

# ANALYSIS CONCERNING ACTIVITIES OF THE AGRICULTURAL COOPERATIVES AND THEIR MEMBERS' EXPECTATIONS WITH REGARDS TO SUSTAINABLE AGRICULTURE (SIGNIFICANT DIFFERENCES AND RETHINKING)

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## ABSTRACT

The emergence of new technologies in agriculture have promoted and offered people to develop new methods to transfer earth's resources into affluence. This has led to the social development in the world and increased welfare. The first wave had led to emergence of agriculture-based small family businesses based economies. This brought about the end of the Labor-intensive works, hunting, gathering food from rural areas for basic livelihood. The industrial revolution which is regarded as the second wave have led to an increase in the activities that are carried out in factories. In industrialized societies, it led to formation of powerful and large companies. Unbalanced and uncontrolled power and wealth has led to an imbalance in the distribution of income in society. Ultimately, economic crisis and adverse social events began to take place. Highly developed societies have developed consensus to be ready in order to avoid similar crises in the third wave. The year 2012 is declared as Year of Cooperatives; and hence this has been as a result of this idea.

Consequently, cooperative partnerships are an important actor for sustainable development. When countries are ranked as for their level of development, it is observed that there is a strong positive correlation between their level of development and their ability to establish efficient cooperatives. The aim of this study is to make an analytical research based on empirical studies about cooperative's services for cooperative members, the expectations of the cooperative members, co-employment contributions, employees' social rights and wage status, members' incomes derived from agricultural activities, training and educational conditions of employees and members of agricultural cooperatives currently operating in Bolu and Düzce Provinces of Turkey, which are located in Western Black Sea.

We are in the opinion the results obtained from this study will contribute to shaping of emerging new plans and programs for community development and sustainable development when rethinking about the future of cooperatives.

**Key Words:** Cooperative, Agriculture, Cooperative Members.

## **1. INTRODUCTION**

Investigations reveal that the Small Agricultural Administrations in Turkey cannot evaluate their products and that they have not arrived to a desirable level as for training, information and horizontal and vertical integration. In this respect it appears that the agricultural cooperatives are not at a satisfactory level particularly in arriving at a sustainable development.

It is known that the problems that are encountered and their consequences detrimentally influence the societies. They may lead to significant social events if they become persistent. Social development should be based on the honor and respect foundation of the individuals and it should develop the alternative solutions in order to prevent inequalities in the distribution of national income, and should assure the development of the societies without seeking any bias or discrimination.

The problem which the small agricultural administrations encounter, indeed affects the societies as for sustainable development and decreases the production quantities and qualities. The problems that affect the society lead to the emergence of the solutions and alternative ideas with themselves. It also brings forth the need to activate the required changes in individuals, groups and in the whole society as well. The societies which are closed to innovations are generally those that are undeveloped. The developments of such societies are generally not possible.

The sole presentation of the ideas regarding the development of the societies and keeping them only at an abstract level cannot solve the problems. To do so, it is essential that the existing status should be thoroughly and comprehensively analyzed in order to project the education and change idea and to prepare the solution projects. To analyze the existing conditions of the cooperatives require correct focusing of the projects which shall be implemented for solution of the problems.

Basically, when we reconsider the future of the cooperatives, it is generally believed that it shall lead to significant contributions in the formation of the new projects for social growth and sustainable development. For this purpose the below issues are carried out in the research part of the study: Interviews and conversations are carried out in the sample which contained the agricultural cooperatives in Bolu and Düzce Provinces. Although the results of the research were related with the cooperatives and their partners it is considered that it shall contribute to the health, education, cultural, social and human rights aspects of the actors and to donors of the non-governmental organizations.

## **2. CONCEPTUAL FRAMEWORK**

### **2.1. Agricultural Cooperative Sector**

The cooperatives are the partnerships which are established in order to meet the economic, social, cultural, vocational and welfare needs of their partners that are gathered by voluntary, individual and corporate entities.

