The Crisis of Rural Cooperatives: Problems in Africa, Asia, and Latin America

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During 1969 and 1970 research teams of the United Nations Research Institute for Social Development studied thirty-seven rural cooperatives in developing countries — fourteen in Asia (Sri Lanka, Iran, and Pakistan), twelve in Africa (Ghana, Kenya, Tanzania, Tunisia, Uganda, and Zambia), and eleven in Latin America (Colombia, Ecuador, and Venezuela), within a common frame of reference and using comparable research tools and techniques. The results of these case studies, published by the institute in seven volumes (Apthorpe 1970, 1972; Carroll et al. 1969; Fals-Borda 1970, 1971; Inayatullah 1970, 1972), illustrate the richness of the cooperative experience and the depth of information obtained on the mechanisms of social reform in the selected countries. This article is an overview of these research reports.

The discussion and reflection that follow do not represent a résumé of our findings, for which reference should be made to the regional studies themselves. For comparative purposes, however, it is useful to single out three issues of basic importance for future cooperatives on national and international levels: (1) factors concerning the adoption and diffusion of rural cooperatives; (2) the impact of the performance of cooperatives; and (3) policy implications of cooperative work.

DIFFUSION AND ADOPTION OF RURAL COOPERATIVES

Initiation and Sponsorship

In Latin America, cooperatives have been sponsored by three agencies:

(1) government, (2) church, and (3) private individuals and organizations. The forms of sponsorship provided by these agencies have conditioned and shaped the scope and purpose of cooperatives. The state-sponsored cooperatives (as in Venezuela and Ecuador) are generally multipurpose, undertaking various types of activities, including marketing, credit, and distribution of consumer goods. They are part of larger development programs and are particularly related to land reforms. The church- sponsored cooperatives (especially in Colombia) have generally been single-purpose: those sponsored by the Catholic church specializing in credit and those sponsored by the Protestant church specializing primarily in production. Most of the individual-sponsored cooperatives have been initiated by concerned intellectuals.

In the three Latin American countries studied, primary cooperatives developed first and were then federated into larger units, sometimes organized on a territorial basis, other times on a sectoral basis. In general, then, federations did

not initiate the first cooperatives, although later they did assume responsibility for promoting others.

Political parties have played almost no role in sponsoring and organizing cooperatives. The governing party in Venezuela, however, has attempted to control the primary cooperatives in order to extend its political influence.

In northern, western, and eastern Africa, rural cooperatives have been sponsored by numerous groups, including the World Bank, the United States Agency for International Development, national governments, churches, political parties, and private individuals and organizations. However, the task of organizing cooperatives has now been taken on almost exclusively by the national governments, depending on their commitments to development planning and on their administrative capacities to carry out development at local levels. Governments committed to a socialist ideology are most prominent of all. The capacity of governments to organize cooperatives is greater in those countries that have programs of local development, such as community development and *animation rurale.*

In general, religious groups in Africa (especially in socialist states) do not have the direct or immediate access to local communities that would enable them to organize independent cooperatives. The contribution of the churches tends to be channeled through state projects. In single-party states, the tendency is for the party explicitly to articulate the sponsorship of cooperatives but not actually to organize them. As in Latin America, however, political parties tend to interrelate with the cooperatives in order to extend their political influence and diffuse their ideology. In some cases membership in the societies and benefit from the facilities available to the cooperative from various sources are believed necessarily to be one and the same thing.

In the three Asian countries in which cooperatives were studied, the governments are the exclusive sponsors of cooperatives. In Pakistan and Sri Lanka, cooperatives were introduced by colonial regimes. The successor governments in general have followed the patterns of sponsorship and organization set by those regimes. In Sri Lanka, however, increased emphasis has been placed on the organization of cooperatives since the governments embarked on several programs of planned change in rural areas to relieve pressure on land, to improve food distribution, and to increase rice production.

In Pakistan, because the cooperative approach to problems of rural development has not been emphasized, the state’s activity in organizing cooperatives is considerably restricted. During the 1960’s, when agricultural development was given high priority, a number of service cooperatives were organized to supply fertilizer and improved seeds. The Comilla experimental project in cooperatives, organized by the Pakistan Academy for Rural Development, is supported by the government.

