

Rural Social Organization and Farmer Cooperatives Development in Russia and other Emerging Economies: Comparative Analysis

Azer Efendiev¹ Pavel Sorokin^{1*}

1. Centre for research in social organization of a company, National Research University Higher School of Economics, 20 Myasnitskaya Ulitsa, Moscow 101000, Russia

* E-mail of the corresponding author: pssorokin@mail.ru

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Abstract

Farmer cooperatives development is an important direction of rural economic growth in developing countries which attracts serious international attention of both practitioners and scholars in the face of global “food demand”. Russia is of special interest in this regard because it occupies the biggest in the world area of farmland which is not yet incorporated in agricultural production. In spite of significant financial support from the government, farmer cooperatives development in Russia faces major difficulties. In order to better understand the perspectives for successful farmer cooperatives development in Russia, we conduct comparative analysis of emerging economies in the field of rural social organization’s influence on farmer cooperative development (the question that has not yet been given full attention in literature). We use empirical evidence from literature dealing with farmer cooperatives development in India, Vietnam, China and other emerging economies as well as results of our own empirical research in Russian Belgorod region. The main findings of our study are: 1. Local characteristics of social organization may influence development of farmer cooperatives significantly. 2. Traditional elements of rural social organization may affect farmer cooperative development both positively and negatively. 3. In the present conditions of rural social organization farmer cooperative development in emerging economies may need strong and complex governmental assistance.

Keywords: social organization, rural communities, farmer cooperatives, Russia

1. Introduction

It has long been agreed that social characteristics of community can influence its economic efficiency (Rupasingha, Goetz, & Freshwater, 2002). This is believed to be true for rural territories no less than for urban settlements. In literature the interest to social aspects of rural economic development is growing rapidly (Isserman, Feser, & Warren, 2009) as a result of attention that has been given to agricultural issues by governments, businessmen and scholars in recent years.

Developing societies (occupying large areas of farmland which is not yet incorporated in agricultural production) are especially important in this regard and have biggest potential for increasing food production globally. For example, post-soviet countries Ukraine, Kazakhstan, and Russia are among only four countries in the world having significant untapped capacity to make a major impact on meeting the growing global food demand (the fourth one is Argentina) (Visser & Spoor, 2011). However, the majority of research in social aspects of rural economic growth is conducted within developed Western countries. At the same time social factors, mechanisms and obstacles for increasing rural agricultural production in developing societies have not been fully investigated so far.

International literature outlines two major approaches for rural economic development: “industrial recruitment” approach (suggesting attraction of firms from outside the community to locate to the area (Sharp et al., 2002) and “self-development” approach (J.L. Flora et al., 1992; Green et al., 1993) relying on local resources to create new jobs and economic activity (C.B. Flora et al., 1991). In the recent years in literature attention has been given mostly to self-development model for various reasons (Crowe, 2006).

In our view, the general idea of distinguishing between two alternative ways of enhancing economic activities in rural territories (relying mostly on local resources or on outside resources) is relevant for emerging economies no less than for developed countries. However, we suggest that the focus of analysis in “self-development”

activities should be specified when dealing with developing countries. For example, tourism or production of exclusive products (considered as good examples of self-development paradigm in literature (Van der Ploeg et al., 2000)) are not the key sectors of rural economies in developing countries.

Growing number of empirical reports in literature (Hu, Huang, Hendrikse, & Xu, 2007; Xu, Shao, Liang, Guo, Lu, & Huang, 2013) suggest that the biggest potential for sustainable rural economic growth in developing countries is located within cooperative farming. It should be mentioned that farmer cooperatives already play important role in rural economies of many developed countries (Chloupkova, Svendsen, & Svendsen, 2003). For example, in emerged economies like England or Denmark (Christensen, 1983) farmer cooperative movement has been growing since XIX century and has become an inseparable part of rural social and economic life. However, literature review shows that in emerging economies the path of farmer cooperative development might be different (Hu et al., 2007).

