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JOURNAL  
OF  
RURAL  
COOPERATION



Centre international de recherches sur les communautés coopératives rurales  
International Research Centre on Rural Cooperative Communities  
המרכז הבינלאומי לחקר קהילות כפריות שיתופיות

**CIRCOM**

VOLUME 27

No. 1

1999

CIRCUM, International Research Centre on Rural Cooperative Communities was established in September 1965 in Paris.

The purpose of the Centre is to provide a framework for investigations and research on problems concerning rural cooperative communities and publication of the results, to coordinate the exchange of information on current research projects and published works, and to encourage the organization of symposia on the problems of cooperative rural communities, as well as the exchange of experts between different countries.

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*Information for Subscribers:* The *Journal of Rural Cooperation* is a semi-annual periodical, aimed at the pursuit of research in the field of rural cooperation. Editorial enquiries and other correspondence should be addressed to CIRCUM, Yad Tabenkin, Ramat Efal 52960, Israel (Fax: +972-3-5346376). Subscription rate: \$27 per annum (plus \$3.00 sea mail; \$6.00 airmail).



## JOURNAL OF RURAL COOPERATION

Vol. 27

No. 1

1999

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# What Makes People Participate in Cooperatives? Towards a Theoretical Model

*by*

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## Abstract

Participation of members in cooperatives is essential if they are to remain democratic and responsive, yet there is a surprising lack of theory as to why, and under what circumstances, people participate. This article identifies different types of participation, and considers the possibility of deriving a theoretical model from existing literature. Having reviewed related literatures on political, economic and community participation, it finds a need to go back to basic social psychological theories with which to build up useful theory. Two theoretical models are presented: an individualistic theory from George Homans, and a mutual theory from Pitirim Sorokin. These are elaborated in relation to cooperatives; the individualistic theory is found to be useful where members have an instrumental attitude, but the mutual one is shown to be much richer in explanatory value, and to point to ways participation can be improved.

## Introduction

Arguments for cooperatives depend heavily on assumptions about people's willingness to participate in them. Sometimes it is assumed that, just because they are cooperatives, this form of organization will attract the time, energy and commitment of members. Yet anyone involved with the subject as an active member, manager or researcher will testify to the acute importance of the quantity and quality of participation in helping cooperatives live up to their potential. There is much dissatisfaction, and some disillusion, with the lack of participation even in the most intensely involving types of cooperative such as worker and housing coops. At the global level, it is generally acknowledged that cooperatives in developing countries have not been very successful because they have been promoted by the state and have failed to win the loyalty of their members (Birchall, 1997a; Levi, 1998). Consumer cooperatives in developed countries are unsuccessful because they have grown too large, are maintained largely by their management, and similarly have failed to involve members (Brazda and Schediwy, 1989; Birchall, 1997b). Similarly, at the local level, case studies of cooperatives invariably find that participation – or the lack of it – is an unresolved issue.

There is a surprising lack of theorizing about why people do or do not participate. Take, for instance, the otherwise thorough and comprehensive treatment of the subject of member participation in the study by the International Joint Project on Cooperative Democracy (1995). Here, the important question is how to make member democracy meaningful in large consumer coops, and the project presents several interesting case studies about how this can be done. It uses management theory and cooperative theory to ask how the business and association aspects of the cooperative can be brought together. Yet it does not ask the underlying question concerning what makes people participate. Some researchers do work with implicit theories of participation. For instance, Mellor *et al.*, in a report on worker coops in Britain, identify several key variables that affect participation: it varies with the size of the coop, the extent of dependency on outside lenders, the degree of effectiveness of decision-making structures, and of personal efficacy (1988:174-5). There are signs here of some interesting generalizations which could form the basis of a more general model. Yet what George Homans says in relation to more general social behavior might also be said of studies of cooperatives:

everyone offers generalizations, maxims, proverbs, but each of these . . . while telling an important part of the truth, never tells it all, and nobody tries to put them together (Homans, 1974:1).

## **What is participation?**

Before identifying theories of motivation, it is important to understand what we mean by participation. In a study of the social psychology of cooperation (in the widest sense, as a form of social behavior), Argyle defines it as

acting together in a coordinated way at work, leisure, or in social relationships, in the pursuit of shared goals, the enjoyment of the joint activity, or simply furthering the relationship (1991:4).

