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AGRICULTURAL COOPERATIVES IN THE DEVELOPMENT PROCESS:

Perspectives from Social Science

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General Introduction

The writer was assigned the task of writing a general paper on how social science can facilitate the application of cooperative principles in agrarian and rural development programs. A second objective was to consider cooperation as a tool for assisting the rural poor in developing countries; and a third was pointed toward the use of American cooperative ideas and methods in the development process generally.

Social science materials on cooperation are not abundant, and they are only indirectly related to these objectives. The most abundant literature pertains to the relationship of indigenous forms of cooperative action to the institutional forms imported from Western countries; hence this topic (Part I) is dealt with at length. Its implications for the use of American cooperative principles seems clear enough: the main conclusion of Part I is that a successful cooperative development program should begin with a thorough understanding of the indigenous forms which will provide the soil in which cooperation may (or may not) grow. This "soil" is very different from the social milieu of North America. The U.S. cooperative development agencies need to utilize social science personnel or skills to make these assessments. If they do, the writer believes the high failure rate in cooperative development programs is sure to drop.

For example, can cooperation based on the assumption of the equality of members co-exist with indigenous exchange systems based on the principle of hierarchal inequality and the duty of subordinates to leaders? Can cooperation based on the assumption of free choice of membership status co-exist with a social system based on kinship ties which strictly limit associations between people? In Latin America, cooperatives which incorporate

some of the principles of compadrazgo may be more successful than those which attempt to avoid or combat the institution; or in Indian villages, cooperatives which work with the moneylenders and the caste system may persist, whereas those which ignore these basic institutions may founder; and in southeast Asian communities, the multi-purpose village cooperative society is a "natural" outgrowth of the intimate reciprocal exchanges characteristic of rice-growing communities.

The above paragraph makes two points: (1) The sociological distance between many forms of cooperative action may be greater than the economic distance, the latter measured by purely quantitative criteria. (2) The second point concerns the great variety of cooperative action in human societies. Cooperation is based on human needs to share resources and tastes, but these needs are shaped by indigenous social systems. Therefore cooperative developers should avoid narrow or doctrinaire conceptions of cooperative organization.

Part II of the paper is concerned with some potential applications of economic behavior theory to the problems of reciprocal exchange, member recruitment, and member participation. An issue raised in this section echoes the point made in Part I that no form of cooperation can exist on the basis of purely rational, economic exchange relationships. All must have elements of social and symbolic exchange in order to persist, and this should be considered more carefully than it has in development programs.

Part III considers some topics in the field of cooperation as a development instrumentality: multiple and conflicting objectives, as a problem in cooperative action and in assessments of performance, success, and failure; cooperation as a form of social mobilization, in comparison to technological

and economic innovation; and the problem of the rural poor and possible roles for cooperation in assistance programs. Part III, and the paper, ends with a brief discussion of the problem of ethical responsibility in cooperative development programs.

A general conclusion is also reached: cooperative development, where it succeeds by the necessarily varied and mixed criteria the writer recommends, is preferable to more static conceptions of development, such as the "basic needs" approach currently under discussion. Cooperative development implies movement: self-help, bootstrap-lifting, progress, and an approach to security and equity. It can flourish as a purely local movement (and is often most successful that way) or it can provide a bridge to national institutions and resources. Cooperation is a social as well as an economic strategy, and its benefits are great even when its material accomplishments may seem modest. Cooperation is a re-socialization of the human group and personality--or it can be--and this should be remembered, lest we become overly concerned with purely economic criteria.

I. INDIGENOUS AND INSTITUTIONAL COOPERATION

Problems of Compatibility and Transferability

Introductory

This section concerns the distinction between indigenous and institutional types of cooperative action. We define these as follows: indigenous cooperation consists of forms of reciprocal exchange and sharing which emerge in social life as a necessity for continuous operation or survival, and which are patterned in accordance with principles attached to various social groupings and strata. Institutional cooperation is a specific organizational form originally developed in Euro-American society as a reformist

movement, and since modified and elaborated on an international scale. Peter Worsley calls it "cooperativism," and describes it as follows: "a special type of social organization . . . usually located within a wider social movement . . . (and with) goals which transcend the purely technical or economic, embodied in a social philosophy that usually stresses . . . moral themes . . . it is mutual aid, to use Kropotkin's term, a positive orientation toward others in society, and a particular identification with the ordinary, the humble . . . together with a collectivist orientation which implies the limitation of self-interest and the institutionalization of altruism" (Worsley 1971, p. 2).

This distinction has evolutionary significance, insofar as there is a trend everywhere in the developing world from indigenous forms to variants of the institutional model designed to facilitate production for the national and international market. However, this is by no means the whole story. Indigenous forms of cooperative action continually emerge in all societies, including the Western countries, and indigenous cooperation has always been present in the United States, in the form of mutual aid rings which have significant economic effect in many rural districts. Moreover, the new forms of cooperative production, marketing, and consumption which are emerging in many developing countries are syncretistic versions of both the indigenous and institutional forms. Each country will, in fact, seek out its own mix of the principles of the indigenous and the imported. The effort of cooperative developers must be flexible and advisory, not authoritarian and doctrinaire. Cooperative principles are subject to endless re-interpretation: there is no one model and no one ideology associated with the basic principle of reciprocal exchange in social life.

Nevertheless, in the context of agricultural and rural development, the distinction between indigenous and institutional cooperation assumes political significance. A Nigerian economist, T. N. Tipoteh (1974), distinguishes between "communal self help" as a form of cooperation existing in all African societies, and "Western type cooperatives" which emphasize saving and marketing activities "in the context of a mixed capitalistic system." These Western-type institutions can appear, from the point of view of the African villager, to minimize communal self help and sharing in their stress on individual gain. From this perspective, Western-type cooperatives can be viewed as a threat to indigenous cooperation. This perspective is ironic, since the cooperative movement in Western countries was in part an attempt to reform the capitalistic system.

While the original egalitarian and leveling ideals of the Western cooperative movement are still featured in the literature, these ideals have been modified under pressures in the developing economies; pressures which seek greater production and efficiency for meeting the needs for food and foreign exchange in growing populations and industrializing societies. In country after country, the original Western cooperative institution has been transformed into quite different forms: arrangements which reinforce, or even create, hierarchal differences in wealth and skill among the producers; large federated systems under government control and subsidy; or community collectivism. As this happens, doubt in the effectiveness of the original Rochdale ideals appears, and the cooperative strategy for agrarian and rural development can be criticized as failing to produce equality of income and opportunity (e.g., Fals Borda 1971). In addition, there is the question of whether indigenous cooperation can function as an appropriate groundwork for the forms introduced in development programs.

The social sciences provide insights for approaching these problems, although they fall short of solutions, since the problems lie mainly in the practical sphere. The social sciences do not provide blueprints or laws, but funds of knowledge and techniques of investigation which can help planners assess possibilities and probabilities of outcome. One such fund consists of the accumulated knowledge of how indigenous cooperation works in traditional societies.

The indigenous forms of cooperation may vary, but they share one important trait: they are all manifestations of a functioning social system. They emerge from the natural social groupings of society: kinship, ritual segmentation, age groups, status and class, fraternal associations, and mutual-aid organizations. Indigenous cooperation is part of the activities that societies initiate in order to survive and to perform the tasks necessary for day-to-day operation. Cooperative action may assign equal status to participants, or it may be controlled by prevailing hierarchal patterns. Shares may be distributed more or less equally, or there may be unequal division or even exploitation of particular classes of participants. When the groups are small, there is a tendency toward equality; as they grow larger, inequality, and the exercise of force and social sanction to compel participation, become more common.

If we view indigenous cooperation as the soil in which formal, institutional cooperative organizations must be planted, we shall find that the indigenous forms may either assist or obstruct the task. Indigenous cooperation may bring disparate groups together, thus helping to implement egalitarian cooperation, or it may divide groups and reinforce barriers between them--in which case it will impede the establishment of institutional cooperatives. The knowledge of how indigenous cooperation is

organized is therefore essential to cooperative development, and it is in this sphere that social science can be of major service.

Profiles of Indigenous Cooperation

We begin with some vignettes of cooperative action in typical societies. The following features will be emphasized: (1) the social groups which form the major vehicle of the cooperative action (e.g., kinship, caste, or class); (2) the major cultural values defining the nature of the bonds which maintain the activity (e.g., obligation, duty, prestige); and (3) the goals of the action, and the means used to seek these goals.

Liberia

One of the most detailed available descriptions of traditional cooperatives is the study by Hans Sieber of work and savings organizations in Liberian communities (1974). He defines Liberian cooperatives as "egalitarian" insofar as their members are smallholders with approximately equal amounts of property and scale of production. They are defined as "open" since membership was not officially confined to people from single villages, tribes, or kin groups, although he admits that "for practical reasons cooperatives usually consist of members of one tribe and quite often of members from the same village" (Sieber 1974, p. 45). In addition, open membership is qualified by the ability of candidates to "contribute their share (in labor or savings) to the economic purpose of the cooperative" (ibid., p. 46). Work-group cooperatives are the most common form in Liberia, and the members gave as two main reasons for joining such groups: work is done faster; and is less onerous when you do it with other people. Sieber defines "increasing labor productivity" as a major function of work cooperatives. But in addition, he notes that these groups also establish friendships (a major

reason for joining); and social integration within hierarchal social segments. In fact, he found that "the more centralized and hierarchal a society, the stronger the work cooperatives" (p. 49). That is, cooperatives flourished in stratified societies as devices to encourage association among members of the strata. The number of participants ranged from as few as two members, to as many as thirty, with about ten as a mean. The groups were formally organized with by-laws, regular meetings, fines for absence from work, and so on. These groups were all "traditional" in the sense that they were not incepted or influenced by cooperative forms introduced in assistance programs. Work cooperatives were found for: building construction, rice production, spinning cotton, transportation, palm oil production, rum production, fishing, community services like roads, and combined forms. Some corporate social groups like age grades and secret societies also had cooperative functions and organization.

Savings cooperatives were equally varied and similarly organized; but need not be described in detail. The point is that the full panoply of cooperative organization in Liberia has tribal roots, and serves as many functions as there are productive activities and needs. It is a world of cooperation, and its development was largely independent of foreign assistance and models, although Liberia has some cooperative assistance programs. The traditional cooperatives are manifestly practical, but they also implement a variety of latent social functions and are supported by these. The social bonds are thus both practical and "moral" (i.e., related to social solidarity). The principal social vehicles of Liberian cooperative action are community, socio-economic strata, similar production and economic scale, and friendship and locality ties.

India

Richard Lerner has described the case of a cooperative farming society in a village in Uttar Pradesh (Lerner 1971, pp. 26-29) where two structural groups in the population provide the major social bonds. First, all members of the cooperative society belonged to a single caste--Chamars--which was one of five castes represented in the population. This particular caste also included most of the educated and wealthy persons in the community, which meant they had a monopoly on skills and economic resources. This permitted them to move the society forward without the debilitating economic troubles which have led to the collapse of many cooperative and collective farming organizations in India. In addition, the society had been founded by a particular extended kin group within the Chamar caste, and was led by a young man who had found it difficult to work his land alone (cooperative assistance among relatives was not especially effective in this group). Moreover, since the government gave cooperative societies assistance in the form of loans and help on resource development, this man and his kin saw the society as a means to obtain needed external assistance. Ironically, the founder eventually withdrew because he discovered that contrary to his understandings, all of his land would have to be pooled with the rest, and he desired to withhold some of it for his own use. There were other troubles, but this is sufficient to illustrate the way a cooperative society can be integrated in an existing social system. The primary bonds were not idealism or cooperation as such, but pragmatic self- and group-interest. It also shows that the same social sources can lead both to bonding and also to divisiveness and withdrawal. In other words, it cannot be assumed that a particular social form or interaction pattern which is logically compatible with cooperation will necessarily implement it.

The well-known jajmani system of exchange in India (Gould 1958 is a simple basic description) exemplifies the opposing case: cooperative relations existing between social groups which seem antipathetic to any form of cooperation: social and ritual unequals; the pure and the defiled. While the system has many local forms and variations, essentially jajmani involves exchanges of services and commodities between people in the "clean castes" and those of the "unclean" or the "untouchables." Although members of these castes are forbidden to interact socially, ritualized forms of reciprocal assistance of paternalistic or patron-client patterns develop which allow the groups to obtain needed services and goods. That is, instrumental needs exist in spite of the caste divisions, and jajmani is simply a means of recognizing these needs. In addition, the upper caste groups can obtain services which are defined as polluting or defiling by having the lower castes supply them. In return, the lower castes obtain various sinecures and monopolies, as well as shares in agricultural produce and other commodities. While it is often difficult to calibrate the exchange equivalencies in such complex social exchange systems, there is reason to believe that from their own standpoint, the upper caste groups obtain "more" from the exchange than the lower. The lower continue to participate since they gain protection and security even though they may, in a sense, be exploited.