We suggest that an important factor, influencing trajectories of farmer cooperative development in emerging economies, may be rural community's social organization. In literature "social organization" (Sharp et al., 2002, Zelner et al., 2012) is defined briefly as "networks, norms, and trust that facilitate coordination and cooperation for mutual benefit." (Putnam, 1995, p. 67). We suggest defining social organization of rural community more broadly as the basic norms of behavior, social structures, values and attitudes influencing economic activity of population. From this position (based on ideas of Marcel Mauss, Claude Lévi-Strauss (Mauss, Lévi-Strauss, & Gurvitch, 1950) and Pierre Bourdieu (Bourdieu, & Wacquant, 1992)) the term "rural social organization" may include a wide range of social (in the narrow sense of the word), cultural, anthropological and psychological aspects of rural life which are interrelated in the social reality and exist as a holistic integrity. The offered definition of "social organization" is an attempt to summarize and extend several popular terms that are used in literature in relation to social (in the broad sense of the word) aspects or factors influencing economic activities ("social capital" (Putnam, 1993), "social infrastructure" (Flora, C. B., & Flora, J. L., 1993), "social organization" (Putnam, 1995) and others).

In this paper we focus on rural social organization as factor influencing development of farmer cooperatives in emerging economies.

The questions about social factors, affecting rural economic growth in developed countries, have been actively discussed in literature for a long time (Ramsay, 1996). However, for emerging economies this field is much less investigated (including problems of farmer cooperative development). In the present paper we conduct review of existing studies in farmer cooperatives growth in developing countries. We also refer to the recent results of our own empirical research in Russian's Belgorod region (located on the fertile farmland (so called "chernozem") in the south of the country).

The main goal of this work is to outline general conclusions about how social organization may influence development of farmer cooperatives in Russia basing on analysis of existing studies in emerging economies. Different empirical evidences from developing countries will be compared and summarized. We believe that comparative approach to analysis of discrete empirical results obtained in different societies would significantly enhance our hypotheses regarding perspectives for farmer cooperative development in Russia.

2. Farmer cooperatives as an instrument for improving rural economy in Russia: rationale of the research

Russia is of special interest among other emerging economies regarding farmer cooperatives development.

First, among other developing countries Russia occupies the biggest area of the farmland which is not yet fully incorporated in agriculture (Visser & Spoor, 2011); therefore its role for the global sustainable agricultural development in the face of growing "food demand" is crucial.

Second, in the last ten years agricultural issues have been given serious attention by the Russian government (including problems of farming and farmer cooperative development). As a result farmer cooperative support was included in the national project "The Development of Agricultural Complex" (started in 2006-2007 and followed by other governmental programs in 2008-2012). Since then government annually spends significant amounts of money on credits to farmer cooperatives. For example, in the year 2010 more than 150 million dollars (4.5 billion rubles) were subsidized (Report of Russian association of farmers and farming cooperatives, 2011). However by the beginning of the year 2012 there were only 5350 active farmer cooperatives in Russia (among approximately 7750 registered cooperatives only about 69% were active) (National report "About the process and the results of the governmental program of agricultural development and regulation of agricultural

markets, raw materials and products in 2008-2012”, 2013). This poor performance raises a question: what are the reasons for these considerably bad results in agricultural development? In our view, social organization should be considered in this regard.

Third, in the last fifteen years there has been rapid growth of volume of international literature dealing with different aspects of development of Russian rural territories which provides us with valuable empirical results for comparison and interpretation (O'Brien, Wegren, & Patsiorkovsky, 2010; Sutherland, 2008). However none of these papers deals directly with social aspects of farmer cooperatives development.

Problems of rural economic development in relation with social organization have been in the focus of our interest since 2000-s. In the year 2000 we have conducted large empirical research in Belgorod region (Efendiev, Bolotina, 2002). This research was aimed at complex social, psychological and economic analysis of rural life which enhanced our understanding of the Belgorod's rural communities of that time. In the present paper the results of this research will be compared with other empirical evidence.