They are organized in horizontal and vertical types within the frame of the democratic organizations and they are independent partnership organizations which have corporate entities. (Cooperatives Code article No. 1). The fast and rapid change and transition which the industrial revolution has created has led to the development of several new structures in the world. The collapse of the feudal system, unemployment, migration from rural to urban centers, the inequalities in the distribution of income, the consequential economic and social problems which have emerged have become significant factors in the emergence of



The desires of the individuals and communities to support these organizations together with the emergence of the democratic organizations in Turkey have further gained impetus by time. The cooperative partners have started to express their thoughts and problems in these organizations thoroughly and comprehensively.

### **3. THE METHODOLOGY**

Quantitative research method is used in the research part of the study. The data of the research is obtained during the interview and conversation form which depended on structuralized question form. Also, scanning model is used in the research in observing the existing layout of the agricultural cooperatives and effort is spent to define and express how this would lead to a sustainable development.

#### **3.1. The Problematic**

The investigations and surveys that are made in Turkey reveal that the agricultural cooperatives in Turkey are rather in small scale having small number of partners, that they cannot meet or satisfy the expectations of their partners, that the goods and services that are offered are expensive and insufficient, that the adequate information and technology are not utilized. Hence, it is considered that under existing conditions, it would not adequately contribute to the sustainable development. Also, it is understood that the studies in such investigations and surveys are qualified as conceptual. Therefore, the determination and solution of such type of fundamental problems are expected to provide support to the action plans which shall be prepared in order to solve the problems of the small scale agricultural administrations in Turkey. On the other hand, wishes and recommendation towards solution of the problems of the agricultural cooperatives have encountered, the reorganization and project regarding sustainability yield to an important source to the logical frame matrix in the offer and application, said issue is considered as the basic problematic of the study.

#### **3.2. The Objective and Significance of the Research**

The information age has led to important contributions to the development of the countries and societies as well as in their reorganization. Also, the wishes and desires of the individuals and communities to support the organizations where they are a part, have further increased with the recently emerging new organizations as parallel to the growth and organization of our country. When sustainable development is considered as for its contributions to the society, the renewal and preservation of the natural resources and to their inheritance to future generations, it gains significance. The services which the agricultural cooperatives in Bolu and Düzce provinces offer to their partners, the expectations of the partners, the conditions of the revenues which they obtained are sought to be investigated empirically. Therefore, the contribution of the sustainable development to the cooperatives points out to the significance of the study.

#### **3.3. The Universe and the Sample of the Research**

The Universe of the Research comprise to the entirety of the agricultural cooperatives which are active in Bolu and Düzce Provinces of Turkey. The convenience sampling method is preferred in the research. According to it, the sample of the research is chosen as the agricultural cooperatives that are active in Bolu and Düzce Provinces including their partners and administrators. The communication addresses of the cooperatives are obtained from the Provincial Agricultural Directorates. There are totally 262 cooperatives of which 185 are in Bolu; and 78 in Düzce Provinces. After the cooperatives are classified as for their number of partners, 300 interviews and conversations are carried out by the cooperatives of which the number of partners exceeded 100.