Japan

Robert Smith provides us with a description of cooperative institutions in a Japanese rural community (Smith 1962). Japanese cooperation has attracted attention because of the large number of traditional mutual-assistance groups in the villages and the general effectiveness of modern multi-purpose cooperative societies. The principal social vehicle for these relationships has been the buraku or "hamlet," a cluster of residences usually

including several extended kin groups and constituting a formal government division of an incorporated mura or "village." The buraku population constitutes a cooperative group, with special organizations for irrigation, credit, planting and harvesting, road maintenance, weddings, funerals, shrine worship and service, and firefighting. The formal village society unites the activities of several buraku in the agricultural sphere and provides a distribution point for supplies and services distributed by government. This blending of indigenous and institutionalized cooperative functions is rooted in the strong sense of reciprocal obligation which pervades Japanese society and serves to link local and national structures. These obligations are distributed in both hierarchal and egalitarian or "horizontal" forms of association: the cooperative mode described here belongs to the latter. Moral imperatives pervade the system, but self-interest and pragmatic sanctions are equally represented.

Israel

In Israel (see Weintraub & Others 1969 for basic descriptions) the principal source of social bonding in cooperative and collective farming communities has been ideology, based on and expressed by the pioneering experience of immigrant Jewish groups who settled in Palestine originally around the turn of the century in an idealistic experiment to recolonize the Jewish homeland. Exigencies of social and agricultural establishment on an arid frontier reinforced the sense of shared pioneer fortitude. Each of the several well-known forms of community had a distinct origin in particular pioneering with differing ideological, political, and social backgrounds. While the ultimate social bond has been ideology and a traditional ethnic identity, the subsequent development of these communities and the movements that support them has led to a more pragmatic pattern which many

observers have interpreted as a loss of the original spirit (Cohen 1966). In other words, the solidarity of these organizations evolves in the direction of give-and-take, bargaining, and the self-interest of all human communities engaged in production for a living.

Canada

The writer's studies of mutual aid and "neighboring" activities among Great Plains farmers and ranchers in Saskatchewan (Bennett 1969-76; 1968) demonstrated how such informal modes of cooperation can function simultaneously as vital economic supports and also as "expressive" interactions implementing key social values and community solidarity. In fact, these farmers, like others in North America, are reluctant to admit that their mutual aid networks have economic value, although we were able to determine that they did. The farmers wish to distinguish these neighborly exchanges from profit-making psychology. In any case, possibly misled by the farmers' unwillingness to provide the humdrum details of monetary aspects of the exchanges, economists have ignored mutual-aid activities in calculating costs and income in developed agrarian economies. If the writer's calculations are indicative of the trend, a significant fraction has been omitted from the accounts. The writer found that the monetary value of these exchanges often made the difference between solvency and break-even postures for small operators, and frequently the services of neighbors would save whole crops from frost or heavy rains in climatically marginal areas. Such informal or indigenous modes of cooperation, aside from their obvious recreational and social functions, are a significant part of the local economy and deserve to be studied as such. They are strictly analogous to similar forms in peasant societies, and it is only the fact that Western economists and

rural sociologists have been so impressed with the market as a pervading institution that their role in developed agrarian economies has been ignored.

In several Saskatchewan cooperative grazing and irrigation organizations also studied by the writer (Bennett 1969-76, pp. 233-92), the principal social vehicles and bonds were neighborhood or geographical district, and affiliation to national political parties and local factions. All of the cooperative societies came into existence after the provincial government passed legislation implementing the chartering of such groups, awarding of land leases, and provision for credit and supplies. District groups of farmers who shared the political philosophy of the incumbent government were the most likely to seize the opportunity to enlarge their share of resources, and would band together to secure charters. Most of these special-function cooperative societies have been stable, with significant latent social exchange functions, but it should be noted that none of the members were required to relinquish their own land and water resources: the new resources were added as a common supply to be used by entrepreneurial groups.

These vignettes yield four points: (1) no existing form of economic and political-ideological organization can be considered to be fundamentally antipathetic to cooperation. Cooperative mechanisms appear in all kinds of socioeconomic systems, including the individualistic, competitive, and hierarchal; (2) the sanctions or rationalizing ideologies of cooperation can be either altruism or self-interest, and are usually combinations of both; (3) the specific institutional or organizational forms of cooperation will be related to, or modified by, existing social relationships and resource-allocation patterns; and (4) these sanctions and adaptations will change as the organizations evolve and cope with the socioeconomic and political environment.

The accompanying chart contains the two generalized types of cooperation. The distinction is conventionalized; as already noted, there are "indigenous" forms of cooperation in Euro-American countries as well. The contrast between indigenous and institutional forms thus takes place in our own farming communities, although the nature of the confrontation is greatly modified by the fact that market economic principles pervade the whole socioeconomic system, including the local and informal modes. For that matter, many combinations of indigenous and introduced-Western forms of cooperation have emerged in the developing countries over the past half-century.

Cooperation in the Orient has its own history. In general, the cooperative systems evolving in the monsoon region of south and east Asia under the influence of tropical crop cultivation, particularly rice, provide a second major case of the development of indigenous cooperation into institutional forms sponsored by the state. While the end product--in, for example, Japan, Taiwan, or Thailand--has been influenced by Western models, they all retain distinctive features traceable to the cultural heritage. In Japan, for example, one dominant form is the multi-purpose village cooperative society, a type with no historical precedent in Western nations. The Taiwan cooperatives are really syncretistic blends of indigenous, Japanese-institutional, and American-institutional forms. In India, on the other hand, the basic cooperative format is British in origin, since the indigenous patterns were dominated by hierarchal caste patterns which were antipathetic to institutional cooperatives on the Western model.

On the left-hand column of the chart impressionistic ratings of difference and similarity have been provided. These serve mainly to stimulate thought and are not based on systematic analysis. It can be seen that of the nine criteria, only one, (g), can be considered "similar" for all

CONTRASTING MODELS OF COOPERATION

Inspectional Coefficient of Difference. 3: very different; 2: differs somewhat; 1: similar on whole.	"INDIGENOUS" OR "SOCIALIZED" COOPERATION	"INSTITUTIONAL" OR "PLANNED" COOPERATION
	Cooperation as emerging in a community as part of indigenous positional groupings, in which participation is induced as a consequence of the person's socialization in the society.	Cooperation as an introduced institution of Western origin, a social innovation, in which membership is a voluntary act, or is induced by persuasion. Worsley's "cooperativism" (1971).
3 or 2	a) <u>Rationale</u> usually centers on locally defined reciprocal duties, obligations, responsibilities as defined by the corporate community and its subdivisions. <u>Instrumental</u> purposes important.	a) <u>Rationale</u> based on the international cooperative doctrine of "shared self-interest" or the concept of individual gain as served by working with others. <u>Instrumental</u> purposes important.
2	b) <u>Functions</u> or tasks are often diffuse or multiple; or separate tasks are assigned to recombinant groupings in the population. Such groups typically coterminous with positional groups.	b) <u>Functions</u> or tasks explicit, limited, and defined without reference to other positions or duties, etc.
2 or 3	c) <u>Authority</u> diffuse; also variable, depending on patterns in the corporate community or its groups. Leadership derived from positions in these groups.	c) <u>Authority</u> either diffuse or specific; more often the latter, as vested in specific elected or hired <u>leaders</u> . <u>Leadership functions</u> will be specific to the cooperative form (production, marketing, etc.).
3	d) Responsible only to <u>internal</u> authority, i.e., the community; necessary resources are locally available.	d) Responsible to <u>external</u> (as well as internal) authorities; dependent on external resources.
3	e) <u>Incumbents</u> considered to be "participants"; i.e., they enter the cooperative group without having to be "recruited."	e) <u>Incumbents</u> considered to be "members"; i.e., they "join," and are "recruited."
3	f) <u>Individual benefits</u> of participation equated with group benefits; participation automatic, via reciprocity (i.e., <u>group pressure</u> very strong).	f) <u>Individual benefits</u> considered to be only partly equivalent to group benefits; a "selective incentive" usually required for recruitment and continuity, which is not automatic, and can be terminated easily at individual discretion (i.e., <u>group pressure</u> weak or variable).
1	g) <u>Equality of participants de facto</u> while engaged in cooperative activity, but no necessary carry-over into social life or economy.	g) <u>Equality of members</u> also <u>de facto</u> in the cooperative organization, which may not carry on into social life; however, the system contains a strain toward recruiting members who have similar social and economic status.
2	h) <u>Performance</u> of participants usually adequate; reciprocity of system and incorporation in community social system guarantees this.	h) <u>Performance</u> of members variable; commitment to goals of group and tasks not as closely linked to fact of membership, due to voluntary character of same.
3	i) <u>Mutual trust</u> stems from "folk reciprocity"; no real issue or trust: cooperative activity an extension of the corporate community or relevant part of same.	i) <u>Mutual trust</u> is guaranteed or created by "institutionalized suspicion" (Dore 1971) or surveillance, especially of leaders.

practical purposes; two, (b) and (h) and possibly two others, "somewhat similar"; four--(d), (e), (f), and (i), and possibly two others--are "very different." The two (a, c) which are given ratings of either 2 or 3 are indeterminant since it depends on the nuances, or the particular facets of the criteria observed. If this impressionistic comparison has any validity, it suggests that the two types differ more than they resemble one another.

Now for some particular points. First, as noted, the two models share one common characteristic: the devotion to practical or "instrumental" goals and tasks. Cooperation in both occurs because work must be done: crops must be produced, labor supplied, risks spread, tasks allocated. Second, the indigenous model differs from the institutional in the extent to which the local community is the basis for organization and definition of participation. Indigenous cooperation is local cooperation: it is activity emerging out of local social relations, and is rooted in positional groups representing kinship, neighborhood, village, ritual, benevolent activities, and many others. This is not to say that the needs and symbols of these groupings entirely dominate cooperation--there is always that pragmatic element, and participation is never identical for every person. But when compared with typical institutional cooperation, the social pressures for individual adsorption and participation in cooperative networks are extremely strong. The individual participant has much less choice over his role than the members of the institutional type.

At the same time, this bonding to the community and its cooperative networks can be perceived as freedom to do as one pleases, if it is contrasted with the mandatory ties to external agencies required by institutional cooperatives (point (d) on the chart). The latter link the community

to government or business, since the new cooperatives must demonstrate their efficiency, profitability, or solvency to outsiders who monitor these things as part of the price of receiving services and commodities. These obligations can be perceived by villagers as undesirable and implying a loss of independence. The problem becomes acute when the leaders of the new cooperative are also the leaders of the indigenous form, and are required to change their conceptions of authority and management.

Point (d) has other implications from the standpoint of the farmer's conception of group membership. The indigenous system is like an onion, from the viewpoint of the individual. He sits in the center of a series of concentric zones: the nuclear family; the extended families; the neighborhood; clubs and ritual groups; the village as a whole; and then the outlying zones defining the external organizations like government which have an influence on his life. The particular groupings and their order of importance of course vary from society to society, but the general concentric pattern is found everywhere. The reciprocal exchange and sharing groups in which the individual is expected to participate lie at different distances from the individual from his central position. By "distance" we refer to degree of social closeness. Some of these sharing-reciprocity groups are more obligatory than others; some consist entirely of relatives; some of people from distant villages, and so on. That is, cooperative activity is not defined as a separate institution, but as responses appropriate to people in differing degrees of relationship to the individual. Introduced cooperatives almost always are seen as groups which represent very distant agencies and forces, hence the degree of obligation and duty associated with them may be ambiguous at best.

The next point concerns the way people who participate in cooperative activity are brought into the group nexus. In the indigenous model, participation is virtually automatic or mandatory since the individual is incorporated in the group by virtue of his membership in the community and its relevant social groupings (point (e) on the chart). He is obligated to help, and while his personal view of the situation may resemble the classic Western value of "shared self-interest," this may be a minor element. More important is the social context in which the cooperative interaction takes place. Ideal values are less important than the social pressures. Another way of putting this is to observe that the community (or its relevant groupings) are the locus of the corporate authority, not the cooperative network itself. In the institutionalized model the cooperative is a corporate entity and the potential members must decide whether they can or wish to affiliate.

