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families given on page 74. Besides the broad description of socio-economic conditions available in already published works, the students of agricultural economics would have liked to know more about the size and composition of families, pattern of land ownership and cultivation, size and distribution of incomes, patterns of expenditures, assets and liabilities, the problems arising out of the laws of inheritance, etc.; collection of primary data for this purpose would have added to the research value of the book under review.

The main problem of this region is economic backwardness and poverty. The plans for economic development have been in operation in the country for the last ten years. Efforts are being made at agricultural development through the community development projects and other schemes. A socio-economic study of the rural population should have been directed more to the study of attitudes and behaviour patterns, incentives, motivations in this new context, so as to help in policy formation for economic betterment of this region.

Incidentally it may also be mentioned that this is the second (*revised*) edition of the book. But data on agricultural conditions presented are for 1951-53. Moreover the repetition of ideas and thoughts in the very same words, phrases and sentences in the same book could have been avoided with proper editing.

V. M. JAKHADE

*The Evolution of Agricultural Co-operation*, Louis P. F. Smith (with an introduction by Margaret Digby), Basil Blackwell, Oxford, 1961. Pp. xii + 216 25s.

In response to growing interest in co-operation large volumes of literature have, of late, been written—some mainly in the realm of theory to deal with its economic, social or moral aspects and others only to describe the organisation and functioning of various types of co-operative institutions, their advantages and limitations. Dr. Smith's treatment of the subject between the two covers of this book excludes hardly anything. In his "Introduction" to the book the author states that he took up writing of this book as a means of clarifying his own mind in his work of organising and assisting co-operatives and expects that it may help other workers in co-operatives, and the many students of the subject, to clarify their own ideas—whether by agreement or controversy.

The book is divided into three parts: I, The Work of Co-operatives; II, The Place of Co-operation in the Society; and III, Some Analyses of Co-operation. The first part of the book deals with the development of and the work done by the agricultural co-operatives in processing, marketing and buying, provision of credit and other services and in farming. The second part contains the presentation of such aspects as the place of farm co-operative in the society; its relation with other types of co-operatives, farmers' unions, and the State; and the need of education. In the third part, the author makes a few observations in regard to co-operative aims, co-operative capital, co-operative entrepreneur, and the co-operative and monopoly.

In his "Introduction", Dr. Smith points out to the world-wide character of co-operation as he remarks : "Co-operation has been described as one of the least-noticed economic miracles of the last century. It is rarely observed that co-operation, not capitalism or socialism, predominates as a means of trading in many communities and for many agricultural products." (p. xi). In support, Sweden is quoted as an example wherein 80 to 90 per cent of all farm produce moves through farmers' co-operatives.

The first part of the book, running into 70 pages is mainly descriptive and the author has, therein, tried to trace the evolutionary course taken by various types of farm co-operatives in different parts of the world. The author observes : "Modern co-operation has spread with commercialisation or mechanization and to the same extent." (p. 3). "As each operation on the farm reaches a development where large-scale working is essential co-operative enterprise has appeared." (p. 48). The author, rightly, considers exploitation by the private enterprise and realization on the part of the people that there was no question of losing liberty by joining the co-operative as favourable conditions for introduction of a co-operative. It is emphasized: "The advantage of co-operation is not so likely to be in technical efficiency as in the absence of exploitation." (p. 56).

Differentiating co-operation from other modes of economic and social functioning, the author remarks: "The Co-operative differs from the capitalist and the socialist systems of organisation, not necessarily, in the physical work done, but in the enjoyment of the fruits of that work, and in the reasons for doing it." (p. 73). It is emphasized that co-operatives were developed as an antidote to capitalism "which had chastised so fiercely" and because in them poorer men saw a price advantage, economists a new incentive to efficiency, and the herd a common front for the economic carnivores. For State enterprise, it has been stated that efficiency apart, it does not allow the individual the sense of belonging, the satisfied 'funktionlust' which he can attain in the smaller group. But does not one search in vain for efficiency and the members' sense of belonging in the co-operatives as well in many of the developing countries, where co-operation has developed not as a movement of the people but as a Government policy and where it continues to function more on Government directives than on economic reasoning.