In the year 2013 we are running another research project in the same villages of Belgorod region aimed at monitoring the situation and revealing new tendencies in rural life which came to existence between 2000 and 2013 years. At the moment the first stage of data collection is finished: 55 rural dwellers of three villages (Muhouderovka, Matreno-Gezovo (Alexeevskiy district) and Kamusino (Krasnenskiy district)) were interviewed in the form of deep semi-structured interviews. In all the villages the following groups of respondents were interviewed: farmers, individual entrepreneurs in non-agricultural sectors, employees of large agricultural vertically integrated enterprises (so called “Agroholdings”), employees of rural settlements' administration, unemployed dwellers, and retirees. Social organization and the problems of farming development in the region (including cooperative farming) are in the focus of this study.

In the present paper our analysis will be conducted in the context of international academic discourse on farmer cooperatives development in emerging economies. First of all, the reference will be given to Chinese experience (Deng, Huang, Xu, & Rozelle, 2010; Hu et al., 2007; Xu, Shao, Liang, Guo, Lu, & Huang, 2013) which is well-documented in literature and seems to be especially relevant for Russia due to socialistic past of both countries and their geographical scale. Empirical evidence from India (Basu, 2009), Bulgaria (Dobrova, 1994), Japan (Torsello, 2002) and Vietnam (Rutkin, Russell, 2005) also will be addressed.

3. Contemporary approaches for rural economic development

International literature outlines two major approaches for rural economic development. “Industrial recruitment” approach (stemming from “modernization paradigm” (Van der Ploeg et al., 2000) suggests attraction of firms from outside the community (Sharp et al., 2002). This may be done by means of provision of tax abatements, low-interest loans, and easy access to land and infrastructure. It is argued that the attractiveness of industrial recruitment is rooted in its ability to create a large number of jobs within a relatively short period of time (Sharp et al., 2002).

“Self-development” approach (J.L.Flora et al., 1992; Green et al., 1993) concentrates on stimulating local entrepreneurial creativity and relies primarily on local resources (C.B.Flora et al., 1991). In contrast to industrial recruitment, self-development activities are aimed at fostering local businesses (J.L.Flora et al., 1992). Examples of self-development activities are: promoting local tourism and retaining or expanding locally owned businesses including those based on farming (Crowe, 2006; Van der Ploeg et al., 2000).

Before the 1990-s industrial recruitment strategy was preferable in practical policies and academic circles (Van der Ploeg et al., 2000). However, through the last two decades scholars and practitioners from developed countries have been promoting critical discussions about this strategy. Indeed, for multiple reasons, many communities started making accent on self-development strategies (Crowe, 2006). In some cases communities do not have the sufficient financial resources to expend on recruiting outside company (Crowe, 2006). Also rural communities may be limited in attracting employers due to their physical remoteness (Sharp et al. 2002). It is also argued that self-development initiatives produce better work-places and are safer from ecological point of view (Crowe, 2006).

In these discussions social factors and characteristics (like “social capital”, “social infrastructure” or “social organization”) affecting rural economic growth were seriously considered (Crowe, 2006). Basing on research in USA and other developed countries it has been claimed that self-development approach has stronger emphasize on local social resources while for industrial recruitment approach natural resources of the rural territory are

more important (Crowe, 2006). One of the main findings was that developed social infrastructure and good conditions of social capital are important factors for successful self-development of local economic activities.

Results obtained by researchers in developed countries (Crowe, 2006, Sharp et al., 2002) are very helpful in demonstrating the ways in which social organization of rural community influences its economic outcomes. However, methodological tools used in their research can hardly be applicable to the study of rural communities in developing societies. The major problem is that common indicators of “social capital” (applied by J.A. Crowe, J.S. Sharp and others (Crowe, 2006)) have strong accent on financial, media and political institutions and establishments which are difficult to find in emerging economies like Russia or China. For example, one of the indicators is “presence of a newspaper that reports community affairs openly and with attention to differing citizens’ views” (Sharp et al., 2002, p. 408).