In Iran, cooperatives are organized by the state. Their organization has been stepped up since the second phase of land reform. Cooperatives are multipurpose in form but in fact serve primarily to funnel government funds to raise food production. The political purpose of organizing peasants and securing their support for the existing regimes seems to be much more evident in Iran than in Pakistan and Sri Lanka, where economic considerations outweigh political ones.

In general, political parties in Asia play almost no role in organizing cooperatives. However, in Sri Lanka, the political sympathies and affiliations of cooperative members sometimes lead to internal dissension in the cooperatives, and in Iran, the ruling party has attempted, but without great success, to reach the peasants through state-organized cooperatives.

Religious organizations in these three Asian countries have not organized cooperatives, probably because the religious groups (especially in Iran and Pakistan) limit their village activities to dealing with religious problems and are neither inclined nor in a position to organize groups oriented toward change and development. Islamic prohibitions on interest as interpreted by religious functionaries may also dispose them to avoid an organization engaged in apparently extrareligious practices. In Sri Lanka, where religious groups are better organized and more involved in secular affairs and have extended their influence down to the village, local Buddhist monks in general have supported the cooperatives.

As in Latin America and Africa, national federations of cooperatives in the three Asian countries have not attempted to organize cooperatives on their own initiative, although they tend to help cooperatives to survive once they have been formed. In Sri Lanka, federations are comparatively more active in serving the cooperatives than are federations in Iran and Pakistan. In Bangladesh, however, the Central Association, under the Comilla program, plays a considerable role in organizing new cooperatives and providing them with diverse services, including credit.

Compulsion to Join

Pressure can be brought to bear on people to join the cooperatives principally through three means: (1) direct compulsion and coercion, (2) the creation of a monopolistic situation in which the individual is deprived of certain economic benefits if he decides to stay out, and (3) the offering of inducements in the shape of prospective benefits.

Coercion is employed considerably more often in state-sponsored cooperatives in Latin America than in cooperatives organized by churches or private individuals. In church-sponsored cooperatives, the fear of being stigmatized as

someone indifferent to religion, a heretic, or a subversive, frequently compels people to join the cooperative. In privately organized cooperatives, faith in the organizer and economic and social benefits more frequently attract the potential members.

A similar situation prevails in Africa, where considerable coercion is employed to force individuals to join. The legitimacy of this coercion rests on the idea that if the power of the state were not applied to organize new groups capable of transforming the traditional order, groups such as cooperatives would not emerge. The cooperative is therefore to be responsible for the rise of a welfare socialism, and tendencies toward an economic class formation can be checked or reviewed.

In the three Asian countries studied, coercion is not employed in the organization of cooperatives except to a limited extent in Iran. In all three countries, inducement through provision of certain needed services and supplies is one of the important means of securing support for organizing cooperatives.

Diffusion

Knowledge about cooperatives in Africa diffuses through several means or combinations thereof: (1) mass-media dissemination of national and international policies, (2) personal local contacts, (3) personal official contacts, and (4) demonstration effects. In Latin America, although government officials are a source of initial information about cooperatives, seeing personally a nearby functioning cooperative or learning about it through personal contacts, often motivates the individual to join the cooperative, where he has such a choice. But these cases are still rather rare.

The situation differs in Asia. In Sri Lanka, individuals come to know about cooperatives from diverse sources (newspaper, radio, personal contact, etc.). In the Comilla program, members usually learn about cooperatives from personal contact. In Iran and Pakistan, radio and personal contact are more frequently cited as sources of information about cooperatives.

Training

While all the countries officially recognize the need for training the local cooperative officers and members, training is seldom well organized and its methods are often defective. The cooperatives in the Comilla program in Pakistan are exceptions to this generalization. Under their more effective system, the chairman and manager of the cooperative and some “model farmers” attend training sessions at the headquarters of the Central Association once a week; they in turn transmit this information to the cooperative members at their weekly meetings.

Class Control

In all the countries studied, the multipurpose cooperatives and the credit cooperatives generally serve best the farmers with medium-sized holdings, for these individuals can make the most use of the services provided by the cooperatives. The landless classes, though not excluded from cooperatives by policy or legislation, often find these cooperatives less useful and therefore do not join them. It seems that the more heterogeneous the membership, the less class-conscious the cooperative becomes, and hence the less effective as a real agent of social change.

Generally, no legislation has provisions to prevent the vested interest groups inimical to cooperatives from joining them or controlling them from the inside. One exception, however, is in Sri Lanka, where local contractors cannot become members of the executive committees of the cooperatives, as cooperatives sometimes compete against these contractors in undertaking contract work.

