, for more specialized health, education and recreational facilities.

KEY QUESTIONS

If information on production and marketing processes is to be more responsive to small farmer needs and if information delivery systems are to become more efficient, key questions on the types of information provided and on information flows should be discussed with managers of institutions serving farmers, government officials responsible for information programs, village and community leaders, and farmers. ideally, key questions should be focused on critical processes in the development of information for small farmers and in making the information available to them. Often such questions are on a crucial area of decision making. In general, such questions should be points-of-attack in analyzing a particular situation, such as providing adequate and timely inputs and managing water resources. The answers to such questions should help to provide a significant understanding of how institutions work and clues as to how performance may be improved.

Questions may initially be framed in purely agricultural, ecological or socioeconomic terms, but the most powerful questions are those which through a process of discussion and experiment combine elements of each. There is, as yet, no general guide to key questions in the study of information delivery systems, nor is there any easy prescription for their formulation. Essentially, key questions should be the products of the collective insights and experience of qualified researchers in the field.

For reasons of convenience and tractability some form of classification of the key questions is necessary. Pherek Gypmantasiri and Aree Wiboonpongse, *et al.* [3] in Thailand, have suggested a classification for key questions based on their work on a multiple cropping project that is useful. Their classification, which is adopted here, is holistic in nature and thus ensures that all groups of questions will be considered and their interactions followed. It is tractable also in terms of which research organizations are best suited to answering each group of questions, and, finally, it is flexible enough to accommodate new key questions as they emerge from research findings or changes in the dynamic system.

The focal system under study, information delivery systems essential to the production and marketing of food, is one level in a hierarchy of institutional systems that affect farming activities. This hierarchy is used to illustrate the usefulness of the key question classification for a number of reasons. First, it establishes a holistic framework so that all possible groups of questions can be accommodated; second, it enables interactions between the different groups of key questions to be considered through the links in the hierarchical framework; and, finally, different levels in the hierarchy tend to contain groups of questions that correspond to the special areas of responsibility or expertise.

The questions following the Gypmantasiri and Wiboonpongse, *et al*, classification are thus grouped under five headings: 1) *context questions,* concerned with activities operating outside the focal system of study but which it affects and which it in turn is affected by; 2) *institutional questions* which operate at the district, provincial and national level; 3) *community questions;* 4) *farmer questions,* concerned with the communication process on how farmers communicate with service agencies and the means these agencies employ to reach the farmer; and 5) *component questions* which allow some priorities to be put on information systems in terms of their impact on productivity.

An example of a focal system is provided in Figure 3. It illustrates the framework through which the transfer of

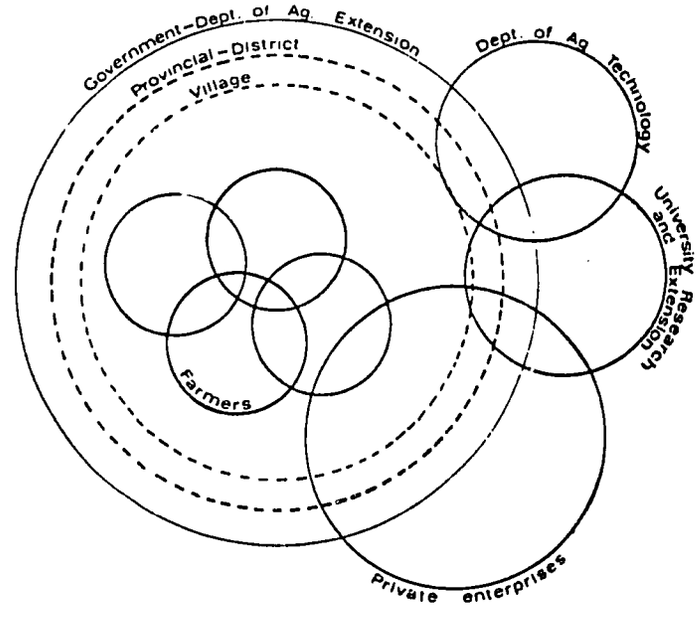

Figure 3. The Flow of Information to Thai Farmers

Source: Gypmantasiri, Phrek, and Aree Wiboonpongse, et al. *(3)*

technical information to farmers in Thailand takes place and where answers to key questions might be sought. In this system the Departmet of Agricultural Extension is the government organization primarily responsible for transferring technical information to Thai farmers. It has regional offices which coordinate agricultural extension programs within the region and also acts as a bridge between the Department of Agricultural Technology and the province (Changwat) officials. It organizes training programs for district extension officers from various Changwats within the regions.

The Changwat extension officer, although appointed by the Department of Agricultural Extension, is attached to the Provincial Governor and takes care of the extension program within the province through district extension officers and also organizes the training programs for village (Tambon) extension officers. Farmers obtain information services from the Changwat office.

Sources of technical information are obtained from government research institutions. These institutions do not provide extension programs as such but provide a training service for extension officers. In certain instances close collaboration among universities, provincial extension officers and farmers does occur when research is conducted at the farm level.

Private companies engaged in the chemical fertilizer or pesticide business contribute significantly in transferring new information, especially on pest control measures, to the farmers. These companies also conduct trials in the village primarily for demonstration purposes. In certain areas private agricultural enterprises have greater influence on farmer acceptance than government organizations or the universities. At the village level, neighbors play a very important role in demonstrating the effect of new technology.

In addition to seeking answers to key information flow questions within frameworks similar to the one described, further accumulation of knowledge about the main elements that are related to form the system (component knowledge) is undoubtedly required, even though it may not be possible at first to relate this knowledge to key processes and decisions. However, there are often a number of gaps in component knowledge that must be answered before key information flow processes can be properly understood or key decisions concerning the system can be made. Such questions might center around input-output relationships, appropriate forms of technology, crop and livestock systems that make economic sense in various small farmer situations, and local impacts of proposed programs or expected economic changes.

Context Questions

Context questions are concerned with links between the focal system and the external environment in which the system operates. Some of the context questions, especially those dealing with major policy decisions such as those related to energy, national security, trade agreements, and international aid programs, are scenario-type questions which probably cannot be answered with any degree of certainty. Likely scenarios, however, should be explored to see how flexibility in information systems can be maintained to accommodate possible shifts in national policy. Examples of questions of this nature are:

- In what ways can the interaction of various institutions providing agricultural information to small farmers be exploited to the common good of all farmers?
- To what extent will research and practical experience of groups working in one part of the country be relevant to other parts of the country with similar agricultural production systems?
- What will be likely changes in domestic and international markets for food produced in the country and how does this relate to information requirements?
- How many foreseeable major policy decisions of the national government affect production systems in the country?

Institutional Questions

The development process in developing nations involves domestic government institutions from the highest levels of government to the lowest and the activities of foreign development agencies. Understanding of these institutions and how they relate to one another is a prerequisite to effective participation in development activities. Actions taken by developmental agencies are highly dependent for initiation, implementation, and evaluation on the quality, quantity, and utilization of information flows. Actions are also dependent on government and quasigovernment institutions at the lower levels.

While upper levels of a developing country's government bureaucracies may tend to operate in ways similar to their counterparts in developed countries, at the lower levels of both government and society in general, cultural differences intrude more strongly on institutional forms and information flows. The organizations and operations of lower level institutions is of prime importance in facilitating information flows and project implementation.

Examples of institutional type questions that need to be addressed are:

- What are the major problems (relative to small farms and rural communities) of the country?

- How are such problems identified?
- What tools do agencies have at their disposal for attacking these problems?
- How do nongovernment agencies interact with government agencies in planning and conducting research?
- What impediments to research are common and what means exist for resolving such problems?

Community Questions

Rural communities often have unique characteristics and problems. Communities generally arise because a group of people find that community or village level living is mutually beneficial. It can therefore be expected that a large number of information processes which affect the productivity and stability of individual farms occur at the community or village level. Thus, this section includes questions addressing processes occurring between individuals and institutions set up to serve communities such as cooperative societies, systems for irrigation and drainage, provisions for services to communities, and questions addressing such aspects as exchange labor groups and tenure processes.

Examples of community questions that emerge are:

- Through what channels do local communities gain local services (water, electricity, roads, education, taxing power, etc.)?
- If such services are controlled from higher government levels, how do community leaders provide input into the decision-making process?
- What are the forms and functions of local government?
- What institutional forms exist to aid individuals in taking collective action at the local level to solve local problems?
- What are the special characteristics of the community, if any, and how can they be interpreted in terms of providing relevant information for decision making?
- How important is labor availability in constraining the options to increased profitability of cropping systems? In particular, is the labor exchange system a serious constraint, and how can such constraints be overcome?
- To what extent do present landownership and tenure patterns constrain operators from adopting cropping systems and other strategies for increasing productivity and profit?