### 3.4. The Gathering and the Assessment of the Data

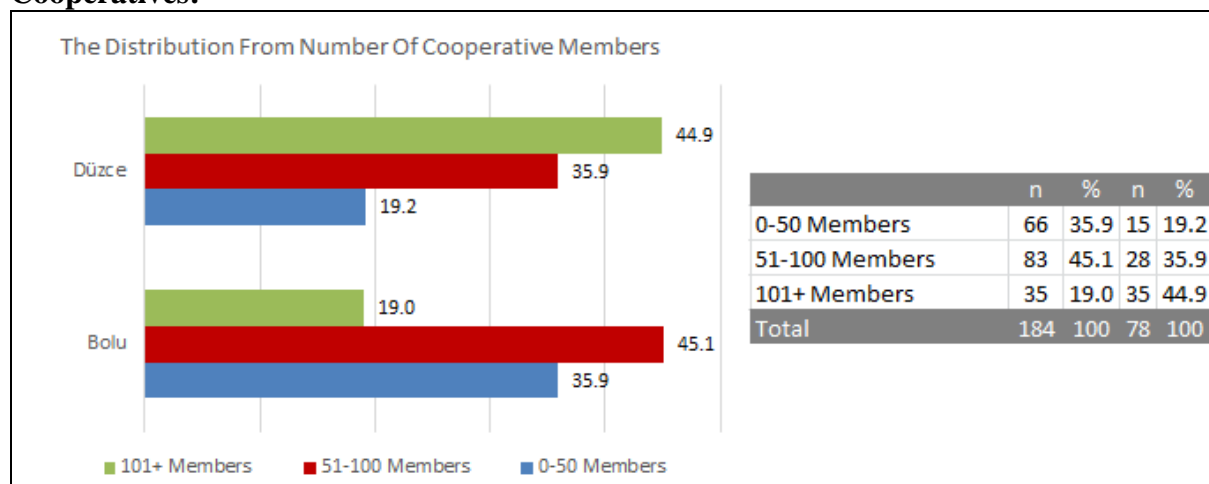
In this frame, conversations and interviews that are compatible with the structured form are administered to the directorates of the cooperatives are applied. The data are analyzed with SPSS 15 program and the results are evaluated according to these data. The means by which the findings of the study are reflected in the sustainable development are attempted to be pinpointed.

## 4. FINDINGS AND DISCUSSION

### 4.1. The Sizes and Distributions of the Cooperatives

The results that are obtained from the interview and the conversations are seen in Table 1 and Table 9.

**Table-1: The Sizes and the Distributions of the Cooperatives:**

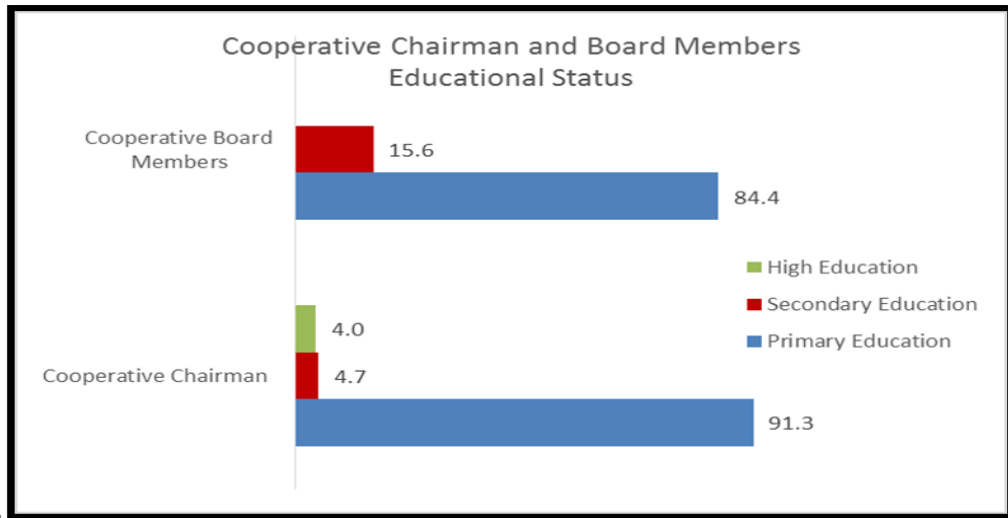


As shown in Table-1, there are small cooperatives with regards to the number of partners in both of these provinces. Whereas, it is known that in developed countries, the number of cooperatives is less and the number of their partners is more than those that appear in Turkey. It can be said that this result negatively affects the cooperatives in the provinces where the research is carried out as for their productivity and profitability.