Social Organization

In the three Latin American countries, the primary cooperatives are generally based on some social-ecological group — a hamlet, neighborhood, or village group. In the African regions studied, the cooperatives are organized less directly on the basis of local social or administrative entities and more commonly on the basis of an economic interest. In the three Asian countries, most of the multipurpose cooperatives include more than one village community, while credit cooperatives (including those in the Comilla program) are based on one-village communities.

Leadership

Leadership of cooperatives in Latin America is in the hands of “pivotal men,” persons in contact with the outside government and other agencies who interpret the cooperatives and other innovations to the members. Independent at first, these leaders generally later come under the influence of government officials, carrying out their instructions and communicating them to the members. They cease to act as spokesmen of the members. Sometimes they are a part of the local administrative or political hierarchy, and often they end up being assimilated by it. There are many cases of pilfering of funds and of personal social advancement coming before the interests of the local group. The leaders are formally elected and can be changed, but in reality certain leaders tend to be reelected indefinitely or elections are held only rarely. There are many similarities with Africa in this regard, although the bases of cooperative leadership in Africa are more diverse. Nonetheless, the real decision-making powers concerning the general policies and the functioning of the cooperatives lie with government officials rather than with the formal leaders of the cooperative. The “intercalary man” enjoys considerable personal advantage. There are severe problems of

financial abuse and mismanagement in which local social participation is often minimal.

The leadership of Sri Lankan cooperatives rests with relatively more educated men who have worked outside the villages in some capacity, frequently in government service as clerks or schoolteachers. Often they are not the largest landowners in the village and are not former village headmen. Generally they belong to the dominant castes and kinship groups in the village.

The leadership of cooperatives under the Comilla program in Pakistan has similar characteristics, except that leaders are less frequently in contact with the outside world and are relatively less educated than their Sri Lankan counterparts. In contrast, the leaders of cooperatives in West Pakistan own more land than those in Sri Lanka and Bangladesh, although they are not necessarily the largest landowners in the villages. Leaders in Iran are less literate than are leaders in other countries, and they are not generally chosen from among the landlords. Finally, as parts of their village communities, leaders frequently act as spokesmen *vis-á-vis* the government bureaucracy. However, this is less true for Iranian leaders, whose role is considerably eclipsed by government officials.

Resistance

Resistance to cooperatives comes from different sources for different types of cooperatives. The strategy of opposition generally changes with the development of the cooperative.

In Latin America, there is practically no resistance at the introductory stage, when the cooperative exists as a “cultural enclave” relatively independent of its milieu. Later, however, the vested interests in the political, religious, and economic structures tend to assert themselves and the vitality of the cooperative is sapped. The cooperative contradicts its own principles and becomes a business enterprise like any other, that is, if it survives at all.

In Asia, the Sri Lankan consumer cooperatives face limited but overt opposition from local shopkeepers. If a cooperative survives this resistance, the shopkeepers then try to control it covertly. In cooperatives under the Comilla program, limited resistance has come from religious *functionaries* and from various factions. In Iran, there is little resistance to cooperatives, though in certain cases groups loyal to absentee landlords have tried to control them.

For the regions studied in Africa, resistance is not systematic and is mixed with indifference. The spontaneous and voluntary movements built on grass-roots enterprise have diminished in importance, but the pattern of use of the cooperatives may vary or agree in different districts.

THE PERFORMANCE OF RURAL COOPERATIVES

As many official government inquiries in Africa and as independent appraisals have shown, rural cooperatives have seldom achieved the goals set for them by economic and social planners and others, especially where these goals have included structural change. Indeed, especially in Asia, if governments were now to withdraw the legislation that established the cooperatives, popular support probably would not be strong enough to enable them to continue on their own.

Cooperatives have been introduced, but the scope of their activities bears little relation to the dominant economic patterns — their performance is simply irrelevant in the wider context of social and economic change. In the Third World, only a very small proportion of the total number of farmers are even touched by cooperatives, let alone effectively dependent on them.

Complicating any assessment of this situation on all three continents is the problem of other events and forces that have paralleled the development "from above" of the cooperative movement. For instance, in the Pakistani communities studied, the influence of moneylenders has waned, primarily because after independence, professional moneylenders migrated to India.