Farmer Questions

The farm family is the basic unit of production in most developing countries, supplying labor for agriculture and consuming the subsistence crops grown. Thus, many important processes revolve around this level of organization and many key decisions are related to it. Questions in this section deal with information needs concerned with inputs, family subsistence requirements, constraints on cropping intensity, the complimentarity between different enterprises on the farm, the role of cooperatives, experiment stations, and the extension service in communicating information, ways of dealing with fragmented holdings, etc.

Examples of farmer questions on which to seek information in order to understand information needs and flows are:

- How does the farmer get information relative to government actions and macroeconomic factors?
- Are farmers aware of alternative input and output marketing channels?
- How do farmers form their price expectations?
- How do farmers get access to technological information?
- How do farmers communicate to the government their needs/desires?
- How do farmers in general communicate with cooperatives and experiment stations and what means do these agencies employ to reach the farmer?
- How should different cropping systems within a farm be combined to produce an optimal farm system?
- What strategies should farmers employ for fields a considerable distance from their dwelling?
- What is the role of women in marketing produce, landownership, decision making, participation in group activities, and education?

Component Questions

Component research is an essential prerequisite to establishing procedures for fact finding and dissemination of information. Not only does it help provide a framework for understanding the range of questions that must be dealt with but also supports the view that research must be continued in order to test new systems and to improve old ones.

The questions asked allow some priorities to be put on information systems in terms of their impact on productivity. All component questions may not be key questions initially; but as component research is initiated and results are obtained, the consequences of the results begin to pinpoint potential interactions among users who may pose new questions to be answered and thus this gradually becomes a part of the research.

Examples of key component questions are:

- What are the most effective methods for communicating information to farmers who have limited education?
- Have field demonstration plots showing affects of different cultural practices been set up in your village or district?
- Have farmers in your village visited an agricultural experiment station or attended a field day within the past five years?
- What is the role of agribusiness firms in communicating agricultural information to farmers?
- How do government policies on agriculture affect the decision-making processes at the farm level?
- Do radio or television programs play a significant role in disseminating agricultural information?
- Are cooperative societies a reliable source of information?
- Should the universities be limited to research only for educational purposes?

SUMMARY

More attention must be given to the role of small farmers in food production in the less developed nations in order to assure an adequate food supply for rapidly growing populations. If the small farmers are to meet the demand of this role, constraints limiting production which center on technological changes, institutional arrangements, and information needs and flows must be eased or removed. Active participation by small farmers in the development effort is required for national, political, and economic stability.

The focus of this paper has been on information needs and flows essential to identifying the constraints which block acceptance of technology. The availability of information and how the information flows between farmers and the institutions that serve them was emphasized. Institutions, broadly defined, refer to the patterns of relations among people, including relations among organizations of people. If the agricultural institutions could find within themselves the capacity to understand small farmers, to listen to their needs, and to adapt their organizations to serve them, the problems facing small farmers would be met in a major way.

A key point in making an information system more effective is to improve established linkages between the information developers, deliverers, and the users of information. An interrelated system of organizations and committed personnel is required in order to improve these information linkages. There are many institutional arrangements for creating this interrelated system, none of which is universally the "best" arrangement. One way to accomplish this is to utilize the emerging agricultural universities and international research centers. These organizations provide nuclei on which to build national models of information development and delivery. Two major problems making it difficult to establish the desired linkages are the training for information personnel and shortages of relevant educational materials and programs.

If information is to be more responsive to small farmer needs, key questions on the types of information needed and on information flows need to be addressed by research workers from the universities and private research agencies to managers of institutions serving farmers, government officials responsible for information programs, village and community leaders, and farmers. The questions should be focused on critical processes in the development of information for small farmers and in making it available to them. Other questions should be on a crucial area of decision making. Answers to such questions should help to provide a significant understanding of how institutions work and clues as to how performance may be improved.

Appropriate questions suggested are: 1) context questions concerned with activities operating outisde information needs and flow systems; 2) institutional questions which operate at different levels of government; 3) community questions; 4) farmer questions; and 5) component questions which allow priorities to be put on information systems in terms of their impact on productivity.

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COOPERATIVES IN THAILAND – PROBLEMS, PROPOSALS, AND POTENTIALS

*Neal Walker**

Cooperatives in Thailand are organized on a number of different levels and through several different agencies. While some individual cooperatives have longstanding records of excellent service, other cooperatives have equally poor records of achievement and thus provide a basis for neverending criticism of Thai cooperative efforts in general. Since 1978, efforts by the National Economic and Social Development Board (NESDB) and the Cooperative Promotions Department (CPD) have been underway to reorganize the structure and operation of all types of Thai cooperatives in order to improve the efficiency of the system. As of this writing (November 1980), the fate of this reorganization is very difficult to predict. A comprehensive plan for reorganization has been prepared by NESDB but adoption and implementation of the plan have become bogged down in political maneuvering.

This paper resulted from a four week (August 1980) exposure to cooperative efforts aimed at assisting Thai farmers. The major Thai institution visited was the Cooperative Promotions Department (CPD) of the Ministry of Agriculture. Because of the time constraint and the existence of some cooperatives outside the aegis of the CPD, this paper is not intended as an exhaustive review of Thai cooperative efforts. Rather, it attempts to provide an overview of the types of problems which exist in the Thai cooperative effort and to assess the potential for institutional reform as a means of alleviating problem areas.

S. E. Asian Historical Perspective

The term "cooperative" (or "cooperative society") covers many types of group activities which have been in existence, in one form or another, for many centuries. Cooperative primary societies, unions (national and international) and associations all have something in common. While many cooperatives deal in the buying and/or selling of some physical commodity, others deal in nonphysical goods (credit, insurance, etc.) and/or political ideologies. Similarly, some cooperatives are single-purpose oriented while others aim at providing a range of assistance measures.

A common characteristic of most S.E. Asian LDCs is the high proportion of the population engaged in agriculture. Agriculture frequently accounts for 60 to 80 percent of all employment and provides 40 to 50 percent of Gross Domestic Product. In spite of its prominence in the domestic economy, the agricultural sector has traditionally been passed over as a focal point in development strategies. This practice, over many years, led to relatively stagnant rural sectors with population pressures on land, many small and often fragmented holdings, low levels of technology and low per-acre yields. The credit system frequently aggravates the situation. Farmers typically must borrow money for subsistence between harvests and perhaps for social (ceremonial) occasions as well. If they wish to improve yields through use of purchased inputs (e.g., seed, fertilizer, insecticide) and/or technology (e.g., mechanization, irrigation), this adds to their credit needs. Provision of credit to farmers has traditionally been via the local money lender at high interest rates. Once a farmer becomes indebted to a private lender, he may find his indebtedness permanent.

The crucial role of credit in improving the farmers' lot led to early cooperative efforts at credit provision. Models from Western Europe were adopted for this purpose in several S.E. Asian countries early in the twentieth century. Initial efforts were aimed at assisting farmers in times of natural calamity via short-to-medium term loans. Governments frequently took an active position in encouraging and institutionalizing cooperative credit societies and in extending the scope of credit provision both to short-term, nondisaster loans and to long-term improvement loans. However, the cooperatives tended to remain single-purpose credit cooperatives organized at the village level. The growth of these cooperatives was slow and the proportion of total farmer credit needs provided by the cooperatives remained quite small.

Since World War II, cooperatives in S.E. Asian countries have tended to take a more active role in assisting farmers. Two factors are of note in this regard. First, cooperatives have expanded their activities to include marketing services and provision of input supplies. There

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have also been efforts at cooperative development projects, sometimes partially government subsidized. The second factor is the explicit recognition by LDC governments and by international development agencies of the effects farm-level development can have on national economies. Agricultural cooperatives are increasingly looked upon as tools for assisting in the development process. This increased interest in cooperatives has led to renewed efforts at extending services to a larger number of farmers and to further institutionalize administrative procedures. Unfortunately, these efforts have had only limited success in most countries. Cooperative membership continues to grow slowly and many upper-level bureaucracies are unwieldly and largely unresponsive to farmer needs.