We suggest that rural communities in emerging economies may have special features of social organization which, when detected and properly applied, could significantly contribute to their economic results and development of successful farmer cooperatives.

However, these characteristics have not yet been fully investigated and summarized. Therefore there is strong need for comparative approach in analysis of discrete empirical results obtained in different emerging economies and related to various aspects of rural social organization. The first step in this direction would be overview of literature dealing with problems of development of cooperative farming in emerging economies with special attention to the social factors and aspects of this process. Literature analysis will be conducted with consideration of the most recent empirical results from our research in Russia’s Belgorod region.

4. Rural social organization affecting farmer cooperatives development in emerging economies: comparative analysis

There used to be debates in literature regarding the role of farmer cooperatives in agricultural development in emerging economies (Staatz, 1987), however the majority of development experts believe that cooperative arrangements play an important role (Fulton, 2005). It is suggested that when production systems are atomistic, infrastructure and information networks tend to be poor, which can limit the economic outcomes of farming households (Mendoza & Rosegrant, 1995). In many developing countries, cooperatives have been shown to help farming households access inputs at lower prices, sell their output and improve production efficiency (Fulton, 1995).

Literature review shows numerous evidences of successful development of farmer cooperatives in emerging economies, (India (Basu, 2009), Bulgaria (Dobreva, 1994), Japan (Torsello, 2002), Vietnam (Rutkin, Russell, 2005) and other countries). However in the only few papers authors pay special attention to social factors and characteristics of social organization, which may have influenced the cooperative development or have contributed to its success.

Approaching the problem of rural social organization’ affects on farmer cooperatives development in emerging economies we use analytical framework based on the understanding of social organization of rural community which was described above. Social organization is seen as a holistic integrity of basic norms of behavior, social structures, values and attitudes influencing economic activity of population. Basing on this approach, we focus on the following topics.

First, social structures, influencing economic behavior operate, first of all, on the level of individual and group action (P. Bourdieu). However, it is not clear, what kind of social context need to be considered in regard of individual and group behavior dealing with farmer cooperative development? The social structures of the very local level (for example, operating on the level of a single village) are especially important here since taking them into account means serious efforts for both researchers and policy makers. Therefore, it is important to find out, if local social contexts have special influence on the farmer cooperatives development in rural communities in different emerging economies? In other words, the question is: to what extent this local level of social organization shall be taken into account?

Second, rural communities in emerging economies have important common characteristic in terms of their social organization. They all have significant traditional elements in norms of behavior, social structures, values and attitudes which distinguish them from rural communities in Western Europe and Northern America (Platteau, 1997). Therefore, it is important to find out, whether these traditional elements of rural social organization influence farmer cooperative development more or less the same way (for example, positively or negatively) in

different emerging economies?

Third, in the face of the growing “food demand” in the global world there is strong need to consider practical implications regarding farmer cooperatives development in emerging economies. The most important actors in this field are national governments. The main question is: do they have to intervene and stimulate cooperative movement actively or would it be better if they let farmer cooperatives develop naturally, step by step (like it was, for example, in European countries of the XIX century)?

In the following sub-sections we discuss these three topics. Generalizing about empirical results reported in literature and taking into consideration those of our own research, we can outline several conclusions.

4.1. Local characteristics of social organization may influence development of farmer cooperatives significantly

Several reports from different countries (Vietnam, India and Japan) show clear empirical evidence of how specific local social characteristics may influence paths of farmer cooperative development in the situation when surrounding economic environment is more or less similar.

In Vietnam two farmer cooperatives under study “evolved in different ways which can be explained to some extent by examining the pathways to development for the groups and the points where social capital has been mobilised, created or destroyed” (Rutkin, Russell, 2005, p.1). One cooperative involved in the research experienced “negative consequences associated with sub-optimal combinations of bonding, bridging and linking social capital” (Rutkin, Russell, 2005, p.17), while another farmer cooperative “is a modest example of the development benefits obtainable through the mobilisation of bonding social capital existing in a community and the creation of bridging social capital” (Rutkin, Russell, 2005, p.17).