Another difficulty besets the appraisal of the performance of cooperatives. Their impact *in toto* may bear little relation to their stated goals. Indeed, conceptions of the official sponsoring agency concerning the aims and objectives of a cooperative may differ considerably from the views of the local farmers.

For these and other reasons, assessing the performance of cooperatives is a highly complex task. Even where positive results are obtained, they are difficult to evaluate satisfactorily. This section therefore will simply discuss some of the themes that any comparative appraisal of cooperatives must take into account, in light of the aims to which cooperative policies are commonly directed. These include: (1) self-reliance, (2) agricultural innovation, (3) social and economic equalization, and (4) structural change.

Self-reliance

Liberal ideology, under the influence of which the cooperative movement developed, aimed at self-reliance for villages and local communities, which would be served by voluntary organizations showing "a healthy independence from government." Contemporary socialist planning in Asia and Africa started from the assumption that the rural areas were, first and foremost, in need of animation, political education, and further economic development before they could fulfill their potential. Where the old emphasis on community self-sufficiency continued, it was in a somewhat different context.

While cooperative policies were proposed from both liberal and socialist points of view, with similar reformist aims in some circumstances, the differences between

them should not be forgotten. In Latin America, the liberal point of view has been the more relevant of the two. Cooperatives there aimed less at the stimulation of local movements than at their control, in the interest of national integration. The situation reported for Asia, where the landlord dominates local institutions, is similar. Self-reliance has been especially prominent as an objective of African policies.

The introduction of cooperatives into local social systems that are already strongly structured along hierarchical lines often has not brought about much reform. These systems are not characterized by "communalism," as so many cooperative policies suppose. Far from having restructured those social systems, overall the cooperatives have mounted to little more than minor irritations. New leaders, like the "pivotal men," are quickly co-opted. In some cases, cooperatives, whether as mechanisms for the control or the release of local initiative (or for the administration and rationing of scarce resources), are established only by means of that same local patronage that both social reformism and more comprehensive approaches aim to overthrow. Here the sway of the latter has, if anything, been strengthened rather than weakened, and the net performance of cooperativism has been to prevent, rather than to foster, new local initiative or power groups.

One assumption about rural areas that argued the need for cooperatives was that the rural areas were underdeveloped because they were underproductive. This unfortunate state of affairs was said to be due to inappropriate social values, attitudes of dependency on the outside, and so on. As often as not, however, the net effect of the external linkages with these remote areas that the cooperative superstructure represents has been the creation of such conditions of dependence where they did not exist before: the state becomes a new "patron." Organizational blockages between the local level and the outside world have been introduced. Then countervailing social forces meet head-on the objectives of cooperatives.

Of course, despite many setbacks, the performance of cooperatives in promoting local initiative and self-reliance has not been entirely negative. The cotton and coffee cooperatives in Africa, for instance, have at least brought in new forms of social organization at the local level; often there is significant local social participation when these organizations are small in scale, despite the high degree of identification they have with central governments.

If self-reliance were significantly stimulated, however, the central governments might consider the resulting situation to come dangerously close to subversion. Under these circumstances, the cooperatives with less social content (those mainly concerned with economic ends) may, in the end, have more social impact than those that explicitly aim to reform "the human factor."

Finally, through cooperatives labor-intensive methods might foster self-reliant enterprises while they cut capital costs, but even these methods require some recurrent expenditures that central governments and other “external” donors cannot meet.

Agricultural Innovation

Often what is meant by “agricultural innovation” is simply the diffusion of known agricultural practices, including credit to finance them. We have not found rural cooperatives to be particularly significant, either positively or negatively, in their effects on this diffusion process. Both failures and successes are known, but nothing suggests that any general policy could be formulated here.

At issue in agricultural diffusion is, essentially, a function of extension and administration literally down to the grass-roots level. Where cooperatives have meaning at this level, and where the methods of agricultural demonstration have meaning to individual farmers in the context of their own farms, a new practice may well be propagated successfully. But ALL the circumstances, especially those concerning prices and transportation, must be suitable. This points to an overall happy combination of circumstances for which there is no single organizational formula in the cooperative or any other sector.

Farming plans or budgets drawn up for the cooperative or its constituent units are just as subject to technical error as are other agricultural development plans drawn up for land that either has not been settled before or has been farmed only extensively. For such areas, adequate physical or social statistics, for example, are seldom available to allow better planning. There is no evidence that rural cooperatives are especially well suited to provide basic information for planning authorities.