Institutional cooperative efforts have been underway in Thailand for more than 60 years. These efforts have progressed in ways similar to the general description above — i.e.: the growth of cooperatives has been slow, single-purpose credit cooperatives have been predominant, the proportion of total farmer needs served by cooperatives is small, and mismanagement and administrative reorganization have been common. However, it should be noted that while growth has been slow, it has been fairly stable. Services other than credit are now being provided and the administration has been rationalized to some extent. Informal working-together on village projects has long been the norm in the Thai countryside. Expanding this informal cooperation to a formal institutionalized system required for dealing in money and on a larger scale has been slow due to government bureaucracy and peasant indifference to government efforts, rather than to an unwillingness of the part of farmers to help each other.

Structure of Thai Cooperative Efforts

There are six types of formal cooperatives operating in Thailand: agricultural, fishery, land settlement, consumer's, services, and thrift and credit cooperatives. There are several government or quasi-government institutions charged with assisting one or more of these types. Numerically, agricultural cooperatives dominate the cooperative effort, and the major government institution offering direct assistance to agricultural cooperatives is the Cooperative Promotions Department (CPD). Data relevant to agricultural cooperatives are presented in Table 1. The total number of households served by agricultural cooperatives more than doubled during the seven-year period. However, in many areas the proportion of total farmer households served by agricultural cooperatives remains small. A recent survey of three provinces (Chachoen Sao, Suphan Buri and Ayutthaya) in which cooperatives have been relatively successful indicated that less than 16 percent of the farmers have access to cooperative service, with an additional 24 percent of the population having access to credit services through Farmers' Associations and the Bank for Agriculture and Agricultural Cooperatives [1]. Access to cooperative-type credit services is much below this level in other areas, and especially so in more remote regions of the country.

Cooperatives serve a rather small portion of total farmer credit needs. A 1971 survey by the Ministry of Agriculture and Cooperatives revealed that 80 percent of farm credit emanated from noninstitutional sources — mainly private moneylenders and merchants [1]. Little information is available on these private lenders, except that the interest rates they charge tend to be quite high. The seemingly permanent position occupied by private money-lenders is probably due to their close contact with the community. Farmers who are unable to meet the formal requirements for institutional credit may be able to borrow from a local private source that is in a position to oversee his investment closely.

Over the period 1963-73, two institutions — commercial banks and the Government Saving Bank — accounted for more than 90 percent of household savings and provided more than 80 percent of outstanding credit (countrywide estimates). Cooperative institutions (savings cooperatives, agricultural cooperatives, and the Bank for Agriculture and Agricultural Cooperatives) accounted for less than four percent of household savings and seven percent of credit outstanding over the same time period. These figures probably underestimate the importance of cooperatives in the rural sector, since the urban sector is more money oriented. In terms of institutional growth, the number of active cooperatives grew by more than 20 percent per annum from 1963 to 1973.

Problems of Institutionalized Credit Sources

The structural relationship between agricultural cooperatives and the government is depicted in Figure 1. An understanding of the relationship outlined leads to an appreciation of some of the administrative problems of cooperative-assisting institutions. Thai government literature typically describes cooperative structure as being vertically organized at the district level (individual cooperative societies), the provincial level and the national level (Apex organizations). However, as indicated in Figure 1, the Cooperative League of Thailand (CLT) has only a coordinating role with respect to cooperatives. The CPD has direct control over its own offices at all levels and these CPD offices have supervisory control over cooperatives. This arrangement results in very little coordination and no direct chain of command between district, provincial and national level cooperatives. Cooperatives at different levels

Table 1. Thai Agricultural Cooperatives*

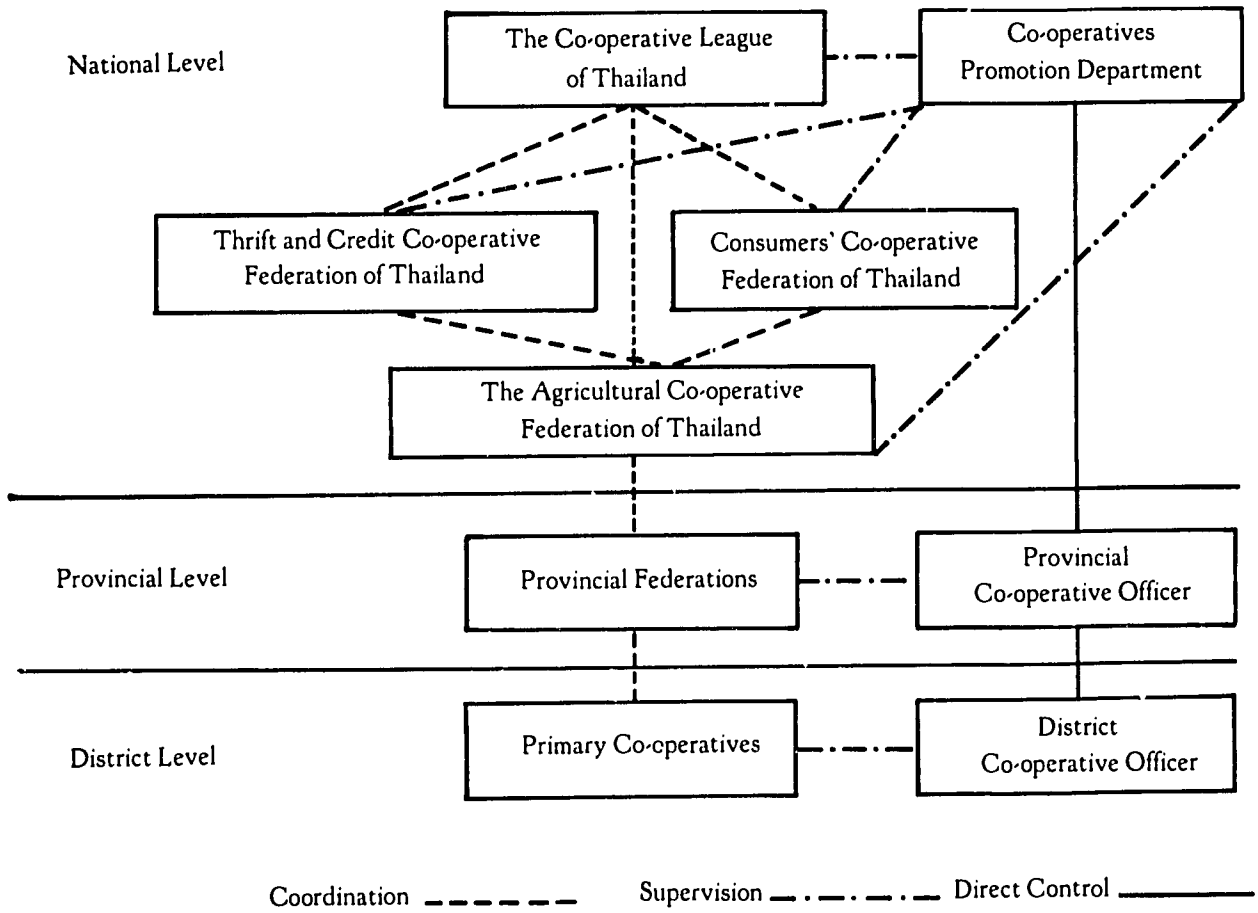
Year	Number**	Households Served By: General Cooperatives	Non-CPD Cooperatives	Animal Raising Cooperatives	Special Forms	Total***
1973	771	319,048	5,509	...	1,496	324,043
1974	620	325,150	4,491	...	2,235	331,996
1975	555	351,101	6,384	...	3,630	363,115
1976	602	446,000	11,807	...	4,314	464,121
1977	664	465,849	14,504	...	6,455	486,808
1978	815	600,919	23,537	22,596	3,184	650,236
1979	823	623,515	24,080	22,796	3,103	685,494

*Source: *Cooperatives in Thailand*, Cooperative Promotions Department, Ministry of Agriculture and Cooperatives, Royal Thai Government, Bangkok (1979).*

**The decrease in number of cooperatives in 1974 and 1975 was due to a government-sponsored amalgamation program.*

***It is recognized that the rows of this table do not always sum to the totals listed. The table was taken directly from the source indicated.*

Figure 1. Structural Relationship Between Co-operative Movement and Government



Source: Cooperatives in Thailand, Cooperative Promotions Department, Ministry of Agriculture and Agricultural Cooperatives, Royal Thai Government (Bangkok, 1979).

deal with each other only through the CPD Because the CLT has no direct control over any other organization, it is reduced to a public relations role.

The original goal of the CPD was to extend cooperative services to farmers by helping to form cooperatives and by training and supervising cooperative management personnel. However, a lack of qualified cooperative managers has resulted in many cooperatives being managed not by their own staff but by CPD staff. The CPD has been unable to refuse this role because such action would mean a reduction in the number of cooperatives while the CPD is charged with increasing their number.