In Japan three rural settlements experienced different paths of cooperative evolution in the context of “heterogeneity of their social features” (Torsello, 2002, p.51). On the one hand, two villages, actively engaged in cooperatives formation in 1950-s, have shown “a steady diminution of the kind of ‘communalist’ village-level activity” (Torsello, 2002, p.52) which led them to take the “chances that their social structures offered to accelerate the process of integration within local society” (Torsello, 2002, p.52). On the other hand, the third settlement participated in cooperatives much less actively and “carefully fostered a communalism and social cohesion that was derived from many of the villagers’ former colonial experiences, in order to resist major political, social and economic changes” (Torsello, 2002, p.52).

In India the comparison between two villages engaged in farmer cooperatives development considering their social contexts and economic results showed “that evaluations of success or failure requires engagement with place-specific agricultural economies and social relations” (Basu, 2009, p.746). One of the most important findings is that existing social inequalities are reflected in the membership of cooperatives which confirms that rural social stratification influence farmer cooperatives’ economic efficiency (Alvares, 1985).

In literature we did not find conclusive reports about empirical research in rural social organization impact on farmer cooperatives development in Russia. However, our recent empirical results from Russia’s Belgorod region suggest that local social differences may be important for development of economic activities and farming.

In Muhouderovka (Alexeevsky district of Belgorod region) private farming was significantly more widespread than in other settlements (Kamusino and Matreno-Gezovo). In Muhouderovka farmers told us that they would be glad to participate in some professional association or cooperative if there was such in their village. Even in the absence of such association farmers still find ways for cooperating between themselves (first of all, with close neighbors, friends and relatives). In other settlements we did not see farmers’ cooperation of this sort.

In our view, it might be particularly noteworthy that in Muhouderovka the head of Administration is very seriously engaged in different aspects of community’s life and keeps informational flows active within the community (for example, in the form of regular village meetings). In other settlements the situation appeared to be different and level of social cohesion and interaction was lower.

The important conclusion which can be drawn out of these results (both reflected in literature and obtained in our own recent research) is that theoretical reasoning and practical policing regards developing of farmer cooperatives in emerging economies have to take into account local features of social organization and their historical origins: for example, existing social structure and inequality, internal social cohesion within particular settlements and different aspects of local social capital.

4.2. Traditional elements of rural social organization may affect farmer cooperative development both positively and negatively

Regarding Chinese experience it has been suggested in literature that traditional values, cultural features and social relations serve as basis for developing of successful farmer cooperatives (Hu et al., 2007). It is argued that the core of Chinese traditional social organization is informal institutional system based on the principle of kinship including “kin, loyalty and ability” (Hu et al., 2007, p. 443). All together these allow low internal transaction costs. Y. Hu and others suggest that “a very effective way to conduct the governance of farmer cooperatives in China may not be formal institution of, and commitment to cooperative concepts, but the personal relations or feelings” (Hu et al., 2007, p. 443).

On the other hand, case-studies from India (Basu, 2009) and Japan (Torsello, 2002) show that traditional social structures and relations may become obstacles for engaging of rural settlements in farming cooperation of modern forms. In the research of Indian farmer cooperatives it has been demonstrated that such engagement might contradict with long existing traditional social stratification leading to its radical changes (Basu, 2009). In the study of Japanese settlements the problem was that rural dwellers of the village with strong traditional elements in social organization were feeling socially isolated and afraid of unjust treatment by the cooperative members from other territories which had experienced major social and cultural changes earlier (Torsello, 2002).

Therefore the role of traditional elements of social organization for development of farmer cooperatives in emerging societies is still questionable. The situation gets even more complicated if we consider the ongoing change in the social organization of rural settlements itself. The case of Russia’s Belgorod region is particularly interesting in this regard.