Here a special word on credit is necessary, because in all regions studied, credit intended for agricultural use is one of the services made available through the cooperatives. Where, as in Latin America and Africa, credit thus supplied provides people with an alternative to the big commercial banks (which may be far distant), cooperatives may fulfill an important function in rural development. Where cooperatives have brought new organizational facilites to the local level, agricultural credit can be channeled through them directly to those who wish to use it. In many countries, however, credit through cooperatives has not been used for productive purposes, but rather has been restricted to secondary functions tied to local control groups, while the head office of the organization may be in another country.

Social and Economic Equalization

As means to greater economic opportunity, more social participation to achieve this, and more equitable distribution of income and wealth, the activities of the

cooperatives must touch significantly on the main resources involved. They do not always do so. Few cooperatives in Asia, for instance, are concerned with land redistribution. In Pakistan, with its emphasis on private enterprise, the implications of the “green revolution” are entirely outside the cooperative sector. Any equalization that could be achieved, therefore, could affect only a highly selective category of people in the rural areas.

Furthermore, as regards the distribution of credit, an improved system may produce only an apparent equality because in the long run, all credit has to be repaid.

In all the regions studied, where credit cooperatives have been extended, the net effect of issuing credit through them has been to increase rather than decrease existing inequalities. What starts as a cooperative venture may not develop as such when other organizations and forces in the community are, if not anticooperative, then noncooperative.

Moreover, the introduction of cooperatives can further harden the lines of bureaucratic communication. Where a local community is firmly structured in terms of a local power elite, and where the cooperative committees have been captured by inimical vested-interest groups, democratization of local institutions by the cooperative is not to be expected.

A key factor in social participation is the level of aspirations on the part of local farmers. In Africa and Latin America, these levels vary widely, being high in some regions but low and nonrevolutionary in others. In Sri Lanka, despite high literacy, they are low. In Iran and Bangladesh, the levels are higher. Where economic aspriations are high and the cooperatives are unable to help to meet them, as in Latin America, all that may be achieved is to raise the level of frustration and to sow new seeds of discontent.

Again, actual achievements in equalization through rural cooperatives fall far short of the goals envisaged by the policy makers. In Sri Lanka, for example, probably only one-third of the members of credit cooperatives are eligible for new loans because the other two-thirds have not repaid the old ones or bought the requisite number of shares. Few multifunctional cooperatives in Sri Lanka, Latin America, or Africa are effectively implemented. In those societies where several functions are performed in the same structure, it has not been proved that losses suffered on the roundabouts are made up by profits gained on the swings. Some African studies suggest that most benefits of the marketing cooperatives may be confined to those farmers who are not in greatest need of them within the district. Where neither the smallest farmers nor the most efficient benefit most, those who do gain are, in effect, unjustly subsidized by the less underprivileged or the more competitive.

Structural Change

Structural change may include an institutional recombination of circumstances and/or resources. When this is done by central governmental planning, the state plays an entrepreneurial role in the reallocation of human resources. Toward this end, the state may adopt a strongly coercive or interventionist position, holding that the development problems are too pressing and too intransigent to be left to voluntary action and chance. As in Latin America and Africa, the outbreak of violence, or the threat of it, may help to shape this approach to a development policy.

In theory, cooperative policies epitomize structural change, both in spontaneous "explosions" of cooperative ethics at the grass-roots level and in "planning with socialism" at the center for the benefit of the periphery. They aim to help in the transfer of resources, authority, and influence from one social group to another, and to bring about a closer relation between reward and effort. The results achieved, however, might be precisely the reverse of the goals. The use of violence and coercion to implant cooperatives in an unwilling area does not alter the fact that the aims of the interested groups are different. Indeed, the incidence of violence may be an index of such differences and their importance. Furthermore, where "social obstacles to economic growth" are found, grass-roots ideas about structural change may differ from those of central government planners. The pioneers of Rochdale, for instance, saw the main social obstacles in the social values, relations, and aspirations of the middle and upper social classes. Similar points of view are evident at the grassroots level in Africa, Asia, and Latin America today. Central planning, on the other hand, in Europe and elsewhere, tends to blame the economic backwardness of rural areas on the "traditional" social and cultural features of peasant or tribal society, i.e. on the social relations of the working classes.