The sanctions which lead to participation in the indigenous model constitute an idealized goal for the institutional model: if an introduced cooperative is to succeed, in the long run its members must become participants; that is, they must feel an obligation to serve and this obligation must be related to some organic source of authority and reciprocity in the community. Well-established cooperatives in agrarian societies, whatever their origin, may eventually develop this characteristic; thus in the course of history, the institutional forms can develop into indigenous forms. The question is how does this take place? And must it occur in the same way, sociologically speaking, in every situation, or are there "functional alternatives"?

A distinction also should be made between cooperation--the subject matter in hand--and collective organization. This distinction is important

because sometimes the two are equated or at least the differences blurred. From the point of view of this paper, collective or communal agricultural production is an extreme form of the indigenous model: imagine the characteristics placed still further to the left of the chart, so to speak (see Bennett 1977, p. 68, for a chart showing the differences between communal and cooperative groups). Once established, the sanctions which require the individual to be a full-fledged, committed participant in the collective enterprise are rigorous indeed. He has even fewer alternatives than in the typical local, indigenous cooperative group. Cooperative activity is merged even more completely with the general activity of the community, and with the activities and duties of social roles and statuses. The individual, even less than in the case of the indigenous cooperative, does not find it possible to distinguish between his role as a cooperative participant and his roles in the community, or as a kinship relative, neighbor, etc.

The important message of the preceding comments is that the sociological distance between these various forms of collective and cooperative enterprise is probably always greater than the instrumental or economic distance. While this may be obvious, the failure to appreciate the point has resulted in a good deal of confusion. Economic analysis can be applied to any of the collective or cooperative forms with comparable results, although it is usually difficult to obtain adequate quantitative data from indigenous forms, because many of the exchanges are social or symbolic (but nonetheless carefully conducted according to principles of reciprocity).

However, the sociological differences become evident when comparisons seek sophisticated evidence of profitable or efficient performance. As a cooperative group makes its transition into an indigenous or socially rooted local form, values other than the economic become embedded in the exchanges.

Thus the allocations, distributions, and output may reflect local social differences and prestige weightings which cannot be handled with impersonal market-based standards. People may receive less than their share in return for social recognition, or people may contribute less or take more than their share because of status. Output or cost-gain ratios may drop below efficiency standards since social interaction may be valued more than a particular level of output. Thus the "sociological distance" between established indigenous and introduced institutional forms may be incommensurable. At the very least, this argues for the recognition of a social dimension to cooperation which needs to be incorporated in the planning process.

Returning to the main theme of the discussion--particular points of difference revealed by the chart--we can consider the question of equality of participants and members (point (g)). This has been a particularly sensitive issue in the critiques of cooperation in development, since the international cooperative movement has usually stressed egalitarian reform. It has been assumed that by instituting a cooperative, a process of egalitarian change is set in motion. The generalization has an element of truth insofar as residents of a community while in the actual process of sharing a work task or exchanging commodities may be "equal" in the sense that all are reciprocating or doing the same thing. However, in indigenous cooperation this is only one aspect of the interaction pattern. The same people who are "equal" while working together may be "unequal" in other social contexts. More important, there is no extensive evidence which suggests that instrumental equality regularly carries over into other social contexts. Moreover, the contributions of the participants are frequently unequal when, as suggested earlier, the pattern of reciprocity and sharing

has been shaped or directed by unequal or differential status. Hence a cooperative can exist in a hierarchal social system without strain. The work gets done, the risk-spreading, exchanging, and sharing takes place, but not according to egalitarian principles (for further analysis, see Part III, section on Cooperatives and the Rural Poor).

Another point of significance is the reference to "socialization" in the indigenous type, and recruitment by persuasion or voluntary decision in the case of the institutional form. That is, the basis of participation in the two forms is completely different: in the indigenous, it is an aspect of growing up and coming into adulthood; in the other, it is a matter of adult consent following the presentation of information, democratic choice, or election or selection in the case of the leaders. Americans, in particular, have always had confidence in education and it is of course possible that many Americans are more congenial to persuasion of this type than people of other nations. However, in general the most effective method of inducing people to participate in social action is to build it into their socialization experience, so they cannot perceive alternatives. The democratic educational process or ideal assumes that people will always choose the alternative most beneficial to them. However, if people are given information on alternatives, the probability of different choices is in fact increased. There are no grounds for surprise over the fact that cooperatives introduced into a society with many existing forms of indigenous cooperation so frequently fail. It is difficult to attract members to groups which have not been incorporated into the role socialization system.

Reference also can be made to point (f) on the chart, concerning the distribution of benefits. In the indigenous type, the major objective of cooperation for the groups engaged in it (which may or may not be equivalent to the whole community) is redistribution, not segmented profit or advantage.

People reciprocate in order to guarantee everyone some share in the proceeds, even though these shares may not be equal. This objective is entirely practical--"instrumental"--as we note, but it refers to group subsistence or survival needs and not the values and activities of business entrepreneurship. To the extent that this is true, membership and participation are taken for granted, as part of the necessities of life. These attitudes are, of course, subject to change in the alienating and individualizing processes of colonialism and development.

There are other problems associated with membership and participation which we shall discuss in Section II. However, these other issues are suggested in point (f) on the chart, where it is noted that a special incentive is frequently needed to induce people to join the institutional cooperative. In the indigenous form, the equation of individual and group benefits is more nearly complete and automatic; in the institutionalized form, this connection has to be established. The individuals, whether members of traditional or modern societies, approach the co-op as individuals, not as group members, already socialized into the "philosophy" of the action pattern.

The basis of socialization in all tribal-peasant societies is the system of blood and affinal kinship relations. This system defines the capacity and obligation of the individual to become members of other groups in the social system, and to play significant roles. While kinship remains important in Euro-American farming communities, the pervasive influence of market economy and entrepreneurial, nuclear-family operation of the production units has tended to change or diminish the influence of kinship. The individual is freer to take himself and his enterprise into voluntary

organizations like cooperatives. In the indigenous type, participation in cooperative action will be regulated by kinship ties, interdigitating with other groups.

Ronald Crocombe observes that

Kin-based units appear less adapted to co-operative activity than territorially-based units. . . . Membership of a cooperative bestows identical rights on members and requires the acceptance of certain elective authority roles as common to all. . . . Kinship systems, by contrast, are ego-centred. They necessitate individuals recognizing others as different in varying degrees according to . . . genealogical connection In kin-based authority structures the leadership roles are usually held by seniority descent and . . . necessitate deference to persons on grounds of inherited rank. This is inimical to cooperative success. (Crocombe 1971, p. 189)

In addition, many kinship systems specifically prohibit association between certain classes of people, and sometimes these classes are extremely large, since the kinship tie or label can be extended symbolically to many persons who are not actually traceable relatives. Under such circumstances the principle of voluntary membership on the basis of need or advantage is simply impossible to apply. Kinship systems also play a major role in the allocation of land and water. In the majority of traditional societies, the inheritance system has meant that land is distributed into dispersed holdings which make it difficult to define specific production units. Cooperation on production follows the lines of the holdings, as members of kin groups cooperate informally on the tasks of production (for discussions, see Flores 1969; Carroll 1969).

Another important issue concerns item (b) on the chart. On the whole, the indigenous forms are more likely to be diffuse in function; that is, the individuals participate in a range of different activities, all of them defined as community-sustaining. In the institutional form, the typical pattern is narrower: the co-op usually has a single, or small number of

functions; it is "functionally specific." This creates problems of recruitment and survival since it means that membership has to be "sold" on the basis of activities which a relatively small number of persons may be actively engaged or concerned with. One of the reasons why credit unions appear to be more successful than other forms of introduced cooperation is that it is relatively easy to show that everyone has a similar stake or benefit in the proposed organization, since the creation of capital is a general need

A clear exception to this typological distinction between functionally diffuse and specific activities, of course, appears in the multi-purpose community form of cooperation, which covers a wide range of activities, thereby incorporating all members of the community and providing incentives for joining. This form of course, has its origins in the Orient, and has not become a major feature of the Western template, although development planners in the Western movement who have worked in East and Southeast Asia are familiar with it and have assisted in introducing it in many communities. The type is worthy of much more serious attention than has been given it in the West, but it is acknowledged that it is rooted in indigenous patterns which are difficult to find in other parts of the world.

Two items on the chart--(c) and (d)--concern problems of authority and leadership. Authority systems in indigenous communities are mixtures of hierarchy and equality, intertwined with kinship and other status mechanisms. They do not admit of any simple description, and decisions are made with a tortuous mixture of authoritarian bossing and democratic group-decision. In institutional cooperatives, the emphasis on egalitarian participation and the "first among equals" doctrine of elected leadership are alien to these existing patterns. The result in many cases is simply an adoption

of the external format in name only, with the traditional stratified system maintaining its integrity as the de facto principle of authority and leadership.

Paternalism or patron-client relational systems are an extremely common form of authority and resource allocation in indigenous societies. They acknowledge the stratification inherent in an evolving agrarian system with its changing access to resources, variable skills, division of labor, and social connections. The behavior associated with these systems universally takes the form of loyalty-in-return-for-protection, whether the magnate is a landowner, priest, moneylender, or politician. When institutional cooperatives are formed in a society with an important paternalistic element, the authority figures almost inevitably become leaders, a problem which has received wide notice in the literature. For example, Orlando Fals Borda:

"As a rule they were conscious of the phenomenon and tried, unsuccessfully, to discard the paternalistic role. Priests who sponsored cooperatives ipso facto had their paternalistic role confirmed Some promoters (cooperative development agents) were torn between the ideal of service and the need to assure the survival of the cooperative against its many enemies: there developed in them an ambiguous sense of indispensability that often led to the displacement of members' responsibilities onto them. Moreover, promoters often acted as buffers or intermediaries between factions, trying to moderate conflicts and stimulate internal comradeship. This activity, of course, confirmed their paternalistic role" (Fals Borda 1971, p. 105).

This refers to Latin America, but there are comparable observations from many other parts of the world. (See, for example, von Muralt 1969, for the Middle East; Siebel & Massing 1974, for Africa; Fraenkel 1975, for Tunisia.)

A final point concerns item (h) on the chart. Ronald Dore's term, "institutionalized suspicion" (1971) needs emphasis. The combination of individualistic and community-oriented elements in Western institutional

cooperation results in a need to place members of the cooperative group under a certain amount of surveillance, in order to ensure conformity to the norms of sharing and equality--this is particularly true for the executives or leaders. It is possible that this element, so typically Western in its synthesis of opposites, is the most exotic aspect of institutional cooperation from the point of view of agrarian people in other parts of the world. Since the motives and incentives for cooperative participation derive from the total community, or from its component "natural" groups, these people are likely not to understand the need for surveillance. In fact, this element is usually viewed as dangerous since it sows distrust in a *Gemeinschaft*. Yet it is a necessary accompaniment of market-oriented enterprise, and will be difficult to eliminate in development planning.

One recurrent problem in cooperative development is the tendency for the members of the new co-ops to engage in embezzlement of funds and other activities which, however traditional, can be defined institutionally as "corruption." What happens here is a common phenomenon in developing societies: the introduced new organizational form is not adequately geared to local styles of social control, and consequently individuals perceive it as fair game. Every indigenous community has people looking for ways to realize aims which the traditional social system has frustrated, especially in societies that have already experienced change and development.

When this occurs, it is clear that the cooperative development program has omitted an important step: to make sure that the new organization has been inserted into existing patterns of social interaction and responsibility. Theoretically, this means that an effort must be made to make the new cooperative fit the model of the indigenous type. However, in actual practice this is difficult since the new organization does not have roots in

the socialization system, or is antipathetic to the social bonding or group-structural principles. The most basic recommendation is simply that wherever possible the new cooperative organization should incorporate, or be built on, the indigenous forms. This may, and perhaps always does, require some tolerance of indigenous forms of social structure which may be in opposition to the institutional model and its emphasis on equality. There may be trade-offs: accept some aspects of the existing social system for greater assurance of survival of the co-op; or to accept somewhat lower standards of efficiency or profitability in the interest of the same goal.

Alienation and Individuation

The compatibility of indigenous and institutional cooperative action is not, however, the only factor influencing transferability, although we have chosen to emphasize it in this paper. Also important are sociopsychological factors associated with the degree of change in the local society deriving from colonialism and its aftermath. All peasant societies have been colonialized in varying degrees, and the introduction of cooperatives into these societies is not a simple case of a Western import grafted onto a pristine indigenous social system. In almost all cases, the transfer takes place between development agents from the West or Western-trained natives, and a rural society which has already changed in significant ways by colonialism or its aftermath. This point should be underlined since in the discussion of indigenous and institutional forms of cooperation, the impression may have been given that the definitions or models represented pure types.