If we substitute for “at work, leisure, or in social relationships” the phrase “in a cooperative” we get a useful definition of participation. We also get a distinction between three different types of participation. Argyle clarifies these as cooperation towards material rewards, communal relationships and coordination. These are quite similar to three types found in this author’s research into housing cooperatives:

- taking part in decision-making in the cooperative;
- carrying out tasks that further the cooperatives aims;
- taking part in the social life associated with the cooperative.

Taking part in decision-making includes all the democratic aspect of a cooperative: attendance at general meetings, becoming a committee member, forming sub-committees and so on. This is usually treated as the crucial type, because

without it decision-making is not democratic, managers and directors are not called to account, and cooperatives do not achieve autonomy. Carrying out tasks includes all unpaid activities that members volunteer for. In small cooperatives that cannot afford to hire paid workers, it is crucial to the organization's survival. Even in larger ones, it can be important as a supplement to paid work that increases the quality and effectiveness of the organization. It provides an alternative for those who wish to express their commitment but find participation in formal meetings difficult. Then there is participation in the social life associated with the organization. Cooperatives vary in the extent to which they offer more than just the meeting of instrumental goals. Some have social activities as a by-product, others use them consciously to create a wider sense of community. In these cases, participation also has the attraction of being accessible to those who find meetings difficult or unattractive, and it utilizes skills members often already have in organizing cultural and fund-raising events. The propositions developed by theories of motivation ought to take into account all three of these types of participation (Birchall, 1988a).

It is also important to bear in mind the limitations on any attempts to improve member participation. There is a crucial distinction between participation as an end in itself and as a means to an end. Some activities are pleasurable in themselves while others are more instrumental. Participation in meetings is usually seen as a means to an end, and the social side of the organization as an end in itself, while volunteer activities have features of both. It is important to keep participation-as-means down to manageable levels, because it is usually engaged in only insofar as members see a payoff for it, and it has easily calculable "opportunity costs"; participants can weigh up the value to them of spending the time in other, perhaps more productive, ways. In contrast, participation-as-end is inherently enjoyable, and can be expanded to include more people and more time without the participants experiencing strained loyalties (see Birchall, 1988).

### **The search for a theoretical model**

In the search for a theoretical model on which to base propositions about participation in cooperatives, we might expect to use some already developed participatory theory, such as that developed in relation to wider political, economic and community participation. First, Pateman is concerned with *political participation*, aiming to construct an argument for the positive effect of participation on democracy – the higher the participation, the higher the levels of political efficacy and competence. She quotes from Almond and Verba, who found from a study of five countries that "the sense of political efficacy was higher among members of organizations than among non-members, and highest of all among active members" (Pateman, 1970:47). However, this treats participation as an unproblematic independent variable, and takes non-governmental organizations for granted as contributors towards the kind of civic culture that promotes political

participation. All it shows is that there is a correlation between participation, political efficacy and social class. Dahl's approach is more helpful. He asks the question why there is an apolitical stratum in society (in our terms why people do not participate), and synthesises what is known about this in six propositions that could be used to suggest what makes people participate more generally (1976:103, ff.). Rewritten for our purposes, they state that people are less likely to participate:

- if they place a low value on the rewards expected, relative to the rewards they expect some other kinds of activity;
- if they think there is no significant difference between the alternatives before them;
- if they think what they do will not matter because they cannot significantly change the outcome;
- if they believe the outcome will be relatively satisfactory without their involvement;
- if they feel their knowledge is too limited for them to be effective;
- if the obstacles placed in the way are perceived to be too great.

These propositions also work in reverse, as statements about why people do participate. They suggest that cooperatives, if they are to attract participation, have to make membership rewarding, to ask members to decide between real alternatives, and to ensure a sense of personal "efficacy". They have to educate the members so they can make effective decisions, and make participation as easy as possible.

These generalizations are quite suggestive but limited. The literature on *economic participation* is obviously most useful when applied to worker coops (see Cornforth *et al.*, 1988, Ch. 5). However, it does not travel well; fine distinctions between categories such as job, work and organizational commitment are too specific, and assume too high a level of involvement, to be easily applied to members of other types of coop. Even in explaining worker participation, researchers have found the need for more general theory. For instance, Cornforth *et al.* use exchange theory, which explains that participation is dependent on a person's individual calculation of "rewards, costs, outcomes and comparison levels", from different types of activity (1988:96). We will be introducing a similar framework later in the article.