Similarly the role and the operating procedures of the CPD puts the organization at a disadvantage in attempting to compete with private lenders. As the CPD attempts to increase the number of cooperatives in the country, high levels of financial accountability are frequently compromised. Poorly qualified management results in financial losses at administrative levels, and a lack of appreciation by many Thai farmers of the role of cooperatives and the responsbilities of borrowers results in low loan repayment rates.

Cooperatives can secure funds (for member loans) from several sources, the major ones of which are the CPD and the Bank for Agriculture and Agricultural Cooperatives (BAAC). The BAAC makes loans either to formal cooperatives supervised by the CPD or to "farmer groups" supervised by BAAC personnel. The BAAC maintains high standards for loan applicants and thus has a relatively good repayment rate. This tends to siphon off a large percentage of the low-risk loan applicants leaving the CPD in a position of attempting to increase cooperative services to higher-risk clientele.

The political and cultural situation in Thailand prevents government institutions from taking a hard line in loan default cases. Often a farmer has a doubtful title — or no title at all — to his land. This, plus the generally low level of investment on Thai farms, means that a farmer usually has little collateral for loan security. When a loan is not repaid and when it appears that extension of the repayment period is pointless, lending institutions — especially *government* lending institutions — are faced with a no-win situation. If the farmer's land is confiscated, the effects will be to create another landless peasant and to alienate the farmer and his neighbors from government authority. In a land in which peasant recognition of the national identity and authority is low to start with, such actions are avoided when possible. However, lack of government enforcement of loan repayment reinforces the peasant view of all government programs as handouts.

To summarize, the position of the CPD — which is the major government institution working directly with farmer cooperatives — is certainly not an enviable one. The CPD must strive to increase the number of cooperatives serving the farmers, but must do so with inadequate enforcement methods, a limited supply of trained cooperative managers, and a clientele of small, non-money-oriented farmers, many of whom are poor credit risks. Improving this situation will require a combination of altered operating procedures, reformulated goals for cooperative efforts, and new ways of working through the private sector to achieve some goals presently sought via cooperatives. A brief review of current reorganization plans follows.

Reorganization of the Thai Cooperative System

The National Economic and Social Development Board (NESDB) of the Royal Thai Government has prepared a document entitled *A Five-Year Comprehensive Plan for the Development of Agricultural Cooperatives.* This plan envisages a complete restructuring of cooperative efforts in Thailand, including both the government institutions involved and individual cooperatives. Implementation of the plan was initiated on a trial basis in one province in 1979. However, full implementation will require that new legislation be passed by the Thai parliament and this process has become highly politicized. Thus, the extent to which the plan will be accepted as official policy remains to be decided. An exhaustive review of the plan is beyond the scope of this paper, but several key proposals — and some significant omissions — merit note.

In broad terms, the reorganization plan aims to make cooperatives largely self supporting and, at the ame time, to extend the role of cooperatives in servicing the agricultural sector. A large proportion of *all* short-term inputs (fertilizer, insecticide, etc.), credit, and marketing services are to be provided through cooperatives. This is to be accomplished by making cooperative services available to all farmers in the Kingdom, including those who do not choose to become members of cooperatives and those who have no title to their land. The high volume of business predicted will not only allow greater efficiency through economies of scale but will also allow the government, working through the cooperative apex organizations, to become more heavily involved in import and export of agriculturally related materials. Cooperative financial independence is to be gained via salary inducements and a training program for cooperative managers which will spur efficiency at all levels. Increased auditing activities will provide strict accountability and reduce losses to graft and other unethical procedures. Combined with the new cooperative system will be a reorganization of extension efforts which will work solely through cooperatives.

The reorganization plan represents a grand view of a system in which everything works as it should. However, while there are a number of specific proposals in the plan

which are laudable and long overdue (such as better training and higher salaries for cooperative managers), there are some very basic problems which are not addressed at all. The major one of these problems is that of determining to what extent can cooperatives be successful in the Thai agricultural sector. As an example, the proposition that a large proportion of all Thai farmers should do business through cooperatives *and* that these cooperatives should be financially independent is not very realistic. Relative to provision of credit — a major concern of Thai cooperatives — a large percentage of Thai farmers simply are not good credit risks: they do not place agreements with government agencies in the same category as agreements with local merchants; they are unaccustomed to bureaucratic contracts; they have little physical collateral for loans; etc. Noninstitutional lenders have been successful because of their direct stake in accountability and their close and traditional relationship to the farmers involved. To develop a similar feeling of responsibility and proximity between farmers and cooperatives would require substantial subsidies to the cooperatives over many years. While better trained cooperative managers and more effective auditing procedures are a step in the right direction, such measures do not constitute a strong link between the financial fortunes of the lender (i.e. the government) and the borrower, nor do they address the problem of recouping bad debts.

One means proposed by the plan to enable cooperatives to extend their services and to assist in debt collection involves provision (by cooperatives) of transport facilities. When a farmer buys fertilizer from a private merchant, he can get it delivered to the farm. Similarly, many loans are repayable in produce and private lenders collect the produce from the farm. A common criticism of cooperatives is that many of them do not own trucks and thus are at a disadvantage in both these areas. The reorganization plan proposes that cooperatives should offer such services. Two points should be made here: (1) the private sector already has a supply of trucks — supplying a large number of cooperatives with similar trucks would be expensive and redundant; and (2) private merchants probably have more uses for their trucks than cooperatives would have and thus should be able to provide transport services more efficiently.

Under the reorganized system, a large portion of all purchased inputs and outputs will move through the cooperative system. The plan proposes that cooperatives will thus be the logical means for implementing government policies relative to input subsidies and output price-fixing. There are several questionable aspects of this proposition. Most agricultural inputs and outputs are presently moved through the private sector. Attempts to transfer these functions to the cooperative system will meet with much opposition from the private sector, and if such attempts are successful, they will be costly in terms of both time and efficient allocation of national resources. During the transition period (which will likely extend over many years), government policy will have to be implemented in ways aimed at both the present system and the developing new cooperative system. Another questionable aspect involves the risk inherent in the plan. It is quite easy to imagine circumstances under which the new cooperative system would be somewhat less than highly successful. If the new cooperative system requires substantial subsidies over a long period of time, the government will find itself locked into the system, since both government policy implementation and extension services are to be tied closely to cooperatives. The cooperative system will be transferred from a method (one among many) to help farmers help themselves into a integral part of government function which cannot be easily altered or abandoned. Substantial reorganization of the present cooperative framework is a major task. Changing a cooperative system which is interwoven with government function might well prove impossible.

As suggested by the above discussion, consideration of the goals and expectations of cooperative efforts should be investigated before large-scale and expensive reorganization is attempted. Possible alternative methods for assisting the agricultural sector are considered below.

Possible Alternative Directions for Assisting Agriculture

Data reflecting cooperative growth and performance over the past few years suggests that cooperative efforts in Thailand have been relatively successful overall. Over the nine-year period, 1968-76, the number of cooperative members increased by 81 percent while working capital increased by more than 400 percent (Table 2). Volume of lending, purchasing and marketing services performed by cooperatives increased by 270 percent, 5800 percent, and 168 percent respectively. Aggregate cooperative profits grew from 13.19 million Baht to 54.64 million Baht with no aggregate losses in any years. There are some types of cooperatives that do not share the record of aggregate cooperative activity. The major type cooperative which has significant problems is cooperative rice mills. At both Amphur and Provincial levels, cooperative rice mills tend to operate at low capacity and financial losses are common [2]. However, this suggests that reorganization efforts should be aimed at specific problem areas and not at the system as a whole.

In terms of the goals of cooperative efforts in Thailand, a clear choice seems apparent: government policy to extend cooperative services to all farmers can be continued with continuing problems of debt collection and accountability, or the policy can be changed to one of promoting efficiency and accountability while limiting cooperative services to

Table 2. Aggregative Data on Business Operations of Agricultural Cooperatives
(Unit: Million Baht)

Year	No. of Societies	No. of Members	Working Capital	Funds of their own (1)	Current Funds (2)	Volume of Business			Income	Expenses	Net (Loss) Profit
						Lending	Purchasing	Marketing			
1968	10,099	256,886	584.49	191.93	70.41	399.98	0.05	159.32	63.62	28.64	13.19
1969	8,464	226,338	616.78	209.25	186.50	469.82	0.57	135.84	67.67	32.77	15.29
1970	1,910	226,526	684.55	254.55	288.45	521.84	4.05	142.68	73.25	33.01	20.12
1971	963	306,978	827.82	302.47	316.04	628.87	12.28	135.02	68.25	32.33	18.25
1972	747	299,305	1,062.33	381.77	376.96	805.58	63.41	150.19	155.63	124.20	28.16
1973	768	337,863	1,047.87	396.11	375.51	801.81	27.25	112.79	160.92	122.90	39.29
1974	621	331,962	1,351.47	506.98	446.71	954.54	83.53	238.82	351.69	290.88	62.26
1975	575	363,115	1,804.05	691.51	450.53	1,092.66	168.16	181.05	244.42	202.52	51.83
1976	588	465,502	2,863.12	684.99	490.05	1,480.28	294.24	427.23	859.22	743.68	54.64

Source: A Five-Year Comprehensive Plan for the Development of Agricultural Cooperatives, National Economics and Social Development Board, Royal Thai Government (Bangkok, 1979).