### 4.2. The Educational Levels of the Chairmen and the Administrative Board members of the Cooperatives.

As shown in Table-2, the Educational Levels of the Chairmen and members of the Administrative Board of the of the Cooperatives are classified as shown below: Those who have not attended to any school, primary school graduates, secondary education graduates and higher education (university) graduates. It is observed that, 252 of the research participants are primary school graduates, 13 are from Secondary Education Graduates and only 11 are higher education graduates. Also among the Board members it is observed that 466 are primary school graduates, 86 are Secondary Education Graduates and that no higher education graduate are present. According to these results it can be commented that the educational states of the Chairmen and the Board members of the cooperatives are not at adequate levels. The question of “Should the education to be rendered to the partners be signified?” the partners who replied it as very important, 55 replied as definitely unsuccessful, 35 as unsuccessful and 10 as successful. The partners who answered that “The education of the partners is important” have replied as close to those who replied as “Definitely successful”. According to these results, it can be said that the partners signify education but the cooperatives do not render sufficient service about education.

**Table-2: The Educational States in the**

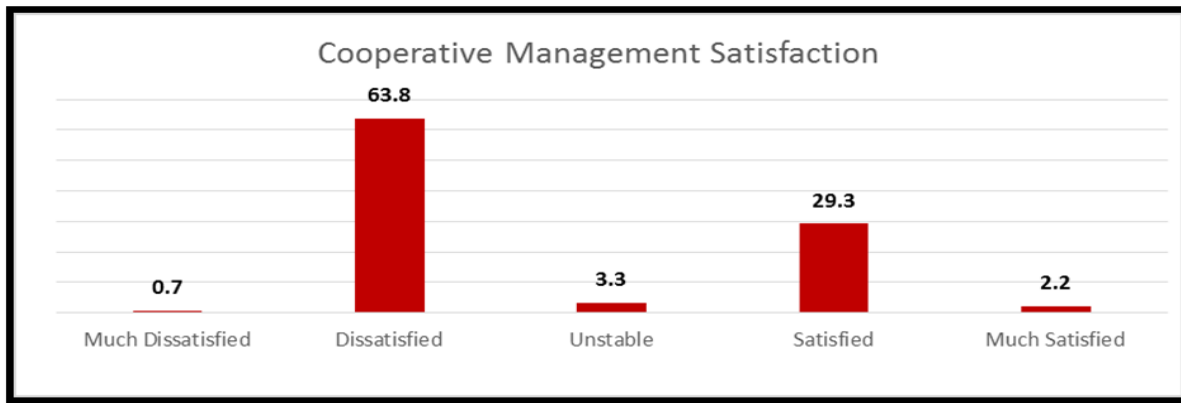


Cooperatives

**4.3. The Satisfaction of the Partners from the Cooperative Management**

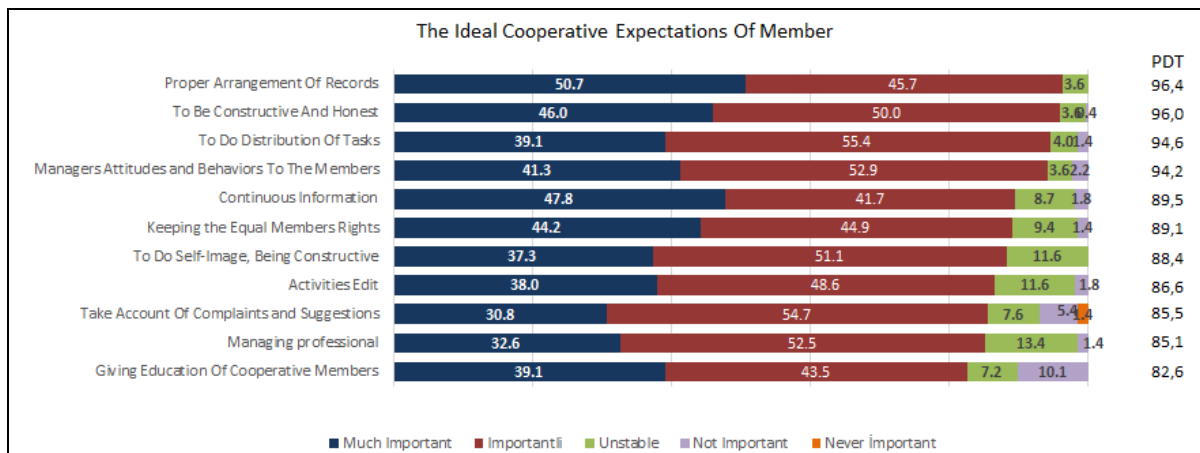
According to Table-3, the satisfaction of the partners from the cooperatives' administrations are observed as shown below: 0,7% were very replied as very dissatisfied, 63,8% as dissatisfied 3,3% as undecided, 29,3% as satisfied and 2,2% as very satisfied. According to these results 31,5 of the partners expressed their satisfaction and 64,5% expressed their dissatisfaction and 3,3% remained undecided. Thereby, it is observed that a 33% significant difference is found between the total of the positive values and the total of the negative values.