The literature on *community participation* is disappointing. For instance, in the UK since the early 1970s (but intensifying from 1988 onwards) there has been a trend towards engaging tenants in the management of their homes, ranging from individual consultation, through the sponsoring of tenants' associations and federations, to "tenant management organizations" which include management coops (Birchall, 1992). One condition of eligibility for grant-aid from central government has been that a majority of tenants vote at each stage of the process in favor of self-management (Birchall, 1994). The level of resident participation is, therefore, crucial. Yet there



has been surprisingly little research into the motivation to participate. A bibliographic study found that, out of many recent publications on the subject, most relied on small-scale, superficial case studies, only a few sound research projects had been undertaken and even these had a poor theoretical base which did not go beyond description of levels of participation, and the occasional generalization about why these levels were found (Birchall, 1994).

There seems to be no alternative, then, to the use of more general theories of motivation, rooted in the discipline of social psychology.

### **A general model of motivations to participate**

Before choosing a model, we have to consider the question whether people are inherently individualistic or cooperative. One approach is to assume they will always behave out of self-interest in pursuing their own goals, but to expand the notion of self-interest to include a concern for others, and to expect that participants will re-evaluate what they find rewarding. This is the approach taken in several studies of participation in worker coops summarized by Cornforth *et al.* They admit “it may be paradoxical to study cooperators via a theory about individual self-interest”, but defend it on the grounds that it may be as rewarding to work towards social ownership as towards higher pay. They admit that this approach was used to organize their findings “irrespective of whether the people themselves actually conceptualized the work relationship in exchange terms” (Cornforth *et al.*, 1988:96). This seems, to this author, to stretch the theory too far. An individualistic theory of participation is useful, but only when the participants themselves explain their behavior in this way. When they explain it more in terms of mutuality, then surely a mutualist theory becomes appropriate.

A second approach is to assume self-interest, but to draw on game theory to show how cooperation can be expected to emerge as a stable alternative over time. If participation is seen as a series of interactions in a non-zero sum game, played over time by people who get to recognize each other, then cooperation becomes the option that best serves the interests of participants (Axelrod, 1984). A third approach is to take seriously the social nature of human beings and develop a “non-egoistic” approach that emphasizes people’s enjoyment of communion with others, commitments that go beyond self-interest, and participation in joint production in which it is impossible to disentangle individual rewards (Argyle, 1991).

Fortunately, we are able to avoid choosing between these alternatives. We are not looking to test the value of theoretical models as ultimate truth about human nature, but to determine their use value in enabling us to understand what makes people participate in cooperatives. Here we present two theories, one individualistic, one mutual, and allow them to justify themselves in terms of their explanatory value.

## An individualistic theory of participation

The individualist approach, developed by George Homans in the late 1950s, is a blend of behaviorist psychology and “elementary economics”, adapting generalizations from Skinner’s experiments with animals to human interaction (Homans, 1974). It assumes people are motivated by individual rewards and punishments, and provides a set of quite simple generalizations about how they interact. The mutual approach was developed by a sociologist, Sorokin, who also based his generalizations on a range of psychological experiments, but interpreted very differently. This approach assumes that people can be motivated by collective goals, a sense of community and cooperative values (Sorokin, 1954).

Homans assumes that human behavior is motivated by payoffs – it depends on the amount of reward and punishment it fetches. Amalgamating and adapting the propositions in his first and second edition (which are slightly different), we find seven key propositions. Firstly:

1. *The more often a person’s participation is rewarded, the more likely the person is to continue to participate.*

People make decisions about the likely rewards from participating because of stimuli in their environment which they have learned to associate with reward or punishment. Because they learn from past experiences, they do not have to calculate whether or not to participate each time, but rely instead on habits formed in the expectation of receiving rewards or avoiding punishment. It is the repetition of actions based on the similarity between the current situation and previous ones which allows us to predict how people will behave and thus, hopefully, to change the value of the rewards and the type of stimuli so that participation levels can be increased. The second proposition is:

2. *If in the past a certain kind of participation activity has been found rewarding, then the more similar the current activity is to the past one, the more likely people are to participate.*

This simply means that rewarding forms of participation build up the expectation of more rewards, so people get into the habit of taking part. This is a powerful counter-weight to a proposition we will encounter in Sorokin’s theory, that participation tends to decline overtime. Other things being equal, it does decline, but perhaps not as quickly if people are used to taking part. The force of habit is sometimes so ingrained that people admit that they do not really know why they still attend a committee that is recognized no longer to be rewarding. It continues to be just something they do without thinking much about it.