(1) Includes paid-up share capital, reserves, undistributed profits and accumulated funds.

(2) Funds loaned to Cooperative, especially by BAAC and Cooperative Promotion Department.

reliable customers. It is unrealistic to attempt to enroll a high percentage of all farmers in cooperatives and, at the same time, to expect these cooperatives to be financially independent.

From a national planning perspective, the desirable role of cooperatives in Thailand should be assessed. There is no reason to think that cooperatives (or any other specific business form) should be the single most efficient method of providing farmers with a wide range of services. Cooperatives can be quite valuable in some types of activities but other organizational forms may be more efficient performers of other activities. The record of cooperative rice mills suggests that cooperatives may not be well suited to perform this particular service.

If it is felt that the farmer does not receive a fair price for his rice as a result of excessive middleman profits, direct government action would probably be more efficient in remedying the situation. Government purchasing offices could be established in a relatively small number of key locations. If the government price were widely disseminated, this price would constitute the floor price in the vicinity of the government purchasing office. The price at more distant locations would differ from the government price by the cost of transport to the government purchasing office. The private sector could probably provide such transport services more efficiently than can cooperatives, for reasons noted earlier. A government policy of rice price supports or export activities could be effected through the government purchasing offices. An analogous proposal can be formulated with respect to input supplies.

The private sector could also be utilized to extend credit to farmers. The government could make funds available to established private lenders at specified rates with the stipulation that these funds be loaned to farmers (perhaps to specific categories of farmers) at a higher (specified) rate. The difference in the interest rates paid and received by the private lenders would provide them with a profit. The private lender would handle all aspects of loan application, loan approval, debt collection, etc., and would be accountable for repaying borrowed funds to the government. Such a system would make use of the proven capabilities of both the government and private sectors. The government can be quite effective in monitoring and controlling the operations of established private financial institutions while private lenders can and do operate successful lending operations for farmers.

The NESDB cooperative reorganization plan proposes to make extension services more effective by combining such activities with cooperative functions. A major problem of agricultural extension in Thailand is the lack of coordination among experiment stations. Because an effective extension service requires close cooperation between extension agents and experiment stations, efforts to improve extension should center on reorganization of the experiment stations. All experiment stations should be placed under a single authority and extension services should be made a part of that sytem. To divorce extension from experiment stations by placing extension under the aegis of cooperatives seems counterproductive.

Summary and Conclusions

Institutional efforts to assist Thai farmers through promotion of cooperative societies began more than 60 years ago. Though these efforts are often referred to as a "movement," in fact they have represented attempts by government to impose cooperative business forms on the agricultural sector from above. Government frustration with the slow growth of cooperatives can be seen in the frequent reorganizations of government activities related to cooperatives, the most recent of which is presently underway. Reorganizations have typically set ever-higher goals for cooperative efforts and have involved increasing amounts of government involvement. The current reorganization plan proposes to make a wide range of cooperative services available to all farmers in the Kingdom (including tenant farmers), and to implement government input and output policies and extension services almost exclusively through cooperatives.

The evidence suggests that such strong reliance on one particular organizational form — i.e. cooperatives — is unnecessary, risky and inefficient. Cooperatives should be promoted and supported in those areas in which they perform the task at hand efficiently. Membership in cooperatives should be limited to those farmers who provide reliable support for the organization. Other forms of institutional activity — both government and private — should be utilized for assisting farmers in areas in which cooperatives do not function well.

References

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(2) Subcommittee on Agricultural Cooperatives, *A Five-Year Comprehensive Plan for the Development of Agricultural Cooperatives*, National Economic and Social Development Board, Royal Thai Government, Bankok (1979).

A FRAMEWORK FOR STRUCTURAL ANALYSIS OF THAI COMMUNITIES AND AGRICULTURAL COOPERATIVES: A MEANS FOR UNDERSTANDING SYNCHRONISM AND CONFLICT

by Robert H. Orr

This report examines an LDC situation in which a central government extends its authority into the countryside in a development effort to organize small farmers into agricultural cooperatives. The examination will be through a comparison of community (village) social structure with the structure of agricultural cooperatives in Thailand, focusing on areas of structural synchronism and conflict. Styles and effectiveness of communication efforts will be examined as they relate to the structures of "change agencies" and to "community structures" in Thai society.

Information was obtained during a four-week tour of Thai agricultural cooperatives in August, 1980, made at the invitation of the Cooperatives Promotion Department (CPD) within the Royal Thai Ministry of Agriculture. This report is the product of data obtained from personal interviews with individuals at all levels of the Thai cooperative effort, including those residing in rural society and from secondary sources. Conversations were held with officials in the agricultural cooperative structure at all levels of the organization, ranging from primary cooperative members (small farmers) to the Director General of the CPD. Data on the functioning of Thai agricultural cooperatives were obtained from (1) officials of the Bank of Agriculture and Agricultural Cooperatives (BAAC) who were engaged in making loans to cooperatives and cooperative members, (2) a member of the National Economic and Social Development Board (NESDB) who was engaged in planning for a reorganization of the cooperative management structure, (3) a consultant for the Cooperative League of the U. S. A. (working with the NESDB), and (4) faculty members of the Department of Sociology and Anthropology at Kasetsart University, the nation's largest agricultural university. Data regarding village life and structure were obtained from primary contacts with village headmen and residents, district officers whose duties parallel that of a county sheriff in the United States with additional population registration and oversight responsibilities, an officer of the AID Bangkok mission, a program director of the YMCA in Chiangmai engaged in creating "model development villages" and in training village leaders, and sociologists at Kasetsart University. Where possible these discussions were supplemented by secondary data on organizations visited. The impressions gained during the four-week tour were limited due to the brevity of the Thai exposure and were contradictory because they were derived from individuals and groups with varying interests.

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The Cooperative Movement in Agriculture

The development of agricultural cooperatives in Thailand has been described as a movement. Intended to be social as well as economic in nature, the Thai cooperative movement represents a considerable departure in method of operation for the small farmer from his tradition-based form of agriculture. The cooperative movement began in 1916 by royal decree with the establishment of village credit societies. In 1928 the functions of cooperatives were expanded to include sales of input materials, medium and long-term loans, and grain processing and marketing. Other major programmatic alterations in agricultural cooperatives occurred in 1958 when limited liability production credit associations were created and again in 1968 when village-level credit societies were amalgamated into amphur (district) level societies. These amphur credit societies performed the same function of the previous village societies but gave them a larger and more economically viable base [CPD, 1979:7-8].

Ideally, the cooperative movement involves a shift from the family as the central point of orientation in agricultural

production to that of a cooperating group of farmers whose membership would crosscut familial and friendship ties extending to "strangers" from other villages. Although agricultural field work would remain within the domain of the family or village, the input of production capital and materials (grain, fertilizer, pesticides, etc.) would shift away from traditional sources as would the processing and marketing functions of agriculture.

The cooperative advantages of nonusurous interest rates for production credit loans, favorable pricing advantages in the collective purchase of grain and agricultural chemicals, as well as access to lower cost processing and group marketing, should have made the movement a great success. However, after 64 years one CPD official referred to the cooperatives as being in a state of "infancy." The CPD is charged with helping farmers organize into cooperatives, educating farmers in the goals and workings of cooperatives, and providing technical backup for operating cooperatives. As of 1977, membership in agricultural cooperatives totaled 524,788 households in 644 cooperatives across the country. This amounted to 8.2 percent of all Thai farmers [NESDB, 1979:193].

