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AGRICULTURAL COOPERATIVES AND THEIR MEMBERSHIP IN COOPERATIVE UNIONS IN SERBIA

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Abstract: Goal of this paper is to analyse business of agricultural cooperatives in Serbia and their territorial distribution. Paper also comprehends analyses of premises of directors of agricultural cooperatives towards cooperative associations, based on result of survey conducted on chosen sample. Analysis is based on the hypothesis that reform processes present in the Serbian economy, and completely absent from cooperative sector, have weakened the work of cooperative unions and undermined regular relations between cooperatives and their associations.

Paper also analyse premises of directors of agricultural cooperatives on relevant questions on membership and work of 12 regional, provincial and Cooperative union of Serbia, based on result of survey conducted in 148 or 7.2% of 2.055 agricultural cooperatives in Serbia.

For cooperatives that are not members of any union, paper gives systematization of reasons why cooperative is not member and motives that could inspire cooperative to become a member. For cooperatives that are members of some union, we give analyses of answers if cooperative is satisfied with work and activities of union conducted for cooperative welfare; and suggestions for activities that cooperative unions should practice in the interests and needs of their members.

Key words: director, premises, membership, cooperatives, unions.

1. Introduction

Paper consists of two parts. In first part of paper is presented analysis of territorial distribution of agricultural cooperatives, and in second part are analysed standpoints of interviewed directors of agricultural cooperatives towards the work of cooperative unions in Serbia.

The Project “**Role and Potential of Cooperatives in Poverty Reduction**” in Serbia was implemented in cooperation between the *University of Stirling from Scotland*, the Faculty of Agriculture of the University in Belgrade¹, and the *Association of Agricultural Economists of Serbia*.² After the previous implementation of the projects of the similar contents in Tanzania and Sri Lanka, Serbia was selected as, for the time being, the only European country in which such a research has been undertaken.

As opposed to the countries in which this research had been previously conducted, in Serbia ten questions³ were added about

the relationships of the cooperatives with the regional and/or sectoral cooperative unions as well as with the Cooperative Union of Serbia (CUS), which is subject of further analysis in this paper.

In cooperative sector in European countries were conducted researches on theoretical models and findings on motives of cooperative members to participate in co-operative and mutual businesses (*Birchall, Simmons, 2004*). In this paper are, however, presented results of first more significant research in cooperative sector in Serbia in last three decades.

2. Materials and Methods

The Programme of research consisted of two parts:

- *Desk* research work – with the aim to identify exact data and to calculate the derived indicators of the number, activities that take place, and the territorial

¹ According to the research of Ševarlić M. M. (2009), upon examination of available curricula of all the higher-education institutions (state and private) in the Republic of Serbia, the subject of instruction in the area of *cooperative movement* exists only in the curricula of the *Department of Agro-economy* at the *Faculty of Agriculture of the University in Belgrade*, specifically:

a) *Cooperative movement* – with the total of 45 classes of lectures and 15 classes of exercises in VI semester, which was attended, in the academic year 2008/09, by the last generation of students of the *basic studies* according to the so-called old curriculum; and

b) *Cooperative movement and association in agro-business* – with the total of 45 classes of lectures and 15 classes of exercises in IX semester, which are yet to be attended, in the academic year 2011/12, by the first generation of students of *graduate academic studies* according to the so-called Bologna curriculum.

² Part of results of this research is presented in other papers (Simmons, 2009; Ševarlić, Nikolić, Simmons, 2009; Simmons, Sevarlic, Nikolic, 2009).

³ This set of questions was formulated by Professor D.Sc. Miladin M. Ševarlić – the manager of the Project in Serbia and M.Sc. Marija Nikolić – the coordinator of the team of interviewers who conducted the field survey.

distribution of cooperatives and cooperative associations in Serbia, in order to identify the representative sample for survey of directors of cooperatives and further analysis of collected answers; and

- *Field* research work – within which the directors of 240 selected cooperatives were interviewed and whose positions are in the focus of this paper.

