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Book Review

Cooperatives, Economic Democratization and Rural Development, edited by Jos Bijman, Roldan Muradian and Jur Schuurman (Eds). Published by Edward Elgar Publishing, Cheltenham, UK, 2016, 320 pp, ISBN: 9781784719371, AU$ 159 (hardcover).

Cooperatives (including agricultural cooperatives) are complex organisations that have contributed significantly to the economic and social development of farmers and governments in many developing countries in Africa, South America and the Asia–Pacific regions. This book addresses a fascinating topic on the transformation process of cooperatives in developing and transition countries towards more business and market-driven organisations.

The editors reflect this transformation process by using the term 'producer organisations' (POs) to describe the wider range of farmers' collective actions, instead of the conventional term of cooperatives (although some chapters still use the term cooperatives). It is notable that flagship international organisations such as the World Bank and FAO also use the concept of POs, which incorporate the institutional innovation of the farmers' collective actions.

The book's 12 chapters are organised into four sections. The chapters are written by (teams of) authors (mainly economists and sociologists) from a range of countries with developing, emerging, or developed economies. Many chapters find an excellent balance between theoretical details and practical application. Most of the chapters cover the impact of the POs on members, communities, societies, and poverty alleviation.

Editor Jos Bijman provides a concise and informative introduction to the challenging nature of farmers' collective action, and the nature of the transformation process of POs in developing countries. This is followed by an interesting discussion of different PO structures as well as the challenges (e.g. dynamic institutional, policy and market environment) they face – with particular emphasis on West Africa, India and Sri Lanka. In response to the challenges, are these organisations moving closer to the cooperatives/farmers' organisations in the developed world? An analysis of the relationship between formal and informal collective actions is also provided.

Other themes of the book explore the role of the POs in enhancing market access and coordination, addressing market failure in rural areas, and participation and inclusiveness of POs with some interesting cases from Kenya, Ethiopia, Uganda and India. These organisations are more vertically coordinated and in many instances represent an integral link between small-scale farmers and the high-value markets that have strict quality, safety and volume requirements. It is fairly uncertain whether or not collective actions are too costly for the poor small-scale farmers in the developing world.

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While cooperatives in many developing and emerging countries are historically strongly influenced by the external environment and political approaches to cooperative promotion, the book infers that the new and transformed POs have a more 'bottom-up' perspective; they are often initiated by farmers and actively promote members' benefits (increased bargaining power and lower transaction costs). An interesting perspective on cooperative sustainability in East Africa leads the reader to consider the incentives these small-scale farmers have to become members of farmer organisations and the capability of cooperative leadership of these modern POs. Transparent decision-making processes and effective internal governance are key elements for cooperative sustainability.

While POs aim to provide benefits for their members, another theme of the book emphasises benefits to the wider communities, economies, and the democratic development of countries. Furthermore, the authors suggest an interesting link between the development of cooperative economies and the Social Economy Index ranking. For example, countries with more cooperative economies such as New Zealand, the Netherlands, Switzerland and Finland also rank higher on the Social Economy Index. The final chapter provides succinct conclusions regarding the transformation of POs in developing countries: inclusion and exclusion of particular groups of farmers and how this will affect members' commitment; the structural tension of POs (e.g. between equity and efficiency); and the dynamic institutional environment of POs.

Although this book focuses on POs in developing and emerging countries, it is not clear whether or not the transformation process will bring these farmer organisations closer to cooperative business models in the developed world; are resemblances positive or negative. Can we apply the same theoretical frameworks, approaches and methodologies used to analyse cooperatives in developed countries when analysing the innovative POs in developing and emerging countries?

This book is unique because of its multidisciplinary nature. It uses various methodological approaches and covers a wide range of regions. The editors effectively combine different economic, social and cultural perspectives. It is commendable that the economists' perspective on POs is well complemented with perspectives from other disciplines (e.g. sociology). This book is a valuable reference for any practitioner, policy maker, researcher or student interested in the links between farmers' organisations and rural development. The book is well written and contributes to a better understanding of farmers' collective actions in developing and emerging economies. It also provides a strong foundation for further studies to bridge the knowledge gap between farmers' organisations in developed and developing countries.

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