**Table-3: The Satisfaction of the Partners from the Cooperative Management**



### 4.3. The Expectations of the Partners from and Ideal Cooperative

Table-4: Expectations of the Partners from the Cooperatives



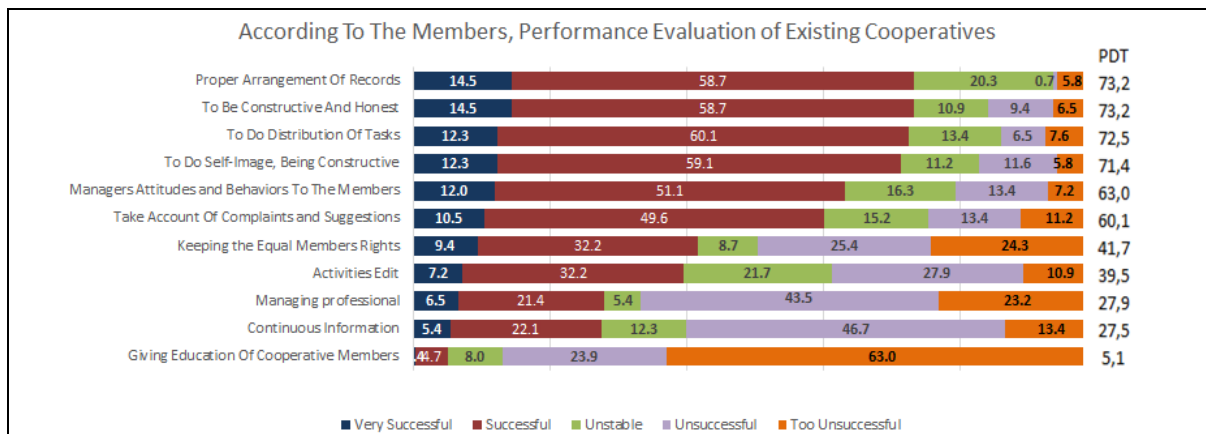
\*PDT: is an abbreviation which denotes Positive Value Judgment in Turkish Language

According to Table-4, concerning the expectations of the partners from an ideal cooperative the option of “Keeping the cooperative records properly and in compliance with the actual figures” is replied by the respondents as agreed by 96,4% which is a very high level. This highest score is followed by other criteria including transparency and constructive attitude of the cooperative management and distribution of duties should be carried out in the management.

### 4.5. Performance Evaluation in terms of the Partners of the Cooperatives

According to Table-5, the partners have expressed about the performance evaluation of the cooperatives as keeping the records realistically, to be transparent and being constructive, the distribution of duties, to do self-criticism respectively. The partners perceive the cooperatives as extremely inadequate about rendering training and proper communication aspects.