Thus, the problem of transferability and compatibility of indigenous and introduced institutions is double-headed: on the one hand, there are

the issues just discussed: how traditional forms of reciprocal exchange differ from or resemble the introduced forms. On the other hand, there is the question of how well prepared the local society is to accept introduced forms, due to its changes under colonialism, regardless of whether the indigenous forms of exchange and sharing are still in place. This is an extremely important point: the degree of adoption of new institutions is determined not only by social compatibility factors, but also by the psychological readiness of participants to accept new forms. These latter factors are controlled by, for example, the degree of alienation the peasants have suffered under colonial regimes (e.g., Migot-Adholla 1969, and other refs. in same volume). Such alienation results in a class of peasants who may function adequately in the traditional close-network society, but who do so restlessly and with expectation of change and alternative institutions. In this kind of situation, the degree of individuation reached in the society will have an important impact on the acceptance of cooperative institutions. If the tendency has gone too far, the disposition may be more favorable toward individual entrepreneuring activities than cooperatives, although often the two are, of course, closely linked. Often the key social group involved in the process will be the "marginal men": those who have experienced feelings of "status inconsistency" because their ambitious, individualizing attitudes and behavior cannot be satisfied with the existing traditional institutions of reciprocal sharing and redistribution, but which they must cope with in order to accomplish anything.

These considerations suggest that perhaps the most important process--or, perhaps, contradiction--involved in acceptance and transferability of institutional cooperation is the balance between affiliative and individuating attitudes and expectations. This is important, and complicated: the

farmer may want individuation, but still participate in affiliative traditional systems; he may prefer traditional affiliative systems, but is required to function as an individual entrepreneur; the farmer may function as an entrepreneur, but suffer alienation and the pangs of freedom, and seek out affiliative forms, like the cooperative.

Time, Compatibility, and the Evolution of Cooperative Organization

The evaluation of cooperative success not only requires social criteria, but is also a measure of time. The literature is remarkably thin on this point: there are few studies or essays which point out that one must include the amount of time a cooperative organization has lasted before one attempts to assess its degree of success or failure in anything. Time is in essence a social variable: it measures the unfolding of social processes and the formation of relationships and groups. These are never precisely the same from one moment to the next, and the direction of change is itself a complex emergent based on past precedents and present influences. Since introduced cooperatives are often facing difficult problems of compatibility, it stands to reason that they should be given sufficient time to prove themselves before negative evaluations are made. One should go even farther and urge that deliberate experiments should be carried out along these lines, to find out just how long it takes to standardize certain attitudes and practices, and to work through conflicts and inconsistencies.

The problem of time and the evolving cooperative structure merges with the question of compatibility and transferability. The operational literature contains some examples: Thomas Carroll and Xavier Flores both emphasize the importance of changing land tenure as a key to cooperative success. Where land allocation is unequal and inalienable, cooperatives must be confined to modified or partial forms ("para-cooperatives") which may help

protect the farmers from gross exploitation or extreme income fluctuation, but cannot be expected to do much else. In other words, the condition of land tenure, and resource allocations generally, constitute boundaries which define what stages of development in cooperative growth can be expected. Nothing further can be expected to succeed unless changes take place--and these changes take time.

O. Adeyeye (1970), describing a Nigerian case, provides an example of how an intelligent combination of indigenous self-help-thrift societies and modern credit principles resulted in an extremely rapid evolution of modern credit cooperatives. The indigenous organizations or "contribution societies" consist of voluntary groupings of persons who pay a fixed amount at regular intervals, with a fixed sum given back in rotation to members. These organizations developed into layered federations with local, regional, and central-headquarter groups. In one province, these contribution societies were reorganized into cooperatives on credit-union principles, resulting in a doubling of participant membership in a period of five years. Funds were made available for the construction of offices and other facilities.

At the same time, the usual changes associated with rationalization and adherence to business principles were making their appearance: the symbolic exchanges in the form of feasts and parties associated with the traditional societies were being discouraged as a waste of money, and paternalistic leadership was being phased out in favor of an elected committee structure. The case illustrates how rapid development can be when indigenous organizations become the basis for the new cooperatives, but the suppression of some of the traditional exchanges and leadership could become a destructive force. (The writer could not determine the fate of the institution since the early 1970s.)

In a brief account of cooperative evolution in Panama, Keith Bletzer (1977) underlines the significance of key points or stages in the take-off of cooperative organization. To summarize a long story, the community involved had reached a point under external development assistance where the forms of central community development had appeared, but the leadership had not. He remarks, "What was needed was someone to arouse the consciousness of community members as to organizational forms for equalizing control of the local socio-economic system and a means of consolidation of the organizational fragmentation of the community" (p. 5). The means was found in the form of a consumer cooperative, organized and promoted by a leading farmer. He was successful in initiating support and a period of slow construction of the organization and its facilities began. In two years, about 65 percent of the peasants of the district had become members, and sales in the co-op had reached a point where the consumer cooperative could begin working on a local redistribution of agricultural land and produce marketing services. These activities were facilitated by help in the form of Peace Corps and other assistance programs. Bletzer emphasizes the critical nature of the point in time when the consciousness of the need for consolidating half-consummated changes and the appearance of an effective local leader or "cultural broker" (Press 1969) combined to create a viable cooperative organization. The case also illustrates the crucial nature of local support and sentiment in cooperative development.

These are instances of success; a case of failure in which time and compatibility work against development is found in the Tunisian land reform (Simmons 1970; Fraenkel 1975). In the early 1960s, the planners chose a collectivization course for agrarian development, and asserted complete control over all facets of agricultural resources and crops. Each collective

farm was operated by outside managers and agronomists. By 1970 the peasants had abandoned most of the collectives and the scheme was in ruins. The chroniclers of the episode emphasize that the government operated on the assumption that change could be effected in a very short time by compulsion. An even blunter report comes from East Africa (Hyden 1974): "Many cooperatives in East Africa have been set up in a hurry by government leaders and local politicians, many of whom have subsequently had nothing to do with the organization. More recently in Tanzania, ujamaa villages have been established in a similar fashion (e.g., Cliffe 1969; Raikes 1973). Experience has shown that almost without exception such cooperatives fail" (p. 7). These cases illustrate the importance of the principle discussed previously: that for change to be effective it must be incorporated in the experience of the recipients, and this takes time. In almost all cases, the most effective outcomes will take place in the next generation, after the young have had a chance to incorporate the behavior and ideas associated with the new institutions into their socialization. That is, 20 years is about par for the course in effective institutional change.

II. COOPERATION AS SOCIAL BEHAVIOR

Problems of Exchange, Membership, and Participation

This section continues the analysis but with emphasis on the important behavioral processes involved in cooperative action. The particular problems in this cluster are often dealt with separately, but in this paper they will be viewed as different facets of the general behavioral processes of reciprocity and choice. We are concerned with how people are recruited to choose to enter into cooperative action, and how they find sufficient incentive to carry on reciprocal exchange and styles of participation.

All of these issues will be considered as behavioral problems related to the general theory of rational choice and social exchange in human societies (see Heath 1976; Homans 1961; Olson 1971).

Forms of Social Exchange

The "shared self-interest" ideal of institutional cooperation implies that members of cooperatives do things together because all benefit, more or less equally, by doing so. That is, members exchange personal objectives for group goals; labor for services; participation for economic benefits; cash investments for future gain. The members also exchange with each other, taking their turns in management responsibilities; letting their deposits be used as loans by others; and so on. Some members behave altruistically, and do not expect equivalent returns: these are the committed ones, who find the co-op to be a part of their own identity and so realize satisfactions independent of an exchange value they might obtain. But the majority of members are involved in exchanges and the majority feel they should get back as much--or more--than they put in.

The central context of values and interactive behavior in cooperation may be called instrumental exchange. This is used here as a neutral, descriptive term: it refers to the give-and-take of life in a farming community: working together on tasks, borrowing and lending services and commodities, spreading labor and taking risks. The cooperative is a formal nucleus of instrumental exchange: the exchanges are socialized in a chartered or self-conscious group of people who agree to develop and control these exchange functions according to rule. Instrumental exchange is practical, goal-oriented.

A second form may be called social exchange. Here we refer to interactions between people which function to refine assignments of status and

prestige, and to obtain gratification from friendship or association. The cooperative is expected to have a considerable element of social exchange by the ideals of the movement: cooperation is defined as a social good, not merely as a means to practical ends. Cooperators are expected to mingle and associate together as intimates and equals; their instrumental relations are expected to be accompanied by social functions: friendly meetings, picnics, dances, even intermarriage. In cooperative ideals, these relations are expected to both precede and follow the initiation of the formal organization. That is, the co-op comes together and is expected to persist by virtue of particular social bonds. The general principle here is that friendship will permit people to make allowances for the differences in participation and leadership qualities noted previously. "Man does not live by bread alone": instrumental exchange must be accompanied by social exchange.

A third form, really an outgrowth or extension of social exchange, may be called symbolic exchange. This is a type especially important in communal or collective farming societies, where a significant portion of the resources needed for production are owned by the group. This institution of shared property requires special reinforcements in the form of emphasized ideals of brotherhood, altruism and sacrifice, ritual sanctions, and forms of punishment and social control. Collective social organizations are difficult to maintain, given the multidimensional quality of human behavior and aspiration. However, elements of symbolic exchange are also found in cooperative groups.

Farm cooperative societies, then, are relatively loose organizations of producers who come together to practice instrumental exchange in the process. However, co-ops generally do not require as much symbolic sanction and exchange associated with collective or true cooperative

farming. This is another way of saying that idealism aside, the major bond in both indigenous and institutional cooperation is probably instrumental.

We should next distinguish between reciprocal instrumental exchange and sharing. The first term implies that people or groups bargain with each other in order to maximize their chances or returns, each obtaining something in the process. This does not imply that people always achieve their ends, since bargaining presupposes compromise or trade-off. Reciprocal exchange has been considered a "norm" or duty of social life, following Alvin Gouldner (Gouldner 1960). However, it also can be defined as an especially useful type of behavior among humans who exhibit a high potential for individual aggressiveness and self-seeking combined with strong needs for joint action in order to survive or to achieve goals. Thus reciprocal exchange emerges as a solution to this contradiction: people can take part in the exchange process without necessarily changing their affective attitudes toward each other. Reciprocal exchange takes place according to rules*--the Golden Rule is one general version--and therefore the human may participate in it without altering his feelings of love or hate.

While reciprocal exchange may exhibit a strain toward equal benefits, this is probably not the most common type. Many exchanges are unequal since factors other than the immediate ends sought influence the rules. The most important of these is the status position of the people involved in the exchange: if statuses are considered to be equal, then the Golden Rule may apply; if they are unequal, then the services and commodities (or social actions) exchanged will be unequal (e.g., the "lower" owes more to the "higher," etc.). Reciprocal exchange of this type is very convenient

*"Rules" here refers to the internal ordering principles of the social system, not the formal regulations of institutional cooperatives.

in highly stratified or caste societies which nevertheless require some flow of capital, services, and commodities between the sections in order to promote survival. Reciprocal exchange of an unequal type is also common in cooperatives in stratified societies with "patron-client" institutions where the village elite take the leadership in the organizations and realize a larger share of the proceeds (viewed by critics of cooperation as reaction or corruption--see Fals Borda 1971--and an answer, Stettner 1973).

Now for sharing. As John Price has defined it for anthropological purposes (Price 1975), this is distinguished from reciprocal exchange by the fact it is projected out of emotional ties in primary groups like the family, and therefore characteristic of small social groups or communities. This can be called altruistic sharing, and it implies a unilateral action: ego shares something with alter, out of love or respect or in acknowledgment of alter's need. If this type of sharing takes place in a cooperative, it does so outside the rules of exchange, as a personal act or personal relationship. Something of this sort exists in informal exchange in farming communities, where "neighboring" practices have a communal, friendly or altruistic element in addition to mutual advantage. Included also are the familiar cases of affluent farmers or ranchers who help a poor or marginal neighbor with gifts or services, expecting little in return other than gratitude or loyalty. This kind of assistance is fairly common in Western North America where it is featured as proof of the old frontier value system (Bennett 1968). In such cases an element of symbolic exchange appears, since the action reinforces communal solidarity.

Whenever forms of altruistic sharing with symbolic overtones appear in farming communities, it should not be assumed that the existence of the former will necessarily facilitate or implement the latter. The two forms

of action arise out of very different social situations and usually these are not equated in the local culture. This is applicable to farming societies in all countries, regardless of level of development of the market system.