3. *The more valuable participation is to a person, the more often he or she will be encouraged to participate.*

It is almost impossible to put a value on the rewards people receive, since their own valuation tends to be a very personal one and rational calculation is mixed up with emotions and expectations. We can at least put rewards in rank order, and say that the higher the value put on participation relative to other activities, the more likely someone is to participate.

4. *The more often a person has received a reward from participation, the less valuable any more of the same kind of reward becomes, and the less he or she will participate.*

This is the “satiation proposition”, and it works against proposition 1. It is most obviously true of basic needs such as for food; once we have eaten enough we no longer value further amounts of the same food, and so do not take part in finding it. The converse is also interesting – *The more often a person has been deprived of a reward, the more valuable that reward becomes.*

5. *The more unequally a person sees the rewards being distributed, the more likely he/she is to be angry, and so to experience participation as unrewarding.*

So far the propositions have concerned just a simple exchange relationship. Further, the withdrawal of an expected reward is experienced as a punishment, and because avoidance of punishment is itself a kind of reward, Homans says that it actually becomes rewarding to avoid participating in the future (Homans, 1961:77). Because the promoters of cooperatives want the relationship to extend over many different exchanges, it is important that they establish some rules of distributive justice quite early on, so that participants can see outcomes as being fair.

Related to this idea of fairness is a proposition Homans developed later to describe the consequences of disappointment:

6. *When a person's participation does not receive the reward expected, the result is anger. He/she is more likely then to perform aggressive behavior, and the results of such behavior become more valuable.*

As cooperative promoters observe, once people have been disappointed in the results of their efforts, it becomes much harder to interest them in new initiatives (see Levi, 1998). One failure can have repercussions well into the future.

What happens when there are two or more rewards available? There are nearly always alternatives; when people decide not to participate in a meeting, or in voluntary work, or in a social event, they do so usually because they want to do something else at that time. Because they cannot do two things at once, the alternatives not chosen reflect back on the value of what is chosen, are experienced as costs:

7. *In choosing between alternative actions, a person will choose that one for which, as perceived by him/her at the time, the value of the result multiplied by the probability of getting the result, is greater.*

The costs of participation vary depending on what else a person wants to do with the time. Homans says “for an activity to incur cost, an alternative and rewarding activity must be there to be foregone” (1961:59). Unemployed people will find participation less costly than those with a full time job. Women who have to look after children will find direct costs in arranging child care, either in paying a babysitter, or indirectly in incurring an obligation to do the same for someone else. More generally, the costs of participating include the degree of interest or boredom felt in a meeting, the degree of discomfort at having to sit for a long time, feelings of inadequacy at not being able to understand what is going on, and so on. It is not clear whether in Homans’ theory these are costs or punishments, but in either case they will have the effect, other things being equal, of lowering participation in the long run.

These insights work best when members of a cooperative are instrumental in their approach. For instance, Daoutopoulos describes an agricultural cooperative in Greece in which farmers did not support the coop until a change of crop made participation more rewarding (1995). There were tensions because members distrusted managers’ ability to get the best price, and this might be expected to lower participation. However, we might predict that if participation continues to be rewarding, it may become a habit and so allow the extension of further cooperative activities.

There are, of course, severe limitations to Homans’ approach. It is reductionist, deriving propositions about human behavior from experiments on animals and on human subjects in experimental conditions. It is individualist, assuming that if we know about individual behavior we can generalize about social behavior, and this does not take into account the effects of belonging to a group. It is heavily dependent on American sources, and other cultures might not value individual rewards so highly (Homans, 1961:7). Most important for our purposes is the fact that when applied to cooperatives it only works well where respondents really do have an instrumental view; in a study of six housing coops, for instance, it only illuminated one case-study where the coop was dominated by an instrumental attitude among members (Birchall, 1985). When participants themselves express more mutual sentiments, it seems unethical to distort their world view by converting expressions of collective sentiment and purpose into the language of individual reward. We need a theory which can take at face value the views of participants who explain their motivation in mutual terms. For this we can turn to Sorokin.

