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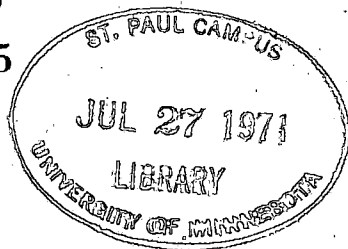
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GROUP 6. CO-OPERATION

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Discussion centred on the adaptation of co-operatives to meet the needs of farmers in developing countries for services related to land use, production, supplies, finance, marketing and processing. The question of the form of organization which offered the best prospects for meeting these needs was also examined.

The group distinguished between co-operatives of the traditional type and the newer forms of co-operation in agriculture. Whereas the traditional co-operative represents an association of individuals who have joined together to perform some service or services for their mutual benefit on a self-help basis, the newer forms of group action sometimes jeopardize the original principles of the co-operative movement. Nevertheless, they have contributed to solving the economic problems of farmers in developing countries and have helped to increase productivity and raise standards of living.

Forms of co-operation based on modification of the traditional type of co-operative organization have often been introduced as a result of government action. They appear to be predominant in the underdeveloped countries and their need has been felt particularly in relation to marketing, finance and land use.

The group turned its attention to the newer forms of group action which have been applied to land use arising from land-reform measures and the need for changes in the agrarian structure of developing countries. Various types of co-operation in the use of land were examined on a comparative basis. These included the kibbutz; the collective; different types of group farming ranging from the partial pooling of land, stock and other resources to joint tenancy arrangements or group settlement; and arrangements for carrying out an agreed cropping plan on the holdings of individual farmers. Certain broad categories relating to co-operative land use were distinguished:



GROUP 6. CO-OPERATION

First row, left to right:

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- (i) Individual holdings with individual decision-making and execution of farming operations, but with certain services being supplied co-operatively.
- (ii) Individual holdings with some degree of co-operative or group co-ordination, decision-making and execution of farming operations, to allow for greater efficiency in land preparation and cultural operations, and with certain services being supplied co-operatively.
- (iii) Group decision-making and execution of farming operations with complete co-operative or group pooling of land.

In land-reform programmes there are shifts from one type of co-operative land use to another according to local circumstances and the attitude and experience of the people. All types may be found to operate successfully in different countries and also within the same country. Success often depends on the degree to which education programmes have been undertaken to teach the advantages and benefits arising from the introduction of the recommended form of co-operation and sometimes the initiation of pilot projects as demonstrations assists in this direction. In the initial stages the provision of subsidized services or higher prices can also act as incentives. In developing countries it is generally necessary to adopt measures which will bring tangible benefits to large numbers of small farmers in a relatively short period of time. To aid such development obligatory programmes involving an element of compulsion are sometimes highly successful. At certain stages of development one form of co-operative land use may be more successful than another.

On the question of whether it is better to have single-purpose or multi-purpose co-operatives, the group felt that there were certain advantages in having the latter type operating at the local level and the former type at the area and national levels. At the local level the various needs of the farmer in respect of supplies, services and credit to aid him in the production process are interrelated. Thus, so long as the crop which is being grown is available as security, credit can be provided to pay for these services and supplies. Collection of loans is facilitated when the products are marketed through co-operatives. Credit societies often add other services to those which they perform in the finance field, and similarly marketing co-operatives may have supply and credit functions. Above the local level there will be a need for single-purpose co-operative organizations operating at the intermediate level or national level supplying the needs of the multiplicity

of local co-operatives. These single-purpose organizations have certain advantages of scale and can provide the expertise necessary for the underwriting of particular commodities or the bulk-purchase of supplies.

Finally the group makes the following proposals. It recommends that the topic, 'Co-operatives and the newer forms of Co-operation in agriculture', be the subject of a paper discussed at the 1967 conference of the Association.

It further recommends that agricultural economists shall undertake research regarding various aspects of this topic. This research should include investigations into the economic advantages of various forms of co-operatives and of co-operation under differing circumstances and stages of economic development and into the factors determining the development of effective co-operatives under different conditions.