Based on the desk research work, the data were gathered from the Business Registers Agency of Republic of Serbia (state in 2008), whereby all the entities were covered, which were registered in the form of cooperatives and cooperative associations, and also the other legal entities, which in their name have the words, such as „cooperative farm” or “cooperative”, or acronyms: “co-op”, “cop” or “coop”. Out of a total of 3,435 thus defined legal entities, 3,067 or 89.3% are cooperatives, 25 or 0.7% are cooperative associations, and the remaining 343 or 10.0% are other legal entities, which only use some of the above terms in the names of their respective companies.

Only those cooperatives that achieved positive financial result at least once in the period of 2005–2007 were selected in the subgroup of the sample for the survey, which was realized by 1,470 of them or 47.9% out of the total number of cooperatives. In line with the sectoral and regional structure of cooperatives that achieved positive financial result at least once within the specified three-year period, a total of 240 cooperatives were selected and their directors were surveyed using the questionnaire prepared in advance – which was compiled by the research workers from the University in Stirling. The questionnaire had appendix on directors’ standpoints about membership and cooperation with cooperative unions that was prepared by researches from Serbia.

Data related to agricultural cooperatives were analysed separately, because they are the most numbered, but also because of their extraordinary significance that arise from demographic and economic structure in Serbia.

Territorial distribution of agricultural cooperatives is based on data of the Business Registers Agency of Republic of Serbia in 2008, where special emphasis is given to cooperatives that achieved positive financial result at least once in the period of 2005–2007, since these cooperatives represent group that might have positive effect on economic situation of their members and local community where these cooperatives exist.

Out of 240 cooperatives in which the survey was conducted, 148 are agricultural, which represents 7.2% of the total of 2,055 agricultural cooperatives registered in Serbia, or 16.3% of 907 agricultural cooperatives that achieved positive financial result at least in one year in the period of 2005–2007.

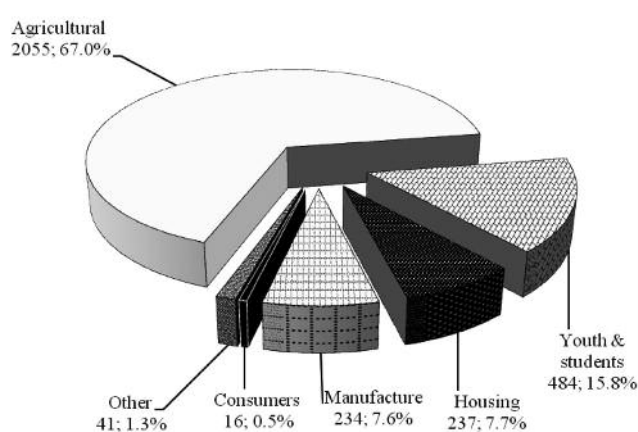
Second part of paper contains the analysis of the answers and standpoints of 148 surveyed directors of agricultural cooperatives concerning the relevant issues of membership and activities of the regional cooperative associations and of CUS. Subject to whether they are members of one of the cooperative unions or not, the surveyed agricultural cooperatives were classified in two subgroups:

- 138 agricultural cooperatives or 93.2% of the total number of the surveyed agricultural cooperatives, which are members of some of the cooperative union; and
- 10 agricultural cooperatives or 6.8% of the total surveyed agricultural cooperatives, the directors of which stated that their respective cooperatives are not members of any of the cooperative union in Serbia.

In the analysis of available data of the Business Registers Agency of Republic of Serbia and answers of surveyed directors of cooperatives were used following quantity and quality methods of research: indicators of structure (territorial and sectoral), method of sample, method of interview, comparison of calculated data, graphical presentation, analysis of contexts and synthesis.

3. Results and Discussion

Analysis of total number of cooperative in Serbia (Graph 1) indicates on domination of agricultural cooperatives (2,055 or 67.0%), followed by youth and students cooperatives (484 or 15.8%), then approximately equitable represented housing (237 or 7.7%) and production/manufacture cooperatives (234 or 7.6%), while there is the least number of registered consumers’ (16 or 0.5%) and cooperatives in other sectors of economy (social, educational, health and other cooperatives), all represented as “other cooperatives” (41 or 1.3%).