### **A mutual theory of participation**

Sorokin identifies five key independent variables which have direct effects on the levels of participation – duration, extensity, adequacy, intensity and purity, and

he treats participation as a dependent variable. Together they make up a quite comprehensive theory of what makes people participate.

Firstly, *duration*. It is tempting to use the analogy of human aging, and to say that organizations are young, become middle aged and then grow old. Over time, democracy is likely to turn into oligarchy, and participation declines (Michels, 1949). This happens because participation becomes routinized, fewer important decisions need to be made, these can be left to trusted leaders, and so oligarchy sets in. The trend is not inevitable, and depends on the attitudes of members (which will be explored further below) and on the more active variables such as intensity, purity and adequacy. For instance, the UK Cooperative Bank was already a hundred years old when it embarked on an expansion plan based on an ethical policy that has become a model for other cooperatives and financial services institutions (Birchall, 1998). In this case, good leadership, backed up by directors committed to serving the interests of consumers, infused the business with a new sense of purpose.

*Extensity* is the size of an organization and the nature of its geographical base. Other things being equal, the greater the extensity, the lower the participation. There are good reasons for this. First, there is a limit to the amount of territory with which people identify. In Western Europe, members of consumer cooperatives have resisted amalgamation into larger units partly because they can only identify with their own village or town (Birchall, 1994). Second, there are limits to effective participatory democracy. These can be seen quite easily in meetings; there are natural limits such as the extent to which a voice will carry, the length of time a meeting would need to take if all wish to be heard, and so on (Dahl and Tufte, 1973). The generalization holds: the larger the organization the lower the level of participation. On the other hand, there are methods by which participation can be promoted in large coops; regionalization of democratic structures, the use of newsletters and other media to increase people's knowledge, the mobilization of large numbers behind consumer campaigns, and so on. But these work best when participation is built up from a small base-level unit, as in the Japanese *han* system (Nomura, 1993).

*Adequacy* refers to whether an organization is succeeding in its aims – the greater the adequacy, the greater the participation. This is obvious, since people will not take part if they think an organization will fail, and if it succeeds will be encouraged to see their contribution as important. This is a communitarian restatement of Homans' first proposition about reward, though in terms of common goals. Cooperative promoters are well aware of this generalization. For instance, in an important book on the running of agricultural coops, Parnell says, "The degree of member participation within any cooperative depends largely on the impact which the cooperative has on the daily lives of its individual members" (1995:105), and he draws from this the lesson that cooperatives have to focus on providing goods and services that meet their needs. In a report on community ownership coops in Scotland, Clapham *et*

*al.* make the point that satisfaction with the levels of participation had improved dramatically over a two year period, but that this depended more on a general satisfaction with scheme management than with the actual arrangements for tenant involvement (Clapham *et al.*, 1991). There is beginning to be a general realization among promoters that unless cooperatives are good at delivering what the members need members will simply not participate.

*Intensity* concerns the sense of community among coop members – the greater the intensity, the greater the participation. This is because if people have emotional ties to each other they will care about each other’s welfare, be more committed to improving their economy and environment, and will put a higher value on improvements they make. It is no accident that some of the most successful cooperative movements in the world are expressions of regional identity – for instance, the Mondragon cooperatives and the credit union movement in Quebec. In developing countries, where formal cooperatives are based at a level too high to inspire a sense of community, informal cooperatives tend to prosper – for instance, despite the existence of regional cooperative banks, local mutual credit institutions remain popular in Nigeria. Based on small communities where people know each other, they are able to lend money without much risk of default (Eboh, 1995).

The only occasion when a cooperative does not benefit from the strengthening of the sense of community is when the latter is already strong, and the organization is seen as purely instrumental; in this case, the strength is gained indirectly, but no direct credit goes to the cooperative for fostering the sense of community. However, in most cases the proposition holds – the greater the intensity, the greater the participation. It pays a cooperative to include in its aims such expression of practical caring as activities for children and services to elderly people. In this way it will enlarge the sense of “adequacy” as well as fostering “intensity”. It pays, also, to look to the conditions under which community can be built up: provision of meeting rooms, community centers and other facilities. Coop Kobe is the largest consumer cooperative in the world, but it gets over its extensity partly through fostering intensity; it has an area structure, with extensive facilities for members in each area in purpose-built community centers.