International literature claims that dwellers of Russian rural territories tend to demonstrate strong communality, little widespread of entrepreneurial activity, and preference for working in vertically integrated enterprises (like it was in the Soviet times, before 1990-s) (Sutherland, 2008; Kalugina, 2002; Gambold-Miller, 2003). However our recent empirical research in Belgorod region showed significant change in orientations towards communality and individualism comparing with results obtained in the research in the same region 13 years ago (Efendiev, Bolotina, 2002). We conducted 55 deep semi-structured interviews with dwellers of three villages and fixed major positive change in attitudes towards entrepreneurship and individualism. Respondents showed strong preference for working on their own land and making profit of it. Surprisingly, the attitudes towards big industrialized enterprises (so called “Agroholdings”), quickly established in the region in the last 7-8 years, were rather negative because of low salaries and bad quality of working conditions. This data does not support hypotheses being discussed in international literature (Sutherland, 2008) and also our own results obtained in the year 2000 (Efendiev, Bolotina, 2002). Therefore we suggest that long claimed communality of Russian rural dwellers and some traditional elements of rural social organization may have partly disappeared while individualism and entrepreneurial activity are growing rapidly in the last 13 years.

How can this transformation of traditional social organization into more individualistic forms of social existence affect prospects for farmer cooperative development in Russia? What is more preferable in this regard: strong communality or developed individualism? All these questions should be addressed in further empirical research. However we may suggest that growing individual responsibility and entrepreneurship activity are positive changes for rural economy.

4.3. In the present conditions of rural social organization farmer cooperative development in emerging economies may need strong and complex governmental assistance

Traditional understanding of farmer cooperative implies several principles that are as follows (ICA, 1999): (1) Membership is open and voluntary. (2) There is democratic control, usually on the basis of one man, one vote. (3) Interest on share capital is limited. (4) There is equitable distribution of any surplus, usually in proportion to transaction with or work done in the society. (5) Cooperatives devote some part of their surpluses to education. (6) Cooperatives cooperate among themselves.

Literature on the history of the first farmer cooperatives, emerging in the XIX century Europe, claims that essential characteristic of these cooperatives was their voluntary and self-support nature without strong guidance from government (Chloupkova, Svendsen, & Svendsen, 2003). First European farmer cooperatives were democratic institutions created to protect interests of individual farmers and their families in the new highly competitive environment with little or no governmental support. In European literature this understanding of farmer cooperative (as democratic, self-guided and voluntary) still prevails reflecting the historical paths of

cooperative movement in developed countries (Svendsen, G. L., & Svendsen, G. T., 2001).

However, the image of farmer cooperative as self-supported and voluntary organization may have little in common with the realities of contemporary cooperative arrangements in emerging economies which are different in terms of social organization.

Recent publications on Chinese experience show that it is possible to develop efficient farmer cooperatives with active engagement of government and little voluntary participation of farmers. As H. Deng et al. puts it, "While, in theory, extension initiatives have emphasized the voluntary nature of farmer participation, the government has taken on the role as the major catalyst to promote farmer professional cooperatives" (Deng et al., 2010, p.497).

In the 1980-s Chinese governmental officials directly engaged in the creation of farmer cooperatives (Deng et al., 2010, p.497). During the 1990-s there were additional measures used to stimulate agricultural input supply cooperatives and technology-based associations. Local governments provided special financial support for farmer cooperatives. Recently new legal reforms and intensifying levels of aid have contributed to the active emergence of farmer professional cooperatives in China (Deng et al., 2010, p.497). The state support was conducted through organization of the special village-based services for technical, financial, marketing and administrative support for the individual farmers which were united in the farmer cooperatives. As a result "Farmer cooperatives play a crucial role in Chinese agricultural industrialization. They act as an effective intermediary between small farmers and other strong market participants, reducing negotiation and coordination costs, improving the overall performance of the agriculture industry, coordinating unbalanced transactions between small farmers and IOFs (Investor-owned firms – P.S.), and serving as a self-protection mechanism for farmers" (Xu et al., 2013, p.14).

By June, 2007, there were 26000 cooperatives in China while by the end of 2010 the number has grown in more than 10 times: 310000 cooperatives with 26 million members (Xu et al., 2013).