Graph 1. Structure of total number of cooperatives by sectors of economy in Serbia (2008)

3.1. Territorial distribution of agricultural cooperatives in Serbia

Territorial distribution of agricultural cooperatives (Table 1) indicates that their dominant part is in Central Serbia (1,184 or 57.6%), and smaller part is in AP Vojvodina (871 or 42.4%), which correspond to relation of these two macro-regions in special, demographic, agrarian and total economic potentials. In AP Vojvodina the most number of agricultural cooperatives are registered in Južnobački district – where is

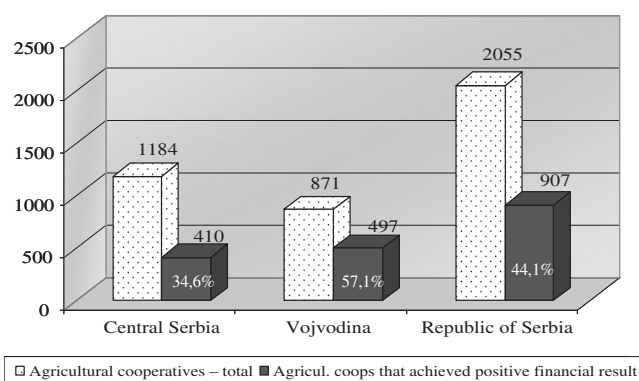
Table 1. Distribution of total number of agricultural cooperatives in regions in Serbia (2008)

Number	Territory / District	Total number of agricultural cooperatives	Participation of agricultural in total number of coops	Territorial distribution of agricultural cooperatives in	
				regions*	Serbia
1	Borski	38	70.4	3.2	1.8
2	Braničevski	69	88.5	5.8	3.4
3	City of Belgrade	72	22.3	6.1	3.5
4	Jablanički	45	63.4	3.8	2.2
5	Kolubarski	105	82.7	8.9	5.1
6	Mačvanski	154	82.4	13.0	7.5
7	Moravički	52	63.4	4.4	2.5
8	Nišavski	87	68.0	7.3	4.2
9	Pčinjski	30	45.5	2.5	1.5
10	Pirotski	34	85.0	2.9	1.7
11	Podunavski	57	76.0	4.8	2.8
12	Pomoravski	36	60.0	3.0	1.8
13	Rasinski	86	69.9	7.3	4.2
14	Raški	70	72.9	5.9	3.4
15	Šumadijski	72	72.7	6.1	3.5
16	Toplički	37	88.1	3.1	1.8
17	Zaječarski	57	81.4	4.8	2.8
18	Zlatiborski	83	62.4	7.0	4.0
19	Central Serbia	1,184	63.9	100.0	57.6
20	Severno-bački	47	74.6	5.4	2.3
21	Južno-bački	202	53.7	23.2	9.8
22	Zapadno-bački	118	77.6	13.5	5.7
23	Srednje-banatski	105	79.5	12.1	5.1
24	Južno-banatski	148	76.7	17.0	7.2
25	Severno-banatski	63	77.8	7.2	3.1
26	Sremski	188	87.0	21.6	9.1
27	AP Vojvodina	871	71.8	100.0	42.4
	Total Serbia	2,055	67.0	-	100.0

* By region in this table are implied Central Serbia and AP Vojvodina.

Source: Calculation of authors based on data provided by the Business Registers Agency of Republic of Serbia

situated and Novi Sad (administrative centre of this region), while in Central Serbia most of these cooperatives are in the Mačvanski district.



Graph 2. Agricultural cooperatives by regions in Serbia, according to financial results

Agricultural cooperatives dominate in almost all districts in Serbia, and their highest participation in total number of cooperatives is in Braničevski district (88.5%). Actually, agricultural cooperatives represent less than half of total number of cooperatives only in Pčinjski district (45.5%).

Of total number of agricultural cooperatives 907 or 44.1% cooperatives achieved positive financial result at least in one year in the period of 2005–2007. Comparing to other types of cooperatives, by analysis it is possible to establish that agricultural cooperatives were less successful than youth and students (64.9%) and producing/manufacture cooperatives (55.6%), but at the same time are more successful than housing (42.6%), and particularly than consumers (31.3%) and other cooperatives (31.7%).