While this distinction between altruistic sharing and reciprocal exchange is a necessary and real one, it should be pointed out that it may be difficult in many cases to establish the existence of pure, unreciprocal sharing even in primary groups. This is so because once anything is given to another person, a strong compulsion arises to return the favor (reciprocity). We noted earlier that loyalty or gratitude is usually returned in cases where affluent farmers give things to poor neighbors. The verbal statements made to investigators may deny any expectation of return, but when these cases are studied in the field, it is usually found that the weaker neighbor always returns the favor, often by labor, and expression of respectful gratitude is expected and even demanded by the stronger.

The term "share" in the central ethic of reciprocal exchange in modern cooperatives--shared self-interest--implies that the members "share" an attitude (not sharing in the sense of giving someone a part of something); namely, the interest in gain which is implemented by cooperation. By sharing or pooling the individual interests, all will benefit. It is usually implied that the gain received will be greater than if the individuals pursued their interests without cooperation.

Cooperation as a Public Good

We can examine this proposition from the standpoint of theoretical analysis of economic behavior. First, we should take note of the fact that the central concept of shared self-interest is a combination of opposites: a classic Western philosophical idea which may be difficult for people with

other traditions to understand. How, indeed, can one put together separate and individual interests? What is meant by the rubric that people will discover, or can be told, that their separate interests can be modified or manipulated so that they share something in common? Then if they combine, they will at least obtain that which is held, or defined as held in common. However, other components of their interests will most likely remain in conflict or competition. These conflicting or competing elements either have to be forgotten or laid aside, or they have to be defined as the opportunity costs or trade-offs necessary if the common element is to be sought. So the problem in cooperative formation, as in other joint actions, is not merely to combine self-interest, but to persuade people to make trade-offs and pay opportunity costs. This is as true for cooperative action as for any other human activity.

The concept of public good as it has been explored by Mancur Olson (1965) and other economists, offers further illumination. Sometimes called collective good, this concept defines anything which is given to people gratis; or more accurately, something is a public good if people cannot be excluded from enjoying or using it. A free public swimming pool is a public good, but a public swimming pool which charges admission is a private good to the extent that only those who can pay the fee can use it. As the fee increases, one supposes that the pool becomes "more private"; as it drops, the pool approaches a public good. The example demonstrates that public and private goods are not blacks and whites, but actually a continuum. Nevertheless, the typological concepts are useful in clarifying certain issues related to group membership.

It is important to note also that public goods are generally defined relative to particular groups or classes of the population. Examples would

be workers who are candidates for a labor union, or farmers who are candidates for cooperative society membership. Public goods can be formed on a voluntary basis, when farmers get together to form a water co-op or irrigation district. Or the public good can be administered by an outside agency, as in the cooperative societies fostered by governments in development programs. This means that in order for a service or activity to become a public good, it is necessary to create an organization, a social arrangement--whether this is done by the putative members themselves, or by assistance from an outside agency, like an agricultural extension service or a Ministry of Cooperation. The need for organization underlines the sociological basis of the public good concept.

However, public goods fall into a large class of human phenomena we have called instrumental. That is, they satisfy practical needs and objectives, and therefore have a dimension of rational choice and efficiency. It is this element that Mancur Olson has analyzed. In essence, the instrumental aspect of public goods concerns the kind of incentives which must become available in order to encourage people to organize to obtain the good, or accept an inducement to create an organization provided by an external agency. There is, of course, an important difference here: it is one thing to organize voluntarily, and quite another to be asked to do so. This difference in behavioral process and motive is not usually considered by economists, but it may be crucial in determining the degree of success of particular programs. The issue behind both cases, of course, is the kind of reward or profit that men seek by combining. However, if people are urged or asked to combine without having perceived the need themselves, it may be necessary to provide a special, or what Olson calls "selective" incentive.

This special incentive can be defined economically as a "compensatory profit" which rewards individuals for going to the trouble of organizing to obtain the good. Presumably they will expect some promised benefit, but the act of organization, or the opportunity costs of joining, changing activity patterns, or contributing funds, may require additional incentive. Olson attempted to determine whether or not joining a group to obtain a good would be a "rational" choice in terms of self-interest. He presents rather specialized examples, the major one being drawn from labor union organization. To paraphrase it, let us suppose that workers are told that if they organize a union they will obtain a \$5 per week wage increase. They are asked to pay dues of 50¢ per week, thus gaining \$4.50. This appears to be a rational choice for them. However, Olson pointed out that if the union is formed, and the wage increase granted, all workers will get it, whether or not they join the union. Therefore they are likely to think about alternative uses for the 50¢, such as some form of savings or investment, or recreation. But the crucial question is: how much difference will it make if the individual worker joins the union? Now, the answer to this question is simply the increased probability of the union being formed and the wage increase granted provided by the vote and the 50¢ contributed by the individual worker. Figuring this probability on the basis of the number of workers, he might conclude that his 50¢ contribution increases the probability of the union and the wage increase materializing by 0.01. Hence the expected utility of his single membership is $0.01 \times \$5$, or 5¢. Rationally speaking, then, he would be better off keeping his 50¢ or spending or saving it. If everyone reasons the same way, no one will vote or pay dues for the union.

The example of course has an artificial ring since many other reasons for joining the union can be found in the domain of social and symbolic exchanges, or simply as a matter of long-term security being valued more highly than short-term benefits. However, Olson was concerned with the well-known difficulty of persuading people in individualistic social systems to work together or form such combinations on the grounds of collective benefits or shared self-interest. In such societies some form of the process he generalizes is frequently at work. Since the individual can conclude on rational grounds that his participation will make little difference to the outcome, he has strong reasons for not participating. Therefore Olson concludes that incentives usually have to be provided in order to persuade people to sign up in sufficient numbers. This takes various forms: promises which are a little greater than can be delivered; a symbolic reward of some kind; fringe benefits; a union shop; social occasions. Some individuals may conclude that if they sign up they will obtain special opportunities for gain based on their manipulative skills, or gratifications from assuming leadership and power. Olson points out that it is easier for public goods to be used as an incentive for membership when the groups involved are small, because the contribution of single members is proportionately greater, to which we can add that since such groups frequently consist of friends, relatives, and neighbors, the social rewards or marginal gains from the social bond will provide the incentive for overcoming any feeling that the individual's role is relatively unimportant. As a matter of fact, Olson's analysis applies best to public participation in large-scale social benefit schemes; least well to smaller groups consisting of community members.

Applying these arguments to cooperatives, we can say, first, to the extent that co-ops are relatively small, and consist of members of pre-existing

social groups, they will suffer less from the public-goods participation problem. If they increase in size, they will have problems of incentive and participation. Second, we might conclude that even in small groups, co-op members would tend to display the opting-out choices more frequently in an individualistic-entrepreneurial agricultural social system than in one with more affiliative or communal patterns. This would argue that there may be an advantage conferred on cooperative mobilization in societies with strong indigenous forms of cooperation among members--although we have cast some doubt on this in other contexts. A more accurate statement might be that this is so providing that the new institutional or formal cooperative is adjusted to the indigenous patterns. If it is not, then people would be inclined to decide against joining, just as Olson predicts. The new formal organization would become a "public good" which there would be no incentive to acquire because the existing group already provides the satisfactions of affiliative interaction to its members. In such cases, the planners would be advised to provide the needed selective incentive, and this is often done in development schemes in the form of credit guarantees, cheaper fertilizer, and the like. However, such incentives must be sustained in the early months or years of the new cooperative, lest the new members revert to earlier calculations of lower utility of membership.

But there is a simpler solution to the cooperative problem, hinted at earlier: that membership in the co-op provides more gain than could be realized by purely individual action. This is displayed most simply and clearly in the credit union, where through the mechanism of monetary interest, the members' pooled funds increase in value and are returned in the form of annual dividends. Since the member is promised that he may withdraw his funds in a reasonable period, and also keep his interest, he is given a selective

incentive. Or the guaranteed availability of small-loan credit may constitute such. The simplicity of the institution may help explain why credit unions have been, on the whole, the fastest-growing form of cooperative organization, and also the one with the most potential for adoption by different social and cultural systems.

The utility function in economic behavior theory does not, of course, explain everything in the field of cooperative formation and membership, as we have already suggested. But it does seem to echo some practical rules discovered and followed by most of the cooperative contracting agencies, and in research on cooperative organizations in the development process. For example:

One of the most persistent causes of decline or "failure" in cooperatives in developing countries concerns the takeover of the local organizations by the more affluent farmers and their manipulation of the system for personal gain. If the manipulation is carried out in such a way as to deprive the rank and file of their dividends or right to obtain loans, then the cooperative is sure to lose members and go into a decline, since the prime incentive for participation is voided. Glenn Ames (1975) reports on such a case from Mysore, where control of the funds by large farmers resulted in extremely poor repayment records, eventuating in financial failure or abandonment of membership by medium and small farmers. Moreover, the co-ops were rather large: Ames notes that the average credit cooperative in the region had 390 members. Short-term production credit loans had been advanced to 36 percent of the members, of which 38 percent were overdue. Share capital contributed by members was only 29 percent of the total; the remainder was provided by district cooperative banks. Since only 36 percent of the members had received loans, and these were in the majority the

bigger farmers, the loans were large, and most of this came from the bank credit supply. In other words, there was little left for the average farmer member, and a plurality of the members receiving loans had not repaid. The average cooperative with very poor repayment records had only about one-third as much share capital as those with better records. In this kind of situation there is little utility incentive for participation--quite aside from the ideological or political question of class domination.

This is important because it is possible to maintain the utility incentive for the majority of members even though cooperative societies remain under the control of large farmers or village magnates. The problem is how to carry out redistribution. The unique characteristics of the Japanese case come to mind: while hierarchal social and authority systems remain in many if not most rural communities, the ethics of redistribution and mutual obligation are such as to require the elite leadership to maintain basic benefits and guarantees. This means, of course, that they "take less"; they are less exploitative. But the authority and power systems remain highly stratified, and the satisfactions of power are traded off for financial gain.

In some case studies of Zambian cooperatives, E. G. Nadeau (1976) found that the level of productivity reached by the members was in direct proportion to the efficiency (not necessarily volume) of services provided by the cooperatives. The most productive example, Pambashe, was included in a special government project financed by external development agencies. This project operated with considerable independence, and received the talented direction of professional development officers skilled in cooperative organization. Special funding was provided for the guarantee of services, and for the execution of development plans. The cooperative was therefore

able to reduce its "dependence on inefficient lending, supply, and marketing agencies" (Nadeau 1976, p. 27). The members thus responded with greatly improved productivity.

However, this efficient and highly productive cooperative also had a much more unequal distribution of wealth than the less productive cases. Preference was given at Pambashe to the better farmers--although the efficient and well-financed system did provide basic services to all farmers. In addition, the rank and file members of Pambashe participated more intensively in co-op affairs, and were also more critical of the organization--a finding paralleled in dozens of studies of cooperatives in North America (e.g., Folkman 1955). Efficient, well-run, and productive co-ops everywhere seem to have problems of wealth or assets distribution, and also an active critical membership.

These findings suggest that: (1) people can be encouraged to produce if they feel their incentives are being met; and (2) that production increases and distribution of services tend to evolve toward an unequal distribution; which means that (3) the membership increases its awareness and critical participation in the organization's affairs.

Group Size as a Factor in Participation and Decision

We noted in the previous section that group size will affect the social relations among members of cooperatives, and also the conditions of recruitment of members. This can be given a closer look.

Marshall Sahlins (1965) has considered the problem of group size from an anthropological perspective. His basic typological distinction is between reciprocal and redistributive societies. Sahlins notes that in the reciprocal type, participation in exchange is based on traditional reciprocity and group pressure; whereas in redistributive societies, it is based on

diversity of individual interests, unequal status, and allocation of rewards in accordance with these definitions. Sahlins believes that most redistributive systems are based on compulsion expressed by force or as legal sanctions.

Group size intersects these concepts at several points. For one, societies organized reciprocally are generally small, or are composed of small-group units which form interacting (cooperative) networks. Redistributive societies are generally larger and more complex, and if reciprocal exchange takes place, it will be in small enclaves or sub-groups. The most reciprocally organized societies known are the small hunting-gathering bands, with 5 to 15 persons constituting the nuclei, and 100 being a maximum for the entire tribal community. In such groups, common sentiments form a common identity, and cooperation takes on the idealized typical forms we described for indigenous cooperation.