The history of development of successful farmer cooperatives in other emerging economies like India (Basu, 2009), Japan (Torsello, 2002) and Vietnam (Rutkin, Russell, 2005) also shows little voluntary initiatives from farmers and strong organizational guidance along with financial support from the government.

Our empirical research in Belgorod region also demonstrates the strong need for profound governmental guidance in developing successful farmer cooperatives in Russia. Among 55 interviewed respondents 12 were private farmers themselves or members of private farmer's families. They told us that one of the major problems for private farming is monopolistic dealer-organization purchasing their initial products at very low prices. Individual farmer's position is very weak comparing to dealer-organization as there is no alternative way for selling agricultural products (no other dealer-organization is operating in the whole region). Individual farmer's volume of production is considerably small and none of farmers can negotiate successfully with dealer-organization which "can always find another farmer who will sell his outcomes at the lower prices". Another constraining factor is that some agricultural products must be sold in the short period of time.

Farmers reported that they would prefer to have fixed contracts with dealers before sowing season. But as Chinese experience demonstrates, this can be possible when individual farmers are organized in relatively large cooperatives (Xu et al., 2013).

Farmers in all the three villages under study (Muhouderovka, Matreno-Gezovo (Alexeevskiy district) and Kamusino (Krasnenskiy district)) do not have active and regular cooperation between themselves which may be attributed partly to the poor social organization and the lack of social capital, necessary technical, managerial and administrative skills. It is possible that sooner or later the economic motives will stimulate these farmers to start searching for the ways to protect their interests collectively and develop new forms of social relations and structures. However, it is also clear that without special organizational, managerial and administrative support from the government there can hardly emerge effective system of farmer cooperatives in the Belgorod region in the near future.

In our view, Chinese experience could be applied rather successfully for improving rural economy of Russian Belgorod region. It has to be said that within the mentioned above agricultural "National Project" and other targeted governmental programs help was limited to financial support in the form of credits to farmer cooperatives. No significant technical, managerial or administrative support was offered. This may be one of the explanations why farmer cooperatives development was the only aspect of this "National project" where goals were not achieved (Report of Russian association of farmers and farming cooperatives, 2011).

In Russian literature the problems of farmer cooperatives' development are being actively discussed (Fedorov N.,

2013). However the issues related to social organization have not yet been given necessary attention. We hope that this paper has contributed to these discussions by comparing the situations in different developing countries and outlining some conclusions regarding social organization's influence on farmer cooperatives development in Russia and other emerging economies.

5. Conclusion

In the following section we summarize our analysis. We may outline three major conclusions.

First, analysis of several studies conducted in emerging economies shows that within the same country and even within the same district (region) local rural social organization may vary significantly and affect the farmer cooperatives success or failure. There is need for place-specific approach of elaborating and implementing practical measures. Such aspects of rural social organization as social structure, social capital and social cohesion should be considered.

Second, the role of traditional elements in social organization of developing societies may be both positive and negative for emerging farmer cooperatives. We suggest that it depends on how exactly these elements are taken into account. The general suggestion we can make is that the practical policies for transforming rural economy must not contradict with the historically emerged and institutionalized key forms of social existence typical for the particular territory. On the other hand, our recent results from Russia's Belgorod region show that social organization itself is subject for transformation. For example, it has been discovered that within 13 years strong sense of communality has for a major part disappeared leaving space for individual responsibility and agency. Therefore not only the complex relation between traditional elements of social organization and cooperative development should be considered but the dynamics of the social organization's transformation as well.

Third, the voluntary nature of farmer cooperatives was traditionally seen as central characteristic while governmental support and guidance were not usually supposed to be vital. However, Chinese experience shows that for emerging economies such assistance may be necessary for successful growth of farmer cooperatives. It is possible that rural societies in emerging economies do not have sufficient level of social organization to follow the path of farmer cooperatives development in Western Europe. Therefore those governments in emerging economies who provide significant technological, administrative, managerial and financial support for developing of farmer cooperatives seem to be heading the right way.

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