We have found no satisfactory way of generalizing about the effects of tradition on the performance of cooperatives in changing the social structure, where departures from social continuity are the most strongly marked. While some traditions in the religious and cultural spheres do significantly influence economic behavior, as in Asia, the opposite may be equally true, especially in Africa and Latin America. This is but one of the difficulties.

For such factors as levels of literacy or education, African studies, for instance, have not yet established cross-cultural correlations with levels of performance of cooperatives (although it is obviously self- defeating to have nonnumerate bookkeepers and nonliterate secretaries). Even as regards health and nutrition, little is known with certainty. Many of the activities involved occur in a context known to social science and planning as "the subsistence sector." Though this sector covers perhaps the greater part of the world's population, unfortunately there are still more preconceptions about it than hard facts at the disposal of social planning.

In this connection especially, the subject of women's work is of crucial importance. While women are often the chief agricultural producers and distributors within the subsistence sector (as well as the mainstays of cash-crop production), cooperatives are neither specifically concerned with "subsistence" crops nor especially open to women's membership. In some circumstances the introduction of cooperatives has come between women's work and its returns, resulting in adverse effects on agricultural output.

In practice, there is much evidence of the marginality of rural cooperatives in implementing structural change, in spite of their goals. Sometimes this is related to a conservative political context in which the new organizations have reinforced rather than reformed the existing social structures and values. Sometimes more important is the ambivalent nature of the ideology behind these development models in the countries of origin; in the process of transplanting the models, this ambivalence may have been left unresolved.

GENERAL POLICY IMPLICATIONS

That the cooperative ideas we have examined and criticized have been imported from Europe to Latin America since the middle of the nineteenth century and to Asia and Africa since the beginning of the twentieth century poses the usual problems of transfer, diffusion, and adoption of an alien cultural complex, one that was supposed to help to overcome "social obstacles" impeding fuller Westernization. Local elites, politicians, missionaries, and international experts were among those who played determining roles in furthering Westernizing efforts in the name of "modernization." In Africa and Asia, the introduction of cooperative policies became part of the colonialist policy of social change after, and alongside, some spontaneous developments "from below" and in different forms. In Latin America in particular, another aspect was the part played by an intelligentsia closely linked with local political power groups.

The intensity of imposition of this Western model varied. In Asia, for example, the intensity was low where British policy aimed to maintain existing forms of local institutions intact, and cooperatives were introduced mainly to tackle the problem of rural indebtedness. In Africa, a welfare function of cooperatives was particularly prominent. In Latin America, commercial and capitalist dimensions were quickly grasped locally without need for much coercion by the state. In all three areas, the predominant ideology related to the liberal revolution with its democratic and educational tenets, to which utopians and revivalists had added some semireligious trappings.

After several decades of trial and error in effecting this cultural transfer, and after the addition of models from the United States, Scandinavia, and Israel, on the whole the results achieved at the local level, especially from the social standpoint, are not convincing, as the above broad review of present performance of rural cooperatives illustrates. The question arises, then, about the

wisdom of continuing along this dubious way, with its low probability of success and its waste of expectations, talents, resources, and funds. More promising solutions to the problems of social change must lie elsewhere. Given the levels of organization and resources already invested in the cooperative sector, however, the possibility of creating new forms of rural cooperatives should be explored before beginning to search for other solutions. Where the aims and spirit of existing cooperative policies are genuinely intended to benefit the rural populations to which they are directed, but where the institutions and inputs are ineffective or even counterproductive of the original intentions, a more radical reorientation of social-planning policy would now seem to be a crucial and urgent necessity.

Administrative Reforms

The focus of the studies we have considered here is further social and economic development at the local level. Where, as in some African countries, a cooperative sector has become an integral part of a central planning system concerned, NOT with marginal economics, but with crops and environments that are of major economic importance locally, any generalizations that can be made on the basis of inquiries largely focused on the local level are obviously greatly limited in their application. Furthermore, while cooperatives in the three regions exhibit many similarities, they differ in the scope of institutionalization, as, for example, between religiously motivated, small credit societies and government-sponsored, national cooperative organizations covering credit and production of major items. The following reflections on administrative change within the existing order, where other than marginal change of this kind is for some reason precluded, are to be interpreted accordingly.