Indigenous cooperative groups like those in Liberian communities (Siebel 1974), range from 5 to 30 persons. However, institutional cooperatives generally start at about 25 and go on up to any size. The communal-collectives are rarely less than 50 persons, and range into the hundreds. In general it can be said that as group size increases, the mechanisms of exchange and sharing will need to become redistributive, i.e., governed by agreed-upon formal rules, often allowing for differential rewards based on status or function.

But group size has another meaning for the conditions and styles of decision-making. In the first place, participation in a cooperative necessarily entails diminished individual decision power. The individual trades off his right to decide anything on his own, against sharing the right or power of decision with others. The larger the group, the larger the number

of individuals who share in the decision, and accordingly, from the individual's perspective, there is a corresponding loss in his decision power. This loss is maximized in the communal-collective groups--another reason why they are very different from the cooperative, where there is generally more allowance for individual decision or at least right to influence group decision. In indigenous cooperatives, this question of the right to make decisions is less important because the individual participates not qua individual, but as a representative of the community or authorized sub-group thereof. The exclusion of individuals from effective decision-making on their own probably creates an absolute limit for the size of cooperative or collective groups organized on egalitarian principles or with strong emphasis on egalitarian ideals. At some point it becomes impossible to rely on democratic group consensus-making for all decisions, and delegation of authority to individuals develops. The organization then begins to assume differentiated or hierarchal structure. Large institutional cooperatives in developing countries appear to illustrate this tendency. Bureaucratic hierarchies have to be created to keep the organization together, and a struggle emerges between the central organization and the small community cooperative groups which compose it.

Victor Doherty and N. S. Johda (1977) point out that group size also determines the overall functions of cooperative groups. The small cooperative units, composed of villagers or neighbors, are ideally suited to accomplishing specific agricultural tasks, while larger groups, like federations of local co-ops, are needed for management and capital accumulation--what Doherty and Johda call "long-term maintenance." This functional difference has been recognized in several cooperative development programs, like the

one planned by Agricultural Cooperative Development International for the Guatemalan highlands (Scofield 1976; Fedderjohn 1976).

Member Participation in U.S. Co-ops

In the preceding section we discussed membership in cooperatives and incentives for joining as a problem in the economic theory of "public goods." This is, however, a very special way of looking at the issues. Another is an established research tradition in rural sociology which is concerned with the situational and biographical factors which incline members to participate in the regular activities of the cooperative. These studies are concerned largely with North American and European cooperatives, although inquiries into the problem in developing economies are being made with greater frequency.

There is an assumption in much sociological research on Euro-American cooperatives that they are shaped by such a highly developed market economic system that there is little about them that will be of use to the study of cooperative action elsewhere. There is a certain amount of truth in this insofar as attention is focused on behavior largely responsive to market phenomena. However, this emphasis should not allow us to neglect the fact that institutional cooperatives in the West require a social bond, incentives for joining, and other features found in cooperatives elsewhere. For example, conflicts over the ideals of the cooperative movement and the actual evolving forms of cooperative organization are as apparent in American cooperatives as in those in developing countries. The confrontation is apparent in North American farming neighborhoods where informal networks of mutual aid are sheltered from purely economic considerations, the farmers often denying that they calculate monetary values of the reciprocities in an effort to avoid criticism as "being all out for the dollar." The history

of the American cooperative movement contains many examples of compromises between ideal principles and the reality of successful cooperative enterprise. J. B. Knapp (1969, pp. 432-37) used the year 1920 to mark the watershed for the movement: cooperation before that date was largely experimental; after about 1920 the movement began to mature successfully on the basis of lessons learned in the previous century. These lessons centered on the need to provide a solid base in the form of a genuine "economic need" for the cooperative society; the necessity to temper cooperative altruism with a sense of reality and responsibility; and to use and build on market competition. Nevertheless, Knapp also observed that cooperatives were different from other economic organizations, and that these differences constituted some of the reasons for their success: cooperative membership and participation "increases the dignity of individuals by giving them a sense of ownership . . . in the economic organization that serves them" (p. 433); participation in cooperatives trains people to play constructive citizen roles and to work together; cooperatives are successful when built "from the bottom up"; cooperatives teach attention to local needs and self-help, and help avoid competitive political activity. In other words, the success of the cooperative movement in the United States was based on a growing awareness that the societies had to fit into the American economic system, but without sacrificing their unique qualities. These qualities seem to add up to a resocialization of adults in a more affiliative mode of interaction and self-help than is typical for the society as a whole.

Another type of sociological analysis of American cooperatives is found in studies by extension specialists of relationships among members of cooperative societies, and the criteria used for selecting members for executive leadership. From these studies one gains a more realistic picture of the

unique characteristics of the cooperative in the American social setting. A typical study is William Folkman's analysis of "membership relations" in Arkansas farm supply cooperatives (1955). Folkman found that: co-op members who participate extensively in informal cooperative exchanges with neighbors and relatives did not display greater participation in the formal cooperative society than those with weak "neighboring" relationships. This finding, echoed in other studies, reaffirms that informal and formal cooperative activities belong to different spheres of social participation and attitude: there is no generalized disposition called "cooperation" in human behavior. What matters are the goals and the social bonds and relationships in particular cases.

Folkman also found that the majority of members of these cooperative societies had a "limited concept of a cooperative member's responsibilities" (p. 25). The only two mentioned frequently were "patronage" (patronizing the co-op's services), and "loyalty." Other responsibilities, all clearly spelled out in the cooperative literature and the local charters, like voting, attending meetings, honesty in dealings with the co-op, keeping well-informed, and the general ideals of the movement were cited by only a few of the members: "Almost half of the farmers were unable to cite a specific responsibility of a cooperative member, although more than a third of these presumed that a member must have some responsibility" (ibid.). That is, American farmers tend to join co-ops for the services they perform, and are perfunctory when it comes to the socialization or training function of the societies. Moreover, one-half of the members were not even sure who "owned" the cooperative, showing they were hazy about the basic principles.

A third finding of interest to a sociological approach concerns the benefits to be expected from membership. Nearly all members emphasized

some form of economic saving or merchandise-quality factor as the major benefit--only a small minority mentioned fellowship or social participation in a like-minded group. And the majority of these members felt that they had received the anticipated economic benefit. In fact, the data showed that a majority of members felt that they had received more than they actually expected when they took up membership. On the other hand, the most frequent criticisms of the cooperatives concerned nepotism, poor management due to family or cronyism, or lack of interest in the affairs of the society. This attitude configuration is typical of North American co-ops: they work quite well on the whole, satisfying the pragmatic needs of the members, but there is rather little real attachment or enthusiasm about the co-op as a social group, and constant complaints about routine operations. More important, members are free to criticize the tendency for the society to fall under the control of the handful of most enthusiastic and participative members--even though it is these people who manage the organization to provide the economic benefits which the majority appears to appreciate.

The distinction between members who actively participate and lead, and those who simply "belong," was also explored by Folkman, with predictable results. The "high-participating" members had a little more education; had farmed longer; had been members of the co-op for longer periods; were operators of larger farms and were more accustomed to leadership positions. For such people, participation breeds participation; the longer a member stays with the cooperative, the more inclined he will be to demonstrate participative qualities. He will also tend to be more critical of the cooperative's activities and leadership. But only a minority of the long-term members displayed these qualities, and this suggests that relative affluence, education, and hard-to-define personality characteristics associated with

leadership were the crucial factors. In short, cooperatives in North America are like other social groups in this pragmatic society: people join them for tangible benefits, and only a minority--usually the better prepared and educated--accept them as a focus for personal commitment and identification.

These conclusions perhaps differ only in emphasis from the situation in other countries. The strong entrepreneurial bias in North America creates an emphasis on practical benefits, but the general pattern of differential participation and identify seems similar enough. There is a genuine cross-societal principle at work: organizations founded on a specific social ideal or program generally experience a differentiation between the genuinely committed and those only mildly committed or skeptical: social participation is always differentiated in human social groups because not all people have the kind of personality that facilitates commitment. Moreover, the principle of leadership is itself a limiting and differentiating force: only a few can lead, and these are generally the people who accept the protocol. In other words, the ideal of egalitarian membership and participation is an ideal only; it can never be achieved completely. Acknowledging these social facts, the institutional cooperative can only fall back on pragmatic self-interest; or, in the special context of cooperative organization, shared self-interest.

An example of a research study with similar aims, but taking place in Peruvian peasant communities, is provided by social anthropologist David Guillet (1978). The region studied was one which benefited from the 1969 land reform involving the expropriation of hacienda land and its distribution to a peasant cooperative organization created by government. The study was concerned with the "low and variable" pattern of participation by the

peasants, defined as the "act of joining and becoming involved in the economic, social, and political processes of the cooperative."

Guillet was particularly concerned with communication processes, since the government had constructed an elaborate program designed to inform the peasants of the advantages of cooperative membership and participation. This program was designed on the basis of standard theories of the adoption of agricultural innovations (e.g., Rogers 1971). This program was judged to be ineffective and clumsy: the theory of adoptions was largely inapplicable to the structure of peasant society, and the language of the program was conceived by Spanish-speaking elite lacking knowledge of Indian peasant concepts and incentives. In particular, the program ignored the powerful communicative role played by local mestizo bosses, who controlled and manipulated the flow of information to maintain their own power and control. The perception of the new cooperative was shaped negatively by these information "brokers" who wished to restrict the peasant participation in the organization. In other words, the program neglected the key social variable: the indigenous structure of social leadership and communication.

A second finding of the study indicated that the peasants viewed the cooperative with concepts derived from their previous experience with the land under hacienda management. The peasants had observed that success in meeting production goals in the haciendas was related to capital available for coping with uncertainties created by climate in this high-altitude region. It was apparent to the peasants that the cooperative lacked the capital, flexibility and planning skills to cope with these risks. The agricultural specialists assigned to the cooperative as administrators and technical advisors were college-trained people from coastal regions, lacking in the necessary skills, knowledge, and resources to adapt to the peculiarities

of the region. The peasants thus really knew more about local production problems than the experts. The peasants were concerned about the social effects of production failures and ineptitude, but the administrators were unable to acknowledge that community social needs and security were an important dimension of cooperative action and goals. Hence from the peasant viewpoint, the cooperative, though designed to enhance economic stability, in fact did the reverse.

Other findings of the study showed that the production model of the cooperative was based on the usual Western entrepreneurial notion of an individual operator of an assigned tract of land making the most efficient or maximizing decisions over a long period of time. Peasant operation, however, was based on short-term--annual--cycles due to the high uncertainty. Thus it emphasized subsistence rather than profit goals. Long-term production cycles in the peasant system were based on collective mechanisms: allocation of resources, work, planting and harvesting schedules, protection against encroachment by outsiders and the like were all regulated by weekly meetings of household heads, and were not individual decisions. Redistributive mechanisms of scarce and marginal resources, as in all poor populations the world over, were used extensively, but the existence of this form of exchange, even though vital to the overall economy of the communities, was ignored by the planners.

There were other and related findings, but the conclusions of the study emphasize that there was no true incentive for peasants to join and participate in an organization which neglected the basic needs of a precarious agricultural regime and the conditions of survival in a mountain region. The study also underlines the conclusions set forth earlier in the section on indigenous and institutional cooperation; indeed, it is an especially good

example of the great differences between these systems. The institutional cooperative seeks profits as a business; the indigenous cooperative system seeks security and well-being through coordinated action among traditional social groupings.

III. COOPERATION AS A DEVELOPMENT STRATEGY

Problems of Multiple Objectives, Social Mobilization, Poverty, and Responsibility

Objectives of Cooperative Development

We shall begin with the question of the multiple objectives which cause confusion in evaluative analyses of cooperation in developing countries. Arthur Dobrin, in an early study of farm cooperatives in Kenya, noted that "The philosophy of cooperation can be divided into two main groups . . . the idea that cooperatives are essentially economic tools . . . business organizations. The second idea is that cooperatives are essentially social organizations which serve a need more basic than an economic one" (Dobrin 1970, pp. 108-9). Rupert Scofield, in a recent unpublished study of Guatemalan regional cooperative federations (1976), states that the functions of cooperative organization are social, political, and economic; that the links between these are often vague; and the objectives contradictory. In the Guatemalan case, the federation had conscious social and political objectives of promoting democracy, spreading income more equitably, and supporting small, undercapitalized local co-ops. However, these goals were sought in what became a large-scale, geographically dispersed, bureaucratic organization, which was required to operate with business efficiency, often at the expense of violating its pledge to promote equity and equality. Inevitably policies for eliminating the less-efficient member co-ops of the

federation emerged. This pattern has appeared in a dozen or more countries in Africa and Latin America in the past decade as cooperatives become government-supported instrumentalities for agrarian development.