Among financially more successful figure specialised agricultural cooperatives that have encompassed system of reproduction – from providing inputs to selling final products to consumers (Ševarlić, Skoko, Nikolić, 2007).

Unfavourable economic position of agriculture and neglecting cooperative sector during reform process in the last two decades (Šljukić, 2006), as well as human resources devastation of cooperatives in Serbia (Ševarlić 2009-a, 2009-b), are some of the major reasons for adverse financial results of cooperative business.

3.2. Standpoints of directors of agricultural cooperatives on work of cooperative unions in Serbia

Analysis of standpoints of directors of agricultural cooperatives on work of cooperative unions in Serbia is conducted for the following two groups of cooperatives:

1. Agricultural cooperatives that are members of cooperative unions and
2. Agricultural cooperatives that aren't members of cooperative unions.

Division of agricultural cooperatives in these two subgroups is performed with aim to establish if there is or isn't a significant difference in standpoints of their directors regarding work of cooperative unions, or on their position regarding possible enrolment of their cooperatives into unions.

The directors of agricultural cooperatives as dominant subgroup of total number of cooperatives, in addition to

specifying the name of the cooperative union they are the members of, answered a number of questions:

- Which were the motives for becoming a member of the cooperative union;
- Whether they are satisfied with the work of the cooperative union and if not, what activities would stimulate them to become satisfied;
- Which was the last activity of the regional or sectoral cooperative union undertaken with the aim to protect the interests of the cooperative movement; and finally
- Which was the last activity CUS has undertaken with the aim to protect the interests of the concrete cooperative.

Out of 138 surveyed agricultural cooperatives, which are members of one of cooperative unions, 128 directors or 92.8% stated that their cooperatives are the members of some of the county cooperative unions or of the Cooperative Union of Vojvodina, and the remaining 10 directors stated that their cooperatives are the members directly of CUS – which indicates that 7.2% of the interviewed directors actually do not know that their cooperatives cannot be directly the members of CUS. In certain cooperatives they properly said that they are directly the members of the county or of the provincial cooperative unions, and through them, indirectly also the members of CUS.

Although 25 cooperative unions are registered in the Business Registers Agency, for the analysis of the relationships between agricultural cooperatives and cooperative unions, it is necessary to eliminate five occupational non-agricultural cooperative unions and the Cooperative Union of Kosovo and Metohija – in view of the fact that the cooperatives that belong to the above associations are not covered by the survey research, so that there remain 19 potential cooperative unions of which the surveyed agricultural cooperatives could become members. None of the surveyed cooperatives is a member of four occupational regional agricultural cooperative unions⁴. Consequently, there remain 15 cooperative unions organized on the territorial principle. It was established by research that 12 or 80% of county (dominantly agricultural) unions are comprehended with this research, which makes the sample particularly highly representative for the analysis of the relationships between the agricultural cooperatives and their cooperative unions.

We particularly point to the fact that just some directors from the territory of Srem in their responses stressed that their agricultural cooperatives are the members of the *County cooperative union of Srem*, while the directors of cooperatives from other regions in the Autonomous Province of Vojvodina (Banat and Bačka) specified only the membership in the Cooperative Union of Vojvodina (CAV) –

which points to the processes of centralization of membership of cooperatives directly in the provincial cooperative union.

Apart from the county cooperative unions, which function within CUS, among those surveyed were also 11 directors or 8.0% of the agricultural cooperatives, which are the members of the Union of Cooperatives in Šabac. This cooperative union was founded in 2005 and gathers together recently founded cooperatives with the aim to establish business connections between them, and it functions independently from CUS.

On the basis of the answers of directors about the motives for becoming a member of cooperative unions, all the surveyed agricultural cooperatives, which are the members of some of the cooperative unions, are classified in six groups:

1. Exchange of timely information and raising of the level of dissemination of information, which was specified by 35 surveyed directors (25.4%) as the reason for becoming a member;
2. Becoming a member of cooperative unions was mandatory (34 or 24.6%);
3. Cooperation between cooperatives (18 or 13.0%);
4. Business interconnection and joint appearance in the market (17 or 12.3%);
5. Getting any form of aid (8 or 5.8%);
6. Other reasons (23 or 16.7%);⁵

While in three cooperatives (2.2%) directors did not want to specify the reason for becoming a member of a cooperative union.

