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# **From Agrarian to Global Values: How 20th Century U.S. Agricultural Cooperatives Came to Terms with Agricultural Industrialization**

**JULIE A. HOGELAND<sup>1</sup>**

## **Abstract**

Little is known about cooperative adjustment to industrialized agriculture. This inductive study hypothesizes that cooperative adjustment to industrialization is a function of critical resource changes, managerial vision, and ideological change. Agrarian-oriented cooperatives sought to maintain farmer control over agriculture. They feared production from industrialized agriculture would displace family farm production, weakening cooperatives. “Top-down” corporate vertical integration presaged a new era of feudal control over agriculture. Open market decline would lock formerly independent, entrepreneurial producers into the feudal dependence of “serfdom” as contract growers—the equivalent of hired labor.

The “serfdom” metaphor motivated cooperatives to buffer producers from structural change by establishing more markets. As integrated, industrialized production grew commodity by commodity, cooperatives increasingly regarded producers as a scarce and critical resource. Yet, agrarian-oriented cooperatives did not foresee that the moral hazard associated with pork contracting would limit grower exploitation. Nor did such cooperatives recognize how productivity-enhancing technologies accelerated farmer attrition. Visionary cooperative managers compensated for agrarianism’s ideological weaknesses by creating new, global cooperative goals such as “feeding the world.” By the end of the 20th century, cooperatives had come to regard capital as their scarce and critical resource.

**Keywords:** agricultural cooperatives, agrarianism, agricultural industrialization, resource dependency

1 Rural Business-Cooperative Service, U.S. Department of Agriculture, Washington, DC (Julie.Hogeland@wdc.usda.gov).

# Cooperatives and Poverty Reduction: A Literature Review

NANA AFRANAA KWAPONG<sup>1</sup> AND MARKUS HANISCH<sup>2</sup>

## Abstract

There is growing consensus among both practitioners and the academic community that the cooperative business model is a form of institution that meets most of the dimensions of poverty, providing opportunities, facilitating empowerment, and enhancing security. But what is the basis for the claim that the cooperative model has a potential to reduce poverty? This paper presents a literature review of empirical research on cooperatives' potential to reduce poverty and finds substantial evidence to support this claim. Four different perspectives on this proposition are identified, all agreeing to this claim but emphasizing further the need to respect cooperative principles and values.

**Keywords:** cooperatives, poverty, literature review

## Introduction

According to recent research, there is a growing tendency to promote cooperatives as a means to reducing poverty (ICA/ILO, 2005; Develtere et al., 2008). Several findings conclude that the cooperative business model is a form of institution that meets most of the dimensions of poverty, providing opportunities, facilitating empowerment, and enhancing security (ICA/ILO, 2005; Develtere et al., 2008;

1 Corresponding author (nafranaa@yahoo.com), Greater Accra, Ghana.

2 Humboldt University Berlin, Division of Cooperative Sciences, Berlin, Germany (markus.hanisch@agrar.hu-berlin.de).

# Examining Economies of Scale for Farmer Cooperatives in China's Shanxi Province<sup>1</sup>

JING LIU<sup>2</sup> AND DEEVON BAILEY<sup>3</sup>

## Abstract

China's new cooperatives law took effect in 2007 and resulted in rapid growth in the number of agricultural cooperatives in China. This raises questions about appropriate strategies for growth such as whether or not cooperatives experience economies of scale as they grow. This study examines economies of scale in farmer cooperatives in Shanxi Province; the province that had the fastest growth in the number of agricultural cooperatives in China during 2008-2010. The results indicate that all cooperatives in the sample grew rapidly in their number of members and value of assets between 2008 and 2010. Large cooperatives are found to have an advantage over small cooperatives in terms of economies of scale. The results indicate that when a strategy couples growth with specialization it tends to improve the competitive position of these cooperatives.

**Keywords:** economies of scale, fruit and vegetable cooperatives, firm growth, China

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- 2 Assistant Professor, College of Economics and Management, Taiyuan University of Technology, Taiyuan City, Shanxi Province, China (liujing198317@yahoo.com.cn).
- 3 Corresponding author (deevon.bailey@usu.edu). Professor, Department of Applied Economics, Utah State University, Logan, Utah, U.S.A.