There are related reports from Israel. Jay Abarbanel, in a study of the moshav, noted that considerable tension exists between the ideals of the moshav movement and the evolving frame of the system: he speaks of "the increasing infringement of the basic principles of the moshav . . . farming without the use of hired labor, mutual aid, cooperative buying and selling, and farming on national land that cannot be sold or rented, form the basis (of the) moshav" (Abarbanel 1974, pp. 222-27). All these objectives are being compromised as the moshav, in an increasingly capital-intensive Israeli economy, is under pressure to realize profits, seize opportunities, conform to government controls in order to obtain side income for necessary investments from manufacturing, and to hire labor for vital projects. The social objectives of the moshav movement become increasingly modified in the direction of the goals of corporate enterprise. The reasons for the change are not loss of faith in the principles, but the way the moshav as an organization is related to the external institutional system.

Rufus Hughes (1968) in a study of Thai co-ops, complains that Thai officials have contradictory expectations of the performance of co-ops, some emphasizing the social and cultural objectives, some the economic. The result is mixed criteria of performance evaluation and no clear judgment of the contribution the co-ops were making to Thai agriculture. John Saul, in a paper on the Tanzania co-ops (1969), complained that the emphasis on book-keeping and management efficiency discriminated against the less-educated members of the co-ops, and encouraged elitist control via bonuses and other distributions made to the most energetic and competent.

If there is ambiguity and conflict in objectives, then there will be confusion over the criteria used to evaluate the performance of co-ops. If production or efficiency increases are the goals, then how are these to be achieved, and how can it be determined if they have been achieved? Are co-operatives to be instruments for the increase of cash-crop production, or are increases to be measured exclusively by local criteria of improvement? Here again the classic dualism emerges: the altruistic-democratic ideology of the cooperative movement is a version of "small is beautiful" in the sense that modest gains in income are viewed as sufficient evidence of success without concern for potential contributions to the national income. But governments are concerned with foreign exchange and consequently make larger demands of the co-ops.

The emphasis on productivity and contribution to the national income appears in nearly all of the reports on country missions produced by AID offices, or by private cooperative development organizations under contract to AID or to the national governments. For example, a USOM report on farmer groups in Thailand notes,

A major obstacle in the development of the AFGs has been their lack of legal status and the resulting operational limitations . . . (i.e., they are purely local, unsponsored organizations) (Gamble 1969, p. 2).

Or in a report on the Philippines:

. . . multi-purpose cooperatives . . . in terms of profit percentages and margins . . . can be very successful in the field of marketing and agricultural supply, but unless they can administer the large-scale credit programs, they are en route to a duplication of the failures of the mid-60's (i.e., "failure" as measured by external and scale, not local, criteria) (Bergland 1971, p. 27).

And in a report on Nepal:

His Majesty's Government's recognition of the importance of marketing . . . in agricultural development should be demonstrated by establishing an official section in the Ministry

of Land Reform, Food and Agriculture, to deal with this segment of the economy . . . (in order to backstop the cooperatives) (Rogier 1966, p. 11).

The thrust of these recommendations is to encourage the productivity of the co-op members by providing co-ops with support or control by higher-level organizations. In all cases the primary objectives were conceived in terms of the nation, and not necessarily in terms of the local cooperative societies.

Turning from these reports to others which seek to evaluate the success or failure of the local societies per se, we find a different set of criteria. Judith Tendler's AID report, "Inter-country Evaluation of Small Farmer Organizations" for Latin America, contains numerous references:

AID should take more advantage of the small farmer's interest in organizing temporarily to achieve certain limited and concrete goals - e.g., the acquisition of land, the gaining of access to water, or the construction of a piece of local infrastructure. Groups that are successful at achieving such an initial goal often go on to a more permanent existence. . . . If the organization falls apart after the goal has been achieved, this can still be compatible with the achievement of an AID program goal (Tendler 1976, p. 9). (But not presumably, a goal which emphasizes continuous high cash-crop production.)

Tendler found that small farmer organizations were most successful when the cooperative groups: (a) set a concrete and limited goal; (b) started with only one task; (c) the task could be achieved with a minimum need for non-specialized skills; (d) the groups were small and unconnected to other groups . . . success was greatest when smallness and isolation occurred. And in a "small farmer organization" report on Africa (Morss & Others 1975), it was noted that "local action" was the most significant "determinant of overall success" of the co-ops. All these studies noted that while external credit guarantees were useful, they should cease when the groups attained "self-sufficiency." USAID is advised in these reports

not to invest so much in credit and marketing organizations, since these may not respond to local objectives and needs.

These emphases on limited local objectives are not entirely contradictory with the previous national-level organizational objectives, since there is an assumption that strong local cooperative societies will ultimately strengthen the whole system. Still, continuity of membership and continuous high output is not emphasized. The emphasis in the small-farmer studies is simply modest local functioning: doing local business, spreading the risks, providing small loans, getting the physical labor done more efficiently. These criteria of success are at the opposite extreme from those which measure success in terms of sustained productivity for national goals, or by bureaucratic standards of financial soundness and good bookkeeping. Local co-ops can persist and do a fair job even though their financial picture may be muddy. Even if co-ops do nothing more than spread the burden of physical labor more equitably they can be considered a net gain for traditional agrarian systems where landlordism and limited resources have resulted in atomism and vulnerability.

Obviously the measurement of success or failure in social systems is always relative to the standards used. Tautological explanations are hard to avoid: e.g., if a local cooperative society exists at all, it can be deemed successful since "local action" is what a co-op is all about, from the standpoint of micro-level criteria. Criteria based on national production targets or the generation of capital are more objective and avoid tautology, but they impose external standards on local organizations, and run the risk of demanding performance magnitudes which are unrealistic and ultimately productive of the very dependency that cooperative development, in its social sphere, seeks to eliminate.

Take, for example, the question of training of cooperative members in order to permit them to manage the societies more efficiently. As cooperatives become involved in larger systems, standards of management increase in sophistication. In the USOM report on Thailand (Gamble 1969) the lack of specific training programs is deplored, but it is apparent that the need for more complex training procedures was not considered necessary in the original program, emerging later as the co-ops were tied together into regional federations (hence more need for precise accounting procedures). Yet to function on a purely local level, less stringent requirements for accounting and management techniques were adequate. The concern over financial failures and dissolution of the cooperatives which pervades many of the evaluative studies, is a product of the imposition of national standards, and the fear that lack of continuity of local societies will hamper national production goals.

In the AID report on multi-purpose cooperatives in the Philippines (Bergland 1971), we learn that "The organization and implementation of the farmer-group program will have the effect of weeding out those farmers who are less credit-worthy, and I am confident that this single move will dramatically improve loan collection percentages" (p. 3). It is difficult to know what to say about this, but most certainly it has nothing to do with cooperatives per se. What will be done about the farmers who are poor credit risks? The statement appears to say that by forming cooperatives we can exclude the very people who might benefit most from cooperatives. And so on through a series of contradictions--all brought about by the imposition of a single goal on the cooperative organization, in this case, loan repayments.

Of course cooperatives have multiple goals. As we have shown, they are not banks, but associations of people--neighbors, in most cases, who bring to the association a history of affective bonds and hostilities; work habits and attitudes; kinship and friendship. Inevitably cooperatives will have many goals, some of them conflicting. The danger is in attempting to reduce these goals to a single one or set as the result of an external demand or impulse. The development assistance agency must be extremely suspicious of the motives of the country governments; it must be able to separate social, political, and economic objectives--but even more, it must be able to see these as costs or consequences in addition to objectives, and must be able to strike a balance and make intelligent trade-offs. Cooperatives exist in time: they are social processes, not static entities; they evolve and change, and have many unforeseen consequences. All this is part of the development process and effort; the assistance agency must have the skills to analyze and forecast at least some of these outcomes.

Social Mobilization

One can define the primary objective of cooperative development as the achievement of increases in productivity or efficiency at costs lower than other methods. The principle here is that social mobilization may accomplish more, in the long run, than technological or purely financial development measures--other things being equal. This is a principle with which the writer concurs, and advocates as a desirable alternative to the exclusive use of economic and technological means to accomplish developmental ends which has dominated assistance programs for three decades. Social mobilization as a strategy for production means that human labor, and cooperative effort on labor and the tasks of production generally, can accomplish

wonders, since it provides incentive and sustained effort. If social science has been able to demonstrate anything of value, this is it.

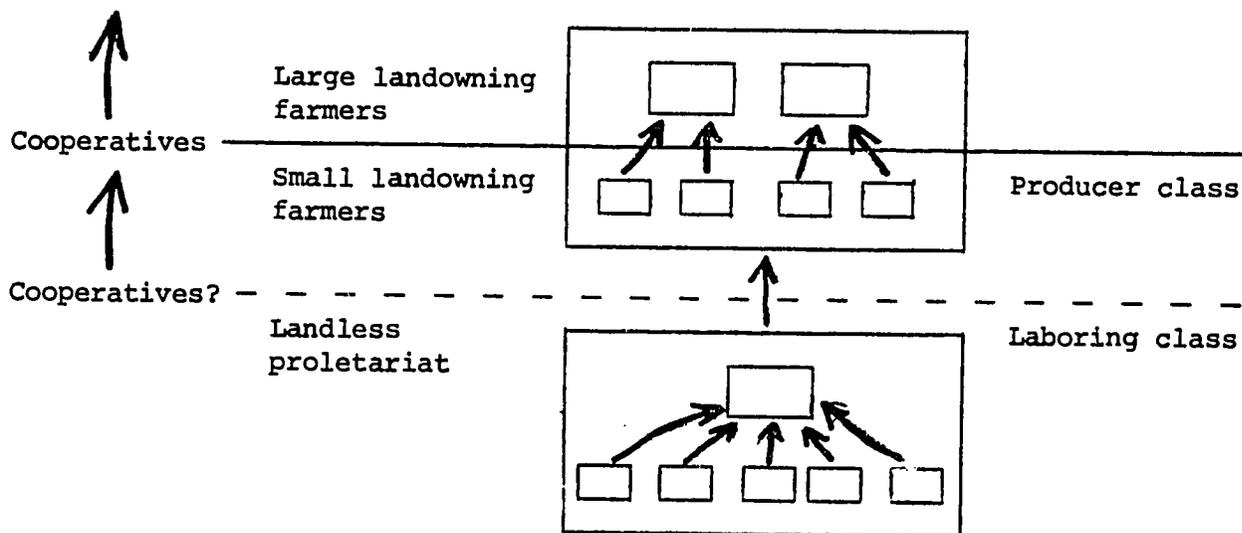
However, social mobilization, like all human strategies, is no panacea. Like everything else, it requires special conditions, and it cannot be used in isolation from other techniques. Moreover, it is subject to factors usually beyond the immediate control of planners: it depends on sentiment, and sentiment aligned toward particular goals. If these goals are not part of the traditional cultural perspective, they must be cultivated, and this is never easy. An association between a particular means--social combination--and a particular end--production efficiency--must be established if it does not already exist. The techniques for accomplishing this must be based on the particular case: social science offers no simple generalizations. Humans are not machines, that respond to the pushing of buttons. To find the means, intensive local research is necessary, and this takes skilled and perceptive workers. It is a matter of finding the right people for the right place at the right time.

Moreover, social mobilization is not confined to a single technique. Cooperation on the classical Western model is not the only way to achieve the savings inherent in shared labor and capital costs. The cooperative movement is a "capitalist" institution insofar as it is based on the institution of individual entrepreneurship, and it is "socialist" insofar as it features some aspect of collective resource allocation and division of proceeds. However, this mixture is usually confined to particular segments of the socioeconomic pyramid: in general, the middle segment. If the lower sector is to benefit, a different set of standards needs to be applied, and a different set of institutions cultivated. There are some available: full-scale cooperative and collective farming.

Individual entrepreneurship is inherently competitive, or at least seems to emphasize a degree of operator independence which is in part contradictory to the cooperative ideal. The frequent abuses of cooperative societies seem to emerge from this contradiction: they include elitism, usurpation of resources by the most aggressive or skilled members, and financial peccadilloes of various kinds. These are all "entrepreneuring" activities; they suggest that the commitment to collective goals is by no means complete, and this is inherent in the very structure of the farming cooperative based on individual members producing for a market. It is not an insuperable defect by any means, but it does highlight the existence of other organizational forms which have controls built in. The cooperative or collective farm in which a measure of the production facilities are owned in common, possesses constraints to disruptive individual action. The development assistance agencies would do well to consider a broadening of their assistance package to include these more highly developed forms. But here, as elsewhere, no panaceas exist; the cooperative or collective farm requires more specialized conditions than the cooperative society, and if it is to be used, it must be carefully adjusted to local circumstances after careful research has suggested its practicality.