The interviewed persons thereafter also responded to the question as to whether they are satisfied with the work of the cooperative union they are the members of, and the offered answers were:

- Yes – which was chosen by a half of the interviewed directors of agricultural cooperatives (69 or 50.0%);
- No – 47 directors of cooperatives (34.1%) are not satisfied, and
- I do not know – 20 (14.5%) of directors stated that they do not know as to whether they are satisfied or not with the work of cooperative alliances;

While, in 2 cooperatives (1.4%), they did not want to answer this question.

The directors of the surveyed agricultural cooperatives, who stated that they do not know or that they are not satisfied with the work of cooperative union (a total of 67 directors; 47 who were not satisfied and 20 who answered that they do not know as to whether they are satisfied), had the opportunity to chose, out of 10 offered activities, all those for which they find that they would improve the work of cooperative unions

⁴ Cooperative association of livestock and farm cooperatives **Banmlek** – Kikinda; Cooperative association of vegetable-growing and farm cooperatives **Povrtarska unija** (Vegetable-growing Union) – Begeč; Cooperative association of farm and vegetable-growing cooperatives **Agrologik** – Horgoš, and Cooperative association of farm and beekeeping cooperatives **Vojvođanska pčela** – Veternik.

⁵ All the answers that do not match with any of the above formulated answers were classified in the group „Other reasons“, and which mutually do not have common elements, such as: winning recognition for the cooperative movement, institutional support, joint problem solving, preservation of the principles of the cooperative movement, and others.

and increase the level of satisfaction of the cooperatives members. The question was of a semi-open-ended type, in view of the fact that the last activity was specified as „Other“ where the surveyed persons could write what can be improved in their opinion in the work of cooperative unions. The structure of their answers is presented in *Table 2*.

Most of the directors of cooperatives find that the activities of cooperative unions should be focused on participation in the drafting of the new law on cooperatives – as much as 77.6%, which is consistent with the opinion of the majority of the surveyed persons, whom we interviewed, that the new law on cooperatives is necessary and that they look forward to it. The answer „Mediation in the contacts of cooperatives with the government authorities“ also had a high frequency, which indicates dissatisfaction of the directors with the attitude of government bodies towards cooperatives, but, what is even more worrying, is the incompetence or inability of cooperative unions to articulate the requests of cooperatives to the government and to assist in settling of possible disputes between cooperatives and government authorities.

Table 2. Classification of answers given by director of agricultural cooperatives on question „What activities should cooperative union be involved in, so that your cooperative is satisfied with its work?“

Number	Given answers	Answers	
		number	%
1	Promoting interest of cooperatives and their members beyond cooperative movement	39	58,2
2	Intercession in contact of cooperatives and government bodies (when applying for sources, participate in projects and similar)	51	76,1
3	Creating stronger business relations between cooperatives that are members of union	34	50,7
4	More activity on transformation of social in coop property	39	58,2
5	Active participation in creating new law on cooperatives	52	77,6
6	Providing credits and / or other sources of finance under favourable conditions	49	73,1
7	Providing inputs under favourable conditions for production organised in cooperatives that are members of union	36	53,7
8	Help in sale of products	47	70,1
9	Organising seminars, lectures and presentation in order to promote advantages of cooperative work	42	62,7
10	Other ⁶	2	3,0

Source: Calculation of authors based on survey conducted within Project „Role and Potential of Cooperatives in Poverty Reduction“, in period October – December 2008

The need for subsidized sources of financing of cooperative sector (73.1%) was ranked third, implicating that almost three quarters of primary agricultural cooperatives

suffer from lack of financial resources and expect financial support from the cooperative unions or at least support in providing help from other resources. It is important to point out that 70.1% of the interviewed directors of cooperatives, who are not satisfied with the work of cooperative unions, found that the union should offer assistance in the sale of products, which indicates dissatisfaction due to lack of the business function of cooperative unions.