One question that arises when comparing agricultural membership rates with the economic advantages of membership is, why were not more farmers members of cooperatives? If the advantages of membership were as favorable as they appeared to be, more farmers would have been likely to have become members. Some of the relative advantages of cooperative membership may have been obtained from other institutions. Loans through the BAAC were available to an additional 17.0 percent of the farm population at low interest rates [NESDB, 1979:193]. Private banks, moneylenders and grain dealers also made production credit available, although with much higher rates of interest, with minimal waiting periods and virtually no "red tape." In some cases privately owned grain and farm chemical sales firms provided more comprehensive services than did the cooperatives, such as delivery of goods to the farm and better instruction in application or usage. Similarly, the rice milling and marketing federations (provincial cooperatives and the Agricultural Cooperative Federation of Thailand (ACFT)) were reported to have difficulties in efficiently processing and selling rice. Across the Kingdom, rice mills operated by provincial-level federations have been operating on a loss basis [NESDB, 1977:204-206].

Another reason for not participating in cooperatives based on comparative advantage is the theme based on poor interpersonal and social structural relationships. This reason was given by sociologists at Kasetsart University, an AID officer, and an official of the NESDB. The basis of this theme was that village or community life involved a different form of social organization with, in many cases, different goals and different styles of communication from the structure of agricultural cooperatives. This is not to imply that all villages in Thailand were the same and that all cooperatives had achieved an equal level of success or failure. Murray [1977:1-4] in his study of Thai villages noted that there was considerable variation in a village's ability to absorb social and economic changes and to work effectively with government bureaucrats. The following section of this paper will outline some of the structural elements, including goals and styles of communication that may act as variables in understanding sources of conflict or inadequate acceptance of agricultural cooperatives and their policies for growth and development.

Community Structure in Rural Thai Villages

The term "community," as it is used in this paper, is an ecological concept stressing the interrelationships of living units with the soil they occupy. People, territory and social organization are all seen as being bound up in a symbiotic relationship of mutual interdependence. Within this perspective of social-territorial organization, community assemblages sharing similar conditions (man-land relationships, cropping patterns, economies, etc.) are also likely to share other aspects of social structure or at least are likely to be similarly influenced by their environs. Social structure generally refers to the total pattern of social organization produced by a cultural group's social practices. Elements of social structure include the mechanisms by which the society's functional problems are solved or worked — the institutions of a society. Institutions may often be further categorized in terms of the types of problems or functins involved. Religion and family tend to address problems of maintaining patterns of belief and values in society; legal structures serve to aid in integrating the different units of society; policital structures engage in societal decision making; and economies serve adaptive functions. In societies that are less developed or structurally differentiated there is a tendency for the family and religious institutions to be ascendent, carrying out other functions such as integration, decision making, and adaptation. More developed societies tend to create new institutions that are more specialized in the kinds of tasks or functions they work toward fulfilling.

One of the problems faced by LDCs as they go through the throes of development is the imposition of new social and economic institutions structures created by central governments upon traditional institutions in rural society. What may follow is a painful process of accommodations of the existent culture and the agents of change with each other. The best of intentioned changes may meet with unexpected, perhaps insurmountable obstacles when it clashes with traditional modalities of behavior.

Family-village based agriculture and cooperative

agriculture in Thailand have different origins and different goals. The family as an institution has developed mechanisms over generations to promote its survival. Changes are incorporated gradually and cautiously with the goal of maintaining the family as the unit of production. Its patterns and traditions are derived from the people themselves and are adapted to their ecological environment. As such they tend to resist threatening departures that may be viewed as potentially disruptive to their patterns of life. Production goals are oriented toward "having enough," or perhaps having a "little extra," rather than to a highly commercialized, cash-crop agriculture. The emphasis would be more toward a subsistence end of a scale of production rather than toward surplus. In the face of developing agricultural technologies being disseminated to these people they may selectively choose or adopt change, weighting this change within the perspective of their own form of social and economic rationality. High economic or technological risk would not likely be a direction they would be willing to take.

Several villages in the northeast near Nakorn Rajsima (Korat), in the north near Chieng Mai, and in the central plains near Cha Chaeng Sao were visited. The villages contained from 20 to 125 households. In terms of the amount of land farmed, these villages would be considered representative with landholdings averaging eight rai or slightly over three acres (2.4 rai is the equivalent of one acre). The dominant institutions within these villages were the family and religion. In fact, many villages were too small to support their own "wat" or Buddhist temple. Similarly, they were too small to have government offices. None of the farmers' villages visited had police stations or substations, public health clinics, or community development offices located directly within them, although in Korat a public health clinic was within five kilometers of a village. Similarly, in a small village near Chieng Mai, a police substation was located relatively near one village that was visited. The main connection with the central government was through the village headman and his assistant who had responsibilities of tax collection and reporting of population changes to the district officer. While the headman was reported to have been an elective position, in most cases the headman had held his position for several years. Although his position was technically not an inherited one, questioning on this point often yielded a response that his father or another close relative had held this position prior to his assuming the office. This would be a good example of synchronism of "democratic structure" (i.e., elective office with hereditary position) with traditional authority. In addition to the headman-government relationship, the villages were nominally tied to the government through the local farmers groups (the village-level organizations of agricultural cooperatives). Only villages near Che Chaeng Sao had contacts with the Department of Agricultural Extension (DAE). Consequently, they were the only villages visited which were organized into DAE farmers associations.

One other institutional area of connection with the central government was present in each area visited. Although schools were not physically located in the villages, village children were participants in a system of mandatory education. Until recently this national program involved an elementary program of four years. Although the program has been upgraded to a seven-year program, it was unclear in the villages visited if the seven-year program had actually been implemented. Schools were also usually located proximate to the wat because the priests have been the traditional sources of instruction in Thai society [Kaufman, 1977:84-89].

There was some indication that the role of religion in village life has weakened over the past 20 years. An AID officer discussed this trend in relation to the Buddhist priesthood and, to one of the more prevalent village institutions, the wat committee. In the past, with limited occupational alternatives to farming, full-time pursuit of the Buddhist priesthood was a more viable role in village life. This was particularly the case for young men whose families did not have enough land to subdivide for their entry into farming. With increasing industrialization of the Kingdom's urban areas, many of these men have been moving to cities rather than remaining in the villages. Accompanying this trend, the AID officer saw the village wat committee as also losing some of its traditional place in the community life. With an increasing division of labor in village life, especially in state supported education, the active support of the wat with funds diminished.

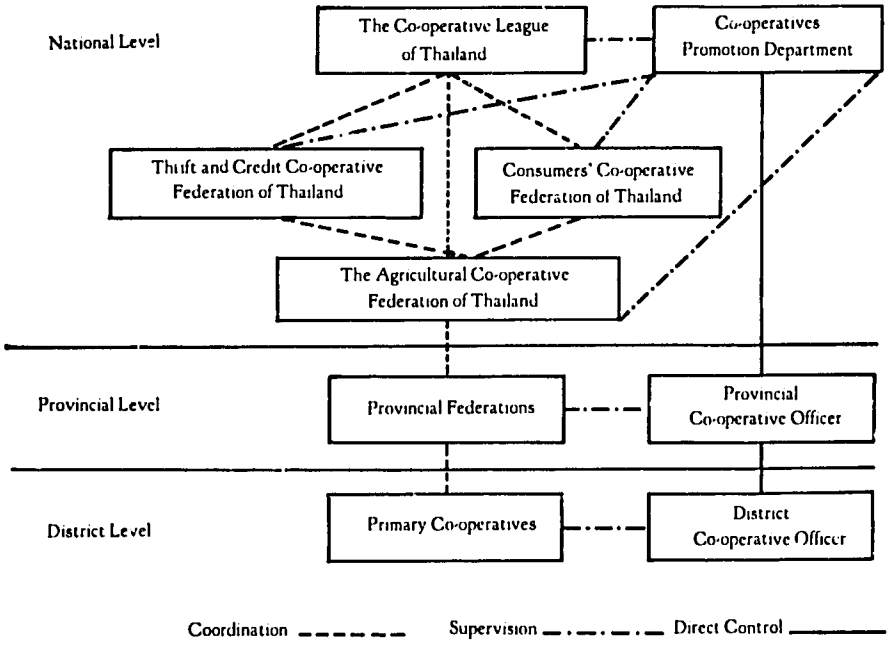
This view of village structure would indicate that there have been some alterations in social structure with a slowly increasing division of labor and with the central government attaching its own functions onto traditional sources of authority such as the buddhist temple in education or the headman in village level governance. However, the villages visited still maintained much of their traditional character with a relatively low internal institutional division of labor when compared to a modern, urbanized society. Relationships within the villages would be characterized more as primary (gemeinschaftliche) rather than secondary (gesellschaftliche) in nature. Sociologists at Kasetsart University corroborated this impression, commenting that villagers tended to interact among themselves in a personalistic style. While their style of interaction might produce binding agreements among themselves, those agreements would definitely not be labeled formal-contractual. Relationships with authority figures, such as the village headman or other government officials, have been traditionally characterized as patrimonial. That is, the relationship would bear certain similarities to a father-son relationship, with the person in the role of leader being approached not only in his formal capacity but also as a per-

sonal sponsor to intercede for the villager. In return the villager would respond with a stable pattern of personal loyalty and support to that leader. Intense contacts with agents of change were felt to involve an abandonment of these familiar patterns of interaction. The predictability of village interaction was seen as being broken down in the face of insecure, formalized, protracted dealings necessary to interact with government bureaucrats. This threatening form of interaction would rationally be avoided, unless it was greatly to the farmer's perceived advantage.