Cooperatives and the Rural Poor

The relationship of cooperatives to the poor may be dramatized by the following diagram (see following page). The diagram shows two main classes of rural people: those who own land and produce agricultural products for subsistence and sale; and those who have no land and who furnish labor to the producers. But both classes are stratified: the producer class contains large and small farmers; the laborers have work-group leaders and the rank-and-file. Both classes are organized in patron-client networks: the



small farmers depend in varying degrees on the large farmers for resources; the rank and file in the laboring sector depend on their own group leaders for obtaining jobs from the farmers. The whole system is a form of indigenous cooperative exchange based on differential resources and social hierarchy.

Where do institutional cooperatives fit in this generalized and idealized structure? First, the diagram provides examples of two kinds of poor people: the small farmers and the landless proletariat. While the income differences between these classes may be small, the fact that one group has land and is active in agricultural production has crucial significance for cooperative formation. In other words, cooperatives usually benefit only the producer class, and among the members of this class, mainly the large landowning farmers. The dotted line of cooperative formation thus can be drawn below the large-farmer level, and sometimes (with difficulty) below the small-farmer group, but it cannot include the landless class. However, the small-farmer and landless sections of the population may together constitute the majority of the rural population.

Nevertheless, some form of reciprocal exchange or cooperation does benefit the lower sections of the population in the form of indigenous patron-client relationships which provide a measure of redistribution of economic proceeds. In other words, "cooperation" does exist, but it is not institutional cooperation as classically defined in development assistance programs. If cooperatives are to benefit the entire population embraced by the diagram, some means must be found to incorporate the lower segments into the organization. One question is whether this can be done on strict institutional-cooperative principles, or whether these principles must be combined with aspects of the traditional patron-client systems. But beyond this issue, which has been dealt with in other sections, there is the basic economic one: the poor lack money, and since institutional cooperatives require participants with resources sufficient to carry on viable agriculture, it has been difficult to devise an approach which genuinely benefits poverty populations. Much depends on one's definition of "the poor": if the term refers to people with relatively low incomes, then properly designed cooperatives can play an important role; if it concerns landless proletariats who have virtually no money at all, then the Western form of cooperative action, emphasizing the conduct of a profitable or reasonably self-sustaining business, is simply irrelevant. As Uma Lele has so persuasively shown (Lele 1977), the cost of organizing self-sustaining economic activities for the very poor is greater than programs which benefit the middle and upper income groups because basic resources have to be provided. These resources (e.g., land) are the most costly elements of such programs--not only in the monetary sense, but in the sense of sociopolitical reforms which may be required to provide them. Any attempt to reach the very poor--even the moderately poor--in development programs emphasizing cooperation must face up to the

social reformist implications of the effort. If sociology tells us anything, it is that economics is based on society: the distribution of rewards is based on the distribution of status, and a change in one requires a change in the other.

One significant approach in sociology and social anthropology dealing with poverty concerns distinctive forms of adaptive social behavior. We alluded to these in the previous section in the discussion of the Peruvian peasantry; namely, the need to develop redistributive mechanisms to spread scarce resources. These mechanisms consist of the sharing of available funds, windfalls, stolen property, or produced or collected foodstuffs among the members of the population or social group so that survival for all or a majority is guaranteed at the expense of general impoverishment. Often the resources are obtained from more affluent strata via patron-clientage. That is, while individuals or family units in such populations may be able, from time to time, to secure more than their neighbors, the norms of social action require them to share these supplies with the other members of the group, along the lines described earlier for indigenous cooperation. This means that the per-capita take is relatively uniform at a low level throughout the group. Poverty breeds poverty, so to speak. Yet it is an excellent adaptive strategy for survival, and such populations can often survive fairly well on resources which in simple economic calculations of "income" are below the subsistence level (e.g., see Whitten 1969; Stycos 19--).

This pattern of behavior contains some suggestions for cooperative development. There would appear to be no reason to exclude cooperative planning along social-redistributive lines, in place of the profit-making business model. The limited experiences of development specialists, trained in

Western market economics, would appear to be the only constraint here. Such programs would be based on careful analyses of the existing redistributive mechanisms and calculations of the techniques and economic values involved in the mechanisms. In essence, the systems operate on the basis of networks of both hierarchal exchange and horizontal sharing, the principles of which vary from population to population. These networks can have considerable geographical coverage, uniting relatives and friends and patron-client groups in redistributive networks cutting across political boundaries and urban-rural regions. These networks, in some cases, could become cooperatives with government recognition and the right to receive loans and other assistance. Some of the "poor peoples' co-ops" in the American South have been organized to some extent along such lines: the organizations were formed out of very poor farm laborers and sharecropper communities with previous patterns of mutual aid and self-help. For development planners to do this sort of thing requires imagination, and above all, departure from the familiar models of business enterprise which have dominated cooperative action in Europe and North America. It also requires an acceptance of paternalistic inequality as a valid social form.

Another approach is that recommended by Hans Munkner (1976), who sees the problem of cooperative development for the poor as an evolutionary process which requires training in attitudes and social skills as well as financial. He lays down the following minimum requirements for the formation of a cooperative society of the type we have called "institutional":

First of all, some restrictions should be established on cooperative membership in order to prevent the rich or politically powerful from monopolizing membership. Cooperatives could be defined as appropriate for only certain groups in the population, as has happened in the Philippines, where

they are reserved for "small producers and consumers" by decree. The "small producer" is defined as a self-employed person with a family who provides the major source of labor for his business, and obtains at least 50 percent of the total family income from this activity.

A second stage, or an alternative procedure, begins when an echelon of lower-income persons have joined cooperatives and have thereby elevated themselves in the income pyramid. When this happens, new programs for the very poor can be inaugurated. Included in this stage would be experiments like that of Kenya, where smallholder subsistence and otherwise marginal farmers have been permitted to join cooperatives after receiving a government loan which boosts their capital position and entitled them to supervision for a transition to cash-crop production (Kenya Ministry of Agriculture 1975).

A third stage (or a separate program) consists of efforts to bring the very poor into cooperative organizations. These people may lack the wherewithal to become involved in production or marketing cooperatives. Hence the effort to incorporate them into the system should concentrate on credit unions and similar organizations which operate on the basis of very small increments of capital. It is essential, however, that most of the contributions to these financial mutual-aid societies come from the participants themselves.

The key to introducing cooperative organization to the poor really lies in the role of the middle economic sector in most countries--those between the wealthy cash-crop farmers and their marketing co-ops and the semi-subsistence groups with their credit union and thrift societies. Essentially the development plan must move the poor into this middle sector, step by step, thus bringing larger numbers of producers into a self-sustaining

economic position. In this sense, the cooperative movement can become a kind of transmission belt of upward mobility. The ideal, of course, is not subject to completion, since there will always remain a poverty segment, or a group which benefits from cooperatives mainly in the area of financial buttressing of very low incomes.

However, it is important to produce some movement of a significant portion of the population into positions of greater financial security, relative though this may be. This is the most one can aspire to in many countries, given resource shortages and growing populations. But however modest the possibilities, the cooperative movement can become a significant part of this effort, providing that it is conceived intelligently, flexibly, and with due allowance for indigenous constraints and opportunities.

Responsibility for Change

Michael Frank, in a study of the relevance of Israeli cooperative and collective settlement types to African countries, distinguishes three main strategic pathways to the introduction of cooperatives in developing countries (Frank 1968, pp. 111-114): (1) the "liberal system," which adheres to Western models of farm cooperatives; this strategy starts at the village level and strengthens the new co-ops with credit, marketing schemes, machinery cooperatives, collective resource allocation and other devices; (2) the "socializing system," in which cooperatives are viewed as only one phase of a total socializing of the economy; and (3) the "authoritarian system," in which cooperatives are established in the villages and in federated structures by government fiat, with political indoctrination, supervised loans, production schedules, and government-distributed farming supplies.

This classification of approaches has much to recommend it, but it is clear that the three "systems" often blend; e.g., (2) and (3) may be the same thing. Moreover, the classification ignores another important choice: whether to build the new cooperatives, however conceived, on indigenous forms of cooperative exchange, or whether to attempt to supplant these forms with imported models.

Therefore, in the background of cooperative assistance programs lie key issues of policy and responsibility. If cooperation in some form or another is a universal characteristic of agrarian societies, then why must one introduce exogenous forms? The general answer to this question is to stimulate production for markets, or to increase its efficiency and promote savings and capital accumulation. And at this point we may ask: what right do the developed countries have to institute major socioeconomic and cultural changes in rural societies via the mechanism of formal cooperative organization?

Since the objectives of cooperative development imply structural change in the relationships of the producers to other factors in the economy, they also imply significant social and cultural changes: alterations in status systems; changes in income distribution and equity relationships; transformations of value systems; new forms of inter-group competition and conflict. In fact, the modern cooperative society is a new social middleman located between producers and local elites; between the community and the government; and between the farmers and the agribusinessmen. The cooperative forges new sets of relationships between all these groups, and often there is an assumption that these will always benefit the producers. Or in the words of a field report of a cooperative development contractor,

Farmers Organizations should assist in resolving a basic question: are Farmers Organizations, ultimately, to serve members and thereby government or to serve government and, hopefully, members?

That is, cooperative development raises a basic question of policy: whether it is the responsibility of the development contractor or AID field team to promote structural change in the socioeconomic system. Is cooperative development another name for a quiet agrarian revolution, and should donor governments be a part of this? Or should such action remain in private hands; that is, the volunteer, altruistic, self-financed work of agencies in the United States, England, France and elsewhere emerging out of the cooperative movement?

The structural changes induced by cooperative development will have their most general consequences in alterations in relationships of dependency of local people on larger systems. Rationales for cooperative development usually emphasize the increasing "independence" of smallholder producers once they have increased their rate of production and savings through cooperative means. Does the government assume a burden of support once a cooperative is formed via formal programs, and if so, will this lessen, or increase, general economic dependency? Logically, if a cooperative increases the share for the producer, it may enhance his ability to make alternative choices, but if the program is accompanied by increased credit obligations, or by compulsory production targets, freedom of choice may be reduced. Independence is not an automatic consequence of increased income; on the contrary, in the entrepreneurial frame of modern agriculture, it creates a complex dependence-within-independence which ultimately generates farmer political action and increased demands for support and equity. The fact that many developing countries have recently turned toward large agribusiness projects with hired labor is caused not only by the pressing needs for foreign

exchange, but also to fears that modernization of the smallholder economy--shifting thousands of farmers away from partial subsistence agriculture toward a larger proportion of market production--has its political risks. But also, its political gains, if the change is viewed as a means to get the farmers under political control.

The pragmatic response to these questions is to say that change is inevitable in the developing countries; it is necessary due to their needs for income and food; and that therefore Westerners have a responsibility to guide it into the proper channels. In the case of cooperative development, there is an assumption that the cooperative is an ideal compromise: by strengthening the combinatory power--the scale--of local production through cooperatives, undesirable exploitation of farmers by landlords and speculators is reduced or eliminated. At the same time, the producer must surrender some of his freedom to live and farm as he pleases. This earlier "freedom" is defined in the rationale as "poverty": hence cooperatives benefit the lower third; in fact they benefit mainly the middle segment of the producer population--because a co-op requires members with land and some capital in order to survive or to produce at the desired level. This is a genuine gain, and it should not be derided as it has been in some radical critiques of the cooperative movement in developing countries. But the question not answered in the literature concerns the social costs of modernization of the peasantry, and the responsibility of external assistance agencies and foreign governments to create these costs.

There is little expectation on the part of the writer that an awareness of these costs will deter assistance agencies from accepting contracts or promoting co-ops abroad. What one can ask for, however, is assessment of the possibility of such costs as a routine accompaniment of project

feasibility surveys. Precisely what goals do the governments of developing nations have in mind when they institute cooperative development? Are they aware of the changes they will set in motion? Or are they more concerned with control over the rural sector in order to bring it into line economically and politically? Have the local people been consulted and their institutions evaluated?

Cooperation may well be the middle way, the ideal compromise in agrarian development. But it must be remembered that no strategy of social mobilization will automatically create the desired goals in all cases. More important than the characteristics of the particular organization will be its relationship to external institutions and power centers. Cooperatives can--and are being--manipulated and controlled for larger purposes, good and bad; at best they confer a qualified freedom on the producers. But in the highly politicized reality of the new nations, this qualified freedom can be, on balance, a gain over the uncertainty and felt poverty of subsistence agriculture in a developing economy.

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