Table-5: Performance Evaluation in terms of the Partners of the Cooperatives

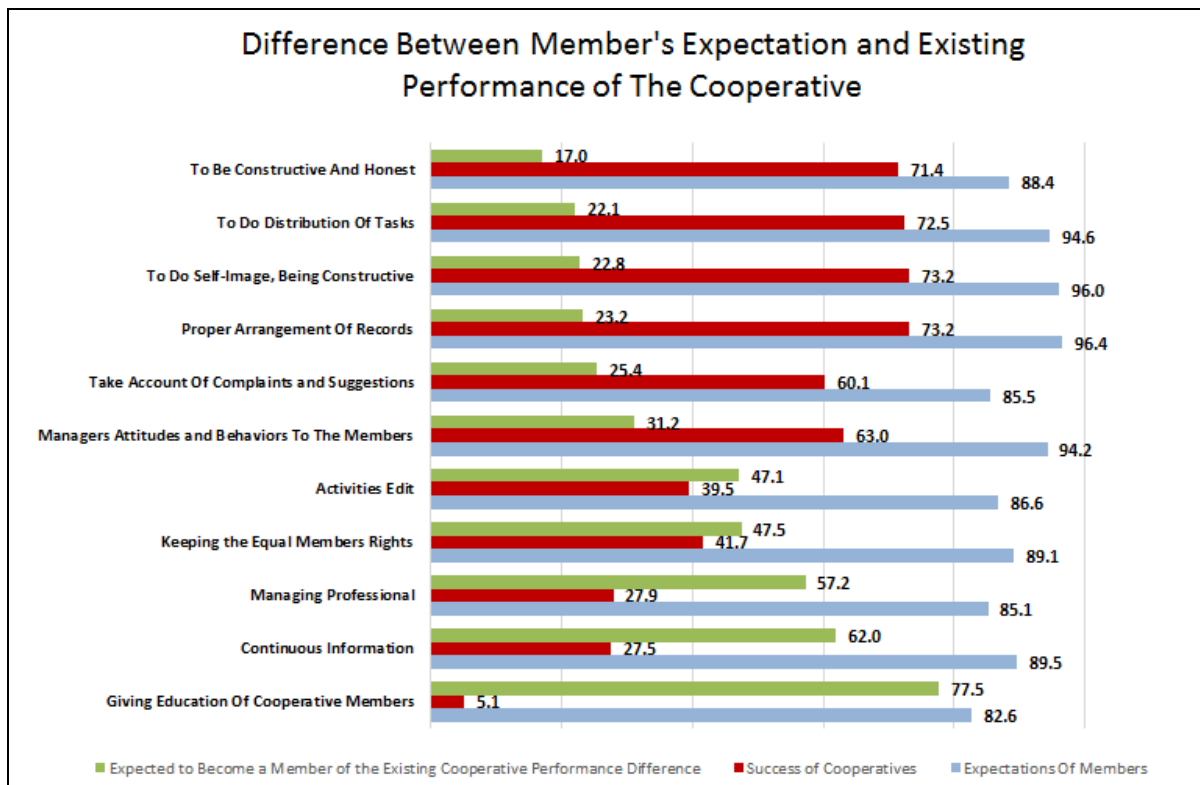


#### 4.6. The Differences between the Expectations of the Partners and the Performance of the Cooperatives

According to Table-6, when the expectations of the partners from the cooperatives and the performance of the cooperatives are evaluated together, it can be commented that the difference between the two variables mentioned above can be improved. These are primarily the education, continuity in communication and professional management options. The expectations of the partners about education is 82,5% and the performance of the cooperatives is 5,1%. The difference between them is 77,5%. However, the variable in which the performance difference is the lowest is to do self-criticism and to be constructive. The expectations of the partners about this subject is found as 88,4% whereas the performance of the cooperatives as 71,4% leading to a performance difference of 17,0. Therefore, it is commented that if the cooperatives further improve this process, it shall lead to further satisfaction of the partners.