The Organizational Structure of Agricultural Cooperatives

By contrast, the cooperative movement was the conception of the national government in Thailand. The national goals of Thailand favor a form of agriculture able to produce a marketable surplus for export to the world market. Industrial development necessitates a healthy agricultural economy. Internal security may also play a role in motivating development across the countryside. A peasantry with functional ties to the central government might be considered more likely to develop a real sense of allegiance to that government than to an insurgent group. Within this context, the agricultural cooperatives in Thailand have developed as part of a bureaucratically ordered organization following rules and regulations set down by the highest levels — a hierarchical structure with authority delegated downward. However, as indicated in Fugure 1, the actual delegation of authority and its accompanying function of supervision did not occur within the cooperatives themselves but was placed in the hands of a sister organization — the Cooperatives Promotion Department. Figure 1 shows lines of coordination among the different levels of the cooperative structure. This does not mean that a provincial federation, for example, would have authority over a primary or district cooperative. Rather, they were designated to fulfill different functions, the primary cooperative usually being aimed at production credit and other inputs, with the provincial federation being made up of member primary cooperative engaged, for example, in rice milling. Supervisory authority was vested with the CPD. The nature of the CPD's supervisory authority was intended to be in the form of technical assistance to the cooperative, i.e., "advice and guidance to support the operation and management of the existing cooperatives to enable them to achieve their objectives" [CPD, 1979:11]. However, there was considerable evidence that the involvement of the CPD went further than this. According to the NESDB, over two-thirds of the primary cooperatives had no managers. The majority of the remaining one-third had only part-time managers who were often insufficiently trained to perform their tasks properly [NESDB, 1979:68]. While all cooperatives visited did have full-time managers, provincial CPD officers in Korat commented that a major problem in primary cooperatives was that managers frequently had difficulties in properly following official guidelines in reporting cooperative activities, particularly relating to production credit and other loans. It was further explained that CPD district officers were often physically located in the same office facility as the primary cooperative. In the case of primary cooperatives without managers, the only personnel present to attend to the management function were the district CPD officials.

Figure 1. Structural Relationship Between Co-operative Movement and Government



Source: CPD [1979:10]

The structural relationship of member involvement in the cooperative organization is also omitted in Figure 1. The primary cooperatives were created in 1968 through the amalgamation of village credit societies. The village-level involvement remained, however, in the form of village farmer organizations or farmer groups. large villages with over 125 households had their own farmer organization, while several small villages were combined into a single organization. Questioning by the author on the role of the farmer organization in the cooperative structure did not yield clear responses. However, the impression was given that the local head of the organization was a board member of the primary cooperative. On the basis of the information obtained from the NESDB, the board in most cases was unsuccessful in locating and hiring adequately skilled managers. The remaining area of involvement of primary cooperatives was in the governing boards of provincial federations. Member cooperatives of a federation or provincial cooperative might nominate individuals to run for election to the provincial board. However, the actual process by which an individual was declared a candidate was not specified.

Conflict Between Agricultural Cooperatives and Villagers

This structure of agricultural cooperatives provides a basis for locating several points where problems may arise as the cooperative intersects with the culture and with community organizations. Across the country, local level involvement in the authority structure appeared quite limited. In most cases it did not include the hiring of a cooperative manager. Those cooperatives were then likely to have been managed by the district-level official of the CPD. This in itself did not mean that the cooperative was poorly managed — the district officer by virtue of the CPD training program would have been properly qualified for the position. However, the lack of local involvement may have had other negative impacts. According to the NESDB:

> *The pervasive influence of government in the development and day-to-day operations of agricultural cooperatives has stunted their growth as efficient business enterprises. Farmers do not consider cooperatives as organizations serving their interests, but rather as ineffective and confusing instruments of government policy. [NESDB, 1979:3].*

If the contention that farmers do not view the cooperatives as serving their own interests is correct, it might be expected that farmers' view of cooperative policies, particularly in the area of loan repayment, might suffer some loss of respect.

> *Many farmers view cooperatives as little more than government welfare agencies which provide "hand-outs" masquerading as "loans" as inducement to join them [NESDB, 1979:3].*

Similarly, one CPD official indicated that a major problem in establishing cooperatives was that farmers tended to "use" the cooperatives in order to "get the loan" with little intention of repaying that loan. Sociologists at Kasetsart University also indicated that the farmers' attitudes toward cooperatives were generally quite negative (although not toward all cooperatives in all places) and that loan repayment and enforcement procedures to encourage repayment were rather lax throughout the country. Seemingly, there is a contradiction within this discussion of poor loan repayment and low farmer participation fates. If the loans were available with a low expectation of repayment, why would not more farmers take advantage of the situation? According to one CPD official, the major reason for joining the cooperatives was to obtain "the loan." With poor repayment rates, little money was available to be loaned out. This served as a limiting factor on membership. The government did, however, subsidize the cooperatives to a large extent but not to a degree sufficient to allow dramatic increases in membership with low loan repayment rates. The picture that has been painted here is one of conflict between different forms of social organization — bureaucracy and traditional life.

Damron Thandee [1979a: 34-35], writing on the collision of change agencies and rural Thai villagers, has described the situation in this way:

> *The fact is that a great number of villagers are still living in a very traditionally close-knitted social system, gemeinschaft. The relationship among themselves is personal and this is also applied to civil officials who are working with them . . . The concept of bureaucracy, under the consideration of officials, is unworkable in the patrimonial social system . . . The consequence is that of misunderstanding by the two sides which brings on a negative attitude toward each other with suspicion and mistrust of the officials, and accusations that peasants are ignorant, illiterate and resistant in adopting innovations.*

Thandee's comments have succinctly encapsulated the main theme of this paper — that traditional and bureaucratic forms of organization often clash in the process of development with the potential of undermining even well designed, planned change. In another work Thandee [1979b] has provided an ameliorative mechanism for resolving the high levels of mistrust and negativism that currently exist between villagers and change agencies such as the cooperatives and the CPD. This essentially would involve a change in the pattern of interaction of bureaucratic organizations with peasants and peasant groups. A classical model of bureaucratic organization involves a downward flow of

bureaucratic organization involves a downward flow of delegated authority with decision makers applying rules in their specific domain to concrete situations. Information or communications are expected to move down the chain of command. However, for this authority structure to be successful it would also depend upon an information feedback as a basis for correcting the regulatory process. According to Thandee, little feedback has occurred in government dealings with rural villagers in an ongoing successful development process. Communications have been one-way and not reciprocal. Misunderstandings have arisen with no mechanism for them to be resolved. In essence, a one-way model of communications involves information moving downward progressively to a client group at the bottom of the organizational pyramid.

Conflict Resolution Through a Two-Way Model of Communications

A two-way model of communications allows suggested change or policy to originate at either the top of the organizational structure or from the client group. This model of communication has also been referred to as a "self-help" approach in U. S. community development circles and is currently used as a model for community development efforts in the Cooperative Extension Service. As a process, it emphasizes teaching self-help skills in problem identification and participatory decision making, no small task for a population unfamiliar with being formally involved in these activities [Littrel, 1980:64-72]. Thandee's model is illustrated in Figure 1. The rationale behind Thandee's model was that the client group would not act solely as a passive recipient of development activities, but rather would initiate their own requests of government. These requests would be conveyed to both field workers and to regional organizational centers in the organization. Ideally this structural change would alter the role of officials from "master-like" to that of coordinators. The social distance between clients and officials in the bureaucracy would be reduced and the relationship between these groups accordingly altered.

Although Thande stated that some time would be required to alter traditional attitudes held by peasants toward officials, he felt that this structural change would eventually serve to reduce the negative feelings and distrust between peasant and government worker. It would be a mechanism for avoiding the harsh clash of traditional and bureaucratic-modern (or of gemeinschaftliche and gesellshcaftliche) societies [Thandee, 1979b]. However, the model did not take into account the resistance of bureaucratic structures to change with their accompanying loss of authority. The flow of authority essentially has been reversed at the bottom levels and has been directed back up the organizational ladder. That aspect would remain at best problematic.