On the role of the State in Co-operation, the author while recognises that the State may play an useful role in encouraging the co-operatives, he also feels concerned lest co-operation may be taken over by the State. He remarks : "Co-operation derives its force from the 'grass roots' of society. Co-operation aims at forming an association of citizens with common interests which is not under State control. It must find itself in conflict with any State which refuses to tolerate subordinate associations." (p. 116). But what about the countries where, if not wholly at least partly, true is the description of co-operation as 'a plant held in position with both hands by Government since its roots refuse to enter the soil.'

Dr. Smith's observation that broad education of the membership is almost a condition of the life of the co-operative and that every member must be capable if not of serving on the Board of Directors, at least of selecting competent representatives, is of special significance to countries like India, if co-operation is to make any real progress in its true sense of the term.

In the Chapter on 'Co-operative Aims' the author discusses briefly the various modern schools of co-operation divided according to their objectives—the Socialists (Utopians, Marxists and the Christian School); the Religious Schools; Builders of the Co-operative Commonwealth; the Pace Makers or those who want only to make the present economic system work better. The economists and the sociologists who take a more or less practical interest in co-operation are considered on the 'side-lines.'

Under the section 'Co-operation and the Economists' the author feels concerned about the paucity of the economic study of co-operation and critically remarks, "when we consider that co-operatives handle upto one-third of the retail trade of some countries and are virtual monopolists of many sections of agricultural output, it is strange how very little economic study has been devoted to them. The co-operative responds to economic laws, but in a slightly different way to private enterprise, which would make interesting study even if mere volume of trade did not demand it." (p. 145). He suggests two reasons for the shortage of theoretical writing on co-operation. Firstly, there is the difficulty of the work involved in sorting so much varied material, much of it not readily available in University libraries, meaning thereby that the "period of gestation" of any work on the subject must be very long. Secondly, (what he thinks to be, perhaps, a more important reason) "the classical tradition which, as it is generally taught, includes no mention of co-operatives." He goes on to state that "some are further disposed to avoid social and ethical consideration and to avoid value judgments—to be engineers, not planners of the economy. Others who do wish to influence national affairs tend to look to the State as their instrument of reform. To neither class would the co-operative with its half social, half economic aims, be an attractive study. It is difficult for one trained as economist to disentangle the religion, the philosophy—not to mention the hobby-horses—of writers on co-operation from their economic argument. It is impossible in the realm of practice. Getting rid of the value judgment is throwing away the baby with the bath water. The success of a co-operative is rarely for long dependent on purely economic results." (p. 145). All the same, he does mention the economists like Leon Walras and Alfred Marshall supporting co-operation as a mode of business. (p. 147). As to his own views he remarks: "to the economic planners, and 'we are all planners now', the co-operative is one instrument in the devolution of economic control with the co-ordination of individual effort." (p. 148).

The author distinguishes the 'Co-operative Entrepreneur' from the 'Private Entrepreneur.' He states that the private entrepreneur employing the various factors of production—land, labour and capital—is himself rewarded by a profit which varies with his success; whereas: "The Co-operative entrepreneur, as 'the initiator of enterprise' or 'Profit and Loss taker' is the customer. The ideal is to trade without profit, but all windfall profits go to the client's benefit and even losses are distributed in proportion to trade on occasion. In practice, the entrepreneur, in so far as there is one, is the general body of ordinary clients who trade with the enterprise. They take the initiative in its foundation and the provision of capital; they direct operations; they take benefits and accept losses in higher or lower prices. This is not the normal economic idea of the businessman. A co-operative spreads ownership, it also ensures a more vital interest from the shareholder than mere interest in a few pounds of invested capital by linking the investment return with the profitability of his business or his cost of living." (p. 179).

The treatment of the subject in the book is thorough and reflects author's first hand knowledge of the co-operative movement in various countries of the world, specially, the Continent. A student of the orient, however, misses rather greatly almost any references to the development of co-operative movement in the developing countries of the South East Asia whose agro-socio-economic conditions so widely differ from those of the advanced countries of the West. A brief discussion of the co-operative movement in this part of the World would have perhaps been worthwhile if not for its success but at least for its failures so as to guide others against the pitfalls. Also, at times, one cannot help feeling that discussion has been rather general or somewhat sketchy.

All in all, this is a valuable contribution to the field of co-operation and the author has succeeded well to fulfil the commitments outlined in his introduction to the book. The book is unique for blending theory and practice of co-operation, for which Dr. Smith deserves thanks of us all who are concerned with the development of agricultural co-operation.

B. L. AGRAWAL