Standpoints of directors on activities of cooperative unions

Comprehending of the relationship between cooperatives and cooperative unions is also analysed based on the results of the answers of the directors of cooperatives to two final questions in the survey:

- (1) Specify the last activity undertaken by the regional or sectoral cooperative union with the aim to protect the interests of the cooperative movement; and
- (2) Specify the last activity of the Cooperative Union of Serbia, which was undertaken with the aim to protect the interests of your cooperative.

The work of the regional cooperative unions was appraised on the basis of the answers of 128 directors of agricultural cooperatives, who stated that they are the members of some of the regional cooperative unions, while the work of CUS, in addition to them, was also appraised by 10 directors of cooperatives, who stated that they are members directly of CUS – although in practise *de jure* it is not possible. In view of the fact that the questions were open-ended (the surveyed persons could, in their own words, answer the question put), the obtained answers were very much heterogeneous. Therefore, analysis was conducted in two steps: in the first step, it was established whether the surveyed persons specified any concrete activity or not (*Table 3*), and, in the second step, it was established which concrete activities they specified and those activities were systematized them in groups of related answers (*Table 4*).

Out of 128 cooperatives, which are the members of one of the regional cooperative unions, in 95 or 74.3% of the cooperatives, they specified a concrete activity undertaken by the regional cooperative union with the aim to protect the interests of the cooperatives. In 14 cases (10.9%) directors claimed that the regional cooperative unions did nothing to protect the interests of the cooperative movement, while 19 surveyed persons (14.8%) answered that they do not know of or that they do not remember any activity of the regional cooperative union.

With respect to the work of the Cooperative Union of Serbia, the judgments were more severe. In only 46 surveys (33.3%), a concrete activity of CUS was specified, which was undertaken with the aim to protect the interests of the certain cooperative, while in as much as 71 cooperatives

⁶ In two cooperatives, directors think that, in order to promote their work, cooperative unions should: (1) provide more useful things to cooperatives that are member of union, and (2) help cooperatives to apply for EU funds

Table 3. Analysis of answer given by director of cooperatives on question regarding work of regional and Cooperative Union of Serbia

	Regional cooperative unions				Cooperative Union of Serbia			
	Nothing	I do not know/can't remember	Given concrete activity	No answer	Nothing	I do not know/can't remember	Given concrete activity	No answer
Number of cooperatives	14	19	95	0	71	18	46	3
% ($\Sigma=100$)	10,9	14,8	74,3	–	51,5	13,0	33,3	2,2

Source: Ibid, as in Table 2.

(51.5%), they stated that nothing had been done, and in 18 cooperatives (13.0%) that they do not know of or that they do not remember any activity of CUS. In 3 cooperatives (2.2%), directors did not answer to this question.

On the basis of the above stated, we may conclude as follows:

- 128 directors of cooperatives that are the members of one of the regional cooperative unions, appraised their work, while the work of the Cooperative Union of Serbia was appraised by all 138 directors of the cooperatives that are the members of any cooperative union in Serbia;
- 74.3% of the members of the regional cooperative unions specified an activity undertaken with the aim to protect the interests of cooperatives, while only 33.3% did the same with respect to the work of CUS;
- 10.9% of the surveyed persons assert that the regional cooperative unions did nothing for the cooperatives, while over a half of them (51.5%) made the same statement for CUS; and
- 14.8% of those surveyed answered that they do not know of or do not remember any activity of the regional cooperative unions of importance for the cooperative, and the same answer concerning the activities of CUS was given by 13.0% of the respondents.

The second segment of the analysis of the answers to the above questions was the review of concrete activities of unions specified by the surveyed directors. The answers of directors about activities of cooperative unions were analyzed separately for the regional unions and for CUS, and then they were classified, despite heterogeneous answers, into groups of answers, which are common for all the unions (Table 4).