In spite of organizational resistance, alterations in the organizational structure of cooperatives and their relationship to the CPD, similar to those suggested by Thandee, might provide certain positive benefits if adopted by agricultural cooperatives. A number of negative feelings toward cooperatives have been attributed to Thai farmers. Among these are the feelings that meaningful involvement in the cooperatives is not possible and that cooperatives exist for the benefit of the government agencies adminstering them. These hostile attitudes might be reduced if farmers

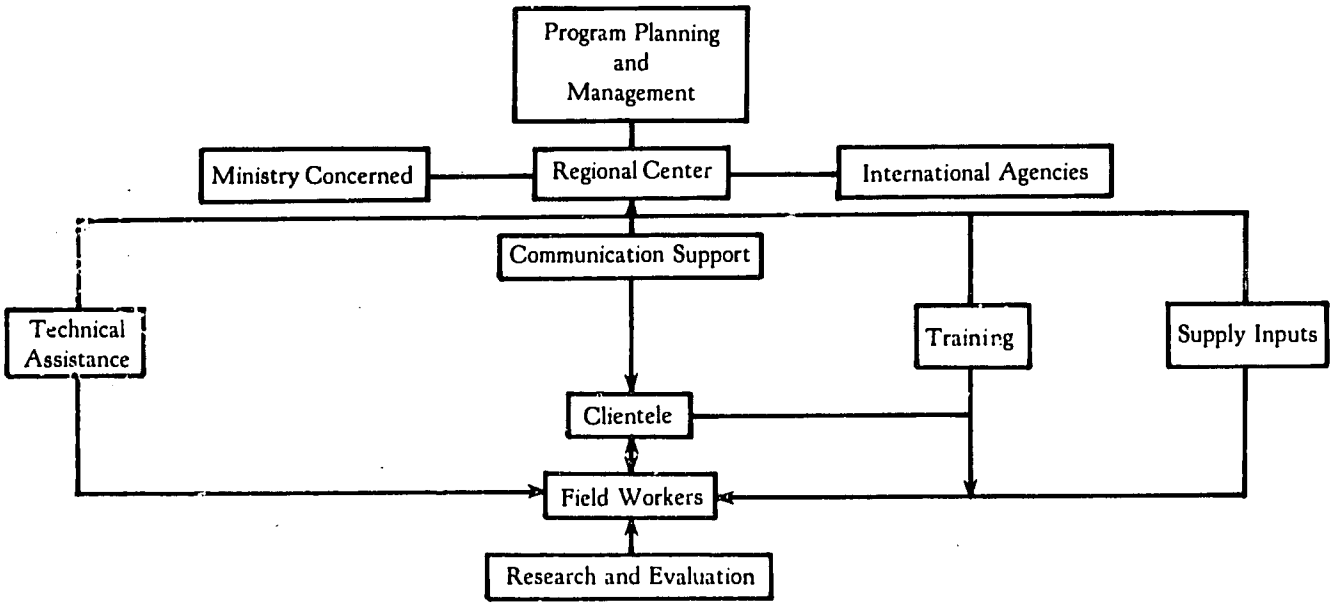


Figure 2. New Direction for Planning Rural Development Program

Source: Thandee [1979b:18].

felt that the cooperatives were their own, and hence that they were responsible to themselves as a collective group rather than to a distant bureaucracy. Primarily, this would involve a change in the role of the CPD as advisors to the agricultural cooperatives — that they would not actually manage those cooperatives but would *limit* their role to the provision of organizational and technical support. In fact, the role of support is the one defined for the CPD in their own organizational chart. In order to accomplish this, a massive upgrading of cooperative management would be necessary, with requirements that cooperatives have managers and appropriate clerical personnel and that those managers and staff receive appropriate training toward carrying out their jobs. This has already been proposed and is one of the key points in *A Five-Year Comprehensive Plan for Development of Agricultural Cooperatives* sponsored by the NESDB [1979].

Other Means of Correcting Communications Difficulties

Not all communications difficulties were the result of an inappropriate "model of development" for cooperatives. A multiple cropping specialist at Kasetsart University discussed another factor dealing with language and social origin. According to this source, a significant error was often made in the process of organizing cooperatives and recruiting new members. The district field officer of the CPD approached farmers using an "urban" explanation of cooperatives and their collective benefits. Terms would be used that had little meaning in local language patterns, thereby possibly alienating farmers. The social distance of the officer engaged in promoting the cooperative was increased from the farmer and his creditability suffered. The pattern of distrust and misunderstanding characteristic of one-way models of communication was furthered and carried over in later dealings, once a cooperative became organized. The remedy for this problem was not seen as being a simple revision of promotions materials appropriate to each locale, but extended into the recruitment of field personnel with rural backgrounds. A major difficulty in recruiting rural personnel was felt to be the disparity in the quality of educational facilities between urban areas and rural areas. With education in most rural areas being quite limited and, hence the opportunities for rural youth to achieve sufficient educational skills to become likely candidates for CPD career employment also being limited, the tendency was to hire staff with urban backgrounds. The result of this tendency was seen by the specialist as the creation of a staff or urbanites, well trained perhaps, but still essentially different from the people they served. His proposed solution to the problem was in the intensive recruitment of candidates with rural backgrounds largely from the country's smaller agricultural technical institutes and (the equivalent of) junior colleges rather than from the more prestigious institutions in Bangkok and in other regional universities.

Finally, it was this author's feelings that not all communications difficulties emanated solely from differences in social structure, communications modeling, or linguistic differences, and social distance. The most frequently voiced difficulty concerning the relative success or failure of cooperatives was that of the poor rate of loan repayment. Such statements were frequently accompanied by an assertion that production credit loans through the cooperatives were viewed by farmers as being a form of "largesse," that farmers often felt free to ignore their responsibilities toward loan repayment, and that frequently inadequate attempts were made by the cooperatives to recapture the loans. While this situation undoubtedly existed for many cooperatives, there were exceptions. Depending upon the data source, many cooperatives were in good fiscal standing. It was suggested that they were the ones that followed up on outstanding loans and established a stable, predictable pattern of accountability with members. They communicated with action, as well as with words. A provincial CPD officer in Korat indicated that this action was only rarely as severe as taking court action, but usually took the form of timely callbacks to the farmer with an overdue payment, and that such action was usually sufficient to produce the payment. This may be an oversimplified solution to a difficult problem which, regardless of what organizational changes might take place in the structure of agricultural cooperatives, is likely to persist unless farmers see hard evidence that their roles of participation and responsibility have also changed.

Summary

Thailand's program of developing agricultural cooperatives to serve the needs of the Kingdom's poor rural majority has met with a number of obstacles in gaining local-level acceptance. Although a number of the benefits of cooperative membership have been available to a relatively small number of farmers through alternative sources, the majority of farmers have not chosen or have not been able to participate in the cooperatives. Similarly many cooperatives have faced difficulties in obtaining proper membership participation in fulfilling contractual obligations, particularly in the area of loan repayment.

This paper has focused on a comparison of organization in the social structure of village life and the organizational structure of agricultural cooperatives as a means of locating areas of agreement and potential conflict between farmers and cooperatives. Emphasis was placed on the differences in goals and division of labor in village life and on the bureaucratic structure of cooperatives as a source of

misunderstanding. A significant source of farmer disaffection was seen as resulting from a shift in the farmers' traditional relationships to leaders, referred to as a patrimonial relationship, to a bureaucratic relationship with officers in the cooperative structure.

Communication between farmers and cooperative officials, acting as agents of change, has been characterized as a one-way model of communication, paralleling the bureaucratic structure's downward flow of information and delegation of authority. A two-way model of communications was introduced in which the farmer-official relationship was altered by placing cooperative field staff more in the role of coordinators than superiors as a means of increasing farmer involvement and confidence in the operation of the cooperative.

Additional communications difficulties linked to differences of social origin between farmers and CPD district field officers were discussed as adding to the problems of misunderstanding and alienation between the two groups. One source indicated that the problem centered on the differences of language and background between the more urban bureaucrats and the less well educated farmers.

Finally, this paper suggests that in addition to the previous considerations of organizational and social stucture, a historical pattern of farmers' perceptions of cooperative activities as a form of government largesse may be more difficult to overcome. This pattern may require changes of communication-in-action, as well as in words and organization in order to elicit farmers' support.

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