Where membership in the cooperatives is confined to a minority of the population affected, or is on a basis where productive and other activities eventually are structured on other grounds, reform is needed to bring about wider representation and participation. The existing priorities of the policies of many cooperatives should be revised. Tutelary control “from above” should not be so inflexible as to stifle local initiative. Moreover, if cooperativism precludes the rewards and sanctions that development in other sectors demands, it will foster a specious form of social welfare. Real rural development is diverse, not unitary, in its forms, because rural communities, like others, are and will continue to be socially, politically, and economically differentiated. Categories of cultural homogeneity, useful though they may be for positivist scientific description and analysis, are misleading when applied to individual cases. Average man is no man in particular; this is as true of peasants as of anyone else. Degrees of uniformity are convenient and necessary for administrative purposes, but where flexibility disappears altogether from the local bureaucratic component, the original administrative purpose of making social and economic savings is defeated.

Rural Action Units

A more creative alternative to self-defeating, minor administrative reforms of existing institutions would be a policy that aids new social organizations that could stimulate the dynamic potential of a peasantry, helping it to break out of both new and old forms of exploitation and disadvantage and to gain a just measure of social and economic participation. To provide farmers in developing countries with all the services essential for their work and well-being would require profound social and structural transformations. The liberal, pragmatic cooperative models exported from Europe during the last century, which were designed and functioned mostly to accommodate social change in capitalist systems or to promote only partial forms of social welfare, as a whole have proven to be inadequate for more demanding tasks. Given the speed with which social and political pressures mount in the Third World, a strong effort appears to be necessary in order to combat imitative practices and to encourage local formulas and local creativity. This may imply the perfecting of an essentially economic model with social components rather than a social model with economic components, as well as a new political idealism. It does not mean that old controversies concerning the feasibility of the socialist and capitalist models of cooperation, for instance, left unresolved in Europe, should simply be transferred to the Third World.

There are at least two structural factors that may limit the actual evolution of new approaches in developing countries. One is the weight, in rural traditions, of vested interests in unjust patterns of land exploitation and trade practices, and of certain features of caste and class impeding full participation of subordinate groups. In this context, however, it would be incorrect to conceptualize peasants as always (or necessarily) passive or fatalistic, incapable of reasoning and creating. Such passivity, ignorance, and individualism as do exist must be seen at least partly as a result of generations of cultural and other conditioning to poverty and insecurity.

A potential for change and progress in peasant populations has been demonstrated in numerous sporadic uprisings and revolutions (especially in Latin America and Africa), in readiness to accept technical innovations that are clearly beneficial, and in willingness to undertake genuinely collective projects or communal tasks. The main problem faced here by social policy is how best to stimulate this dynamic and gregarious portion without giving impulse to the other, more autistic parts of peasant society that profit from the status quo. Tagore, Gandhi, and Allende attempted to bring about change at the local level through peaceful means and failed; the results of the Arusha Declaration are yet to be seen; the Mexican and Bolivian revolutions have spent their initial force and, for rural development, are now in need of recommencing.

The second structural factor limiting the development of new rural action models, on the one hand, and administrative reform, on the other, is excessive control

and coercion by central political and religious authorities. Granted the need to survey national efforts to achieve economic goals or to promote the common good, such control and coercion frequently appear as a new form of alien domination when they are not truly responsive to local conditions and needs.

This is especially clear in those countries where independence has been achieved but where the governing elites (mostly foreign-educated or foreign-oriented) still live mentally in the colonial world or profit from imperialist connections. New reform ideologies may make their appearance there, some under the guise of socialism, others as coups against feudalism, yet at the local level little of the peasantry's social participation is effective. Central control should reflect the dynamic contribution that local culture could make. It should not mean merely that central elites maintain the same commercial, credit, and marketing cooperative models developed either *in situ* during the colonial period or in dominant countries outside.

Cooperatives have usually been introduced in response to economic and social cycles of increased poverty, violence, or crises of various kinds. They represent a liberal choice to promote "democracy." For them to succeed in the task, as recognized by the International Co-operative Alliance and other international bodies (e.g. the International Labour Organisation and the Food and Agriculture Organization) the philosophical bases of the cooperative movement must be modified to respond to those conflicts and contradictions encountered in developing countries. Their proposed modifications, however, have not gone far enough. Students of co operatives face today a grave dilemma: either to sanction and support "cooperatives" that have little, if any, chance of realizing their aims or to promote active peasant organizations that would indeed challenge the status quo.

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