The most often specified activity of the regional cooperative unions is related to rising of the level of dissemination of information, organizing of lectures, and

various kinds of trainings – which was specified by 29 or 30.5% of the directors of cooperatives. This is directly related to the fact that more available and timely information was the motive for 25.4% of the surveyed directors to join cooperative unions, which to a certain extent explains the statement of a half of the directors that they are satisfied with their work. In the work of CUS, dominant activities are related to the assistance to

Table 4. Activities conducted by regional and Cooperative Union of Serbia in order to protect interests of cooperatives and cooperative movement

Group of activities conducted by regional and Cooperative Union of Serbia, according to answers of agricultural cooperatives directors	Regional cooperative unions		Cooperative Union of Serbia	
	number	%	number	%
Organising lectures, training and informing	29	30,5	5	10,9
Activities related to new law on cooperatives and other legal issues	18	18,9	7	15,2
Connecting cooperatives with Ministry of agriculture and other government bodies	11	11,6	11	23,9
Helping cooperatives when participating in fairs and other manifestations	5	5,3	12	26,1
Activities related to status of cooperative property	6	6,3	–	–
Help and support of regional cooperative unions	8	8,5	–	–
Advisory role	–	–	4	8,7
Other activities*	18	18,9	7	15,2
Total	95	100,0	46	100,0

* In group „other activities“ of regional cooperative unions are included answers such as: creating price-list, occasional program on television, affirmation of cooperatives, etc; in the same group of answers regarding work of Cooperative Union of Serbia are included: late support in plough of land in 2007, control of financial work of cooperative, audit of cooperative and others.

Source: Ibid, as in Table 2.

cooperatives in appearances at fairs and other events (26.1%), then (as expected) there follow the activities on connecting cooperatives with the competent Ministry and other governmental institutions (23.9%), while their activities on organizing lectures, training, and dissemination of information on national level are much less represented.

Standpoints of the surveyed directors of agricultural cooperatives that are not members of any cooperative union

Out of the total of 148 surveyed agricultural cooperatives, 10 or 6.8% of the cooperatives are not members of any regional or sectoral cooperative union in Serbia.

The reasons due to which the surveyed cooperatives are not members of any union are rather versatile, but are fully specified (due to a small number of cooperatives):

- Lack of information and communication were stated in three cases, out of which one respondent also specified the lack of trust (30%);

- Lack of money for the membership fee was specified in two cases (20%);
- Lack of time was specified in two cooperatives (20%), although one of these cooperatives also added a small volume of work – which is contradictory to the answer concerning the lack of time;
- Services of the cooperative union are not adequate to the needs of the cooperative – this was specified in one case (10%);
- In one case the obtained answer was that there is no concrete reason (10%);

and one respondent did not want to answer to this question (10%).

To the question as to what could represent a motive for cooperatives to become members of cooperative unions, three equally distributed answers were obtained from 2 directors of cooperatives or 20% (better dissemination of information, higher dedication of a cooperative union to the members, and that they do not know what could motivate cooperatives to become members of a cooperative union), while four directors (40%) stressed that their cooperatives would have a motive for membership if cooperative unions would provide direct services to them (procurement of input and sale of products, legal advice, and representation in disputes).

Based on answers analysis of directors of agricultural cooperatives, of which almost 34.1% are not satisfied with the work of cooperative unions, and 14.5% of the surveyed directors of cooperatives were unsure with respect to the work of county cooperative unions („I do not know“, „I do not remember“, „I am not sure“ or did not answer to certain questions), it can be concluded that hypothesis on significantly undermined relations between primarily cooperatives and their associations is confirmed.

The above specified results of the research of the standpoints of surveyed directors of agricultural cooperatives lead to the following conclusions:

- Dissemination of information is the dominantly identifiable activity of cooperative unions done in the favour of primary cooperatives; and
- General judgment is considerably more favourable regarding the work of the regional cooperative unions compared to the Cooperative Union of Serbia, which to some extent can be explained by the fact that the regional cooperative unions are in a more direct and regular contact with cooperatives, i.e. that they are more present in solving of their daily problems than CUS.

On the contrary to other countries, in Serbia is evident the lack of business functions of cooperative unions dedicated to improving competitiveness of cooperative business.

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