*Purity* concerns the values underlying the motivation to participate; the greater the purity, the greater the participation. In any organization some members will derive satisfaction from knowing that the organization is working according to certain deeply held principles, and so in Homans’ terms they will find it rewarding to participate – the greater the purity, the greater the participation. When people say they feel an obligation to participate, that is “purity” at work. The reason why some people feel a sense of duty and others do not is mysterious, but we know that it can be strengthened by both formal and informal education in cooperative values and principles. Particularly valuable is the kind of learning that occurs naturally in

a cooperative in which the business side and the democratic side of the coop are well integrated (Jakobsen, 1995). Sometimes commitment to cooperation alone is enough to foster participation, but when cooperatives are seen as part of a wider social movement, this can have a marked impact on participation. For instance, participation in European consumer cooperatives was high when cooperative women's guilds were campaigning more generally on behalf of women. Participation in the wholefood cooperatives of the USA and Britain during the 1970s derived from a wider sense of mission. When consumer cooperatives see their role not primarily as a retailer but as a consumer movement – in Britain in the last century, in Japan in the postwar period – high levels of participation follow.

In practice, all these variables are present in varying strengths, and they vary over time and in quite complex but reasonably predictable ways. Depending on how they work together, they set up either a virtuous or a vicious cycle; strengths or weaknesses in each independent variable tend to reinforce each other, and to have a cumulative impact on levels of participation. Once a virtuous cycle is entrained, the effect is “synergic”, that is, the combined strength of several variables all working in the same direction is greater than if they were working separately. For this reason, interventions to improve a cooperative in one area will have knock-on effects in others.

It is generally thought that (following Michels) duration also varies negatively with purity; over time, we might expect commitment to the organization to decline, and oligarchy to set in. On the other hand, it may be that duration works the other way, in that over time habits build up, and commitment to the organization and participation in its structures may become habitual and taken for granted. Duration varies positively with intensity; the sense of community builds up over time. Adequacy has a quite strong relationship with intensity; the greater the sense of community, the greater the value placed on the effective management of a cooperative (though it does not guarantee the means to do so). Conversely, a well managed cooperative usually leads to a strengthening of community. Similarly, the sense of commitment to self-managing (purity) produces a drive to succeed, while success reinforces commitment. A sense of community usually produces a felt commitment to the values of democracy and cooperation, and it makes it easier for cooperative members to agree common goals.

In practice, these three variables are so intertwined that it is often difficult to separate them. Certainly, when asked about their motivations, coop members may switch from one justification to another, even within the same sentence, without feeling the need to unravel them. Improvements in the organization's performance on one variable should affect the others, and so if improvement in one area is difficult, attention to another where change is easier may be a good strategy. However, it is possible to run a successful cooperative without much intensity or purity, provided

the members really desire what the coop has to offer; in this case, Homans' theory becomes more applicable.

Just because participation is classed as a dependent variable it does not mean that it has no effects. There is feedback of a direct kind on the variables analyzed above. The quality of the participation experience is important in itself. Members may want tangible benefits, have some sense of community and some embryonic commitment to working together, but be put off by the high personal opportunity-costs of taking part. This may be because meetings are too long, exhausting, difficult to understand, held in a stuffy or uncomfortable meeting hall, or because the costs in child care or lost wages are too expensive. If participation is enjoyable, informative, and enhances the self-image of the participants, it acts back on the other variables to strengthen and confirm them. Whatever else they do, promoters and committee members must cut down the opportunity-costs as much as possible: here Homans and Sorokin are in agreement.

## Conclusion

There is no easy answer as to how to improve the level of participation in cooperatives. This discussion has opened up several important lines of enquiry but has not provided simple answers, because there are none. It is hoped that, by careful application of the kinds of theory used here, and of related social psychological and organizational theories, promoters and activists will at least have the tools with which to think deeply and analytically about member participation. The theoretical models presented here have been used by housing cooperatives in Britain to analyze why participation is not as high as it might be, and in order to devise strategies for increasing it. More work needs to be done in applying the models to other types of cooperative, and the author invites researchers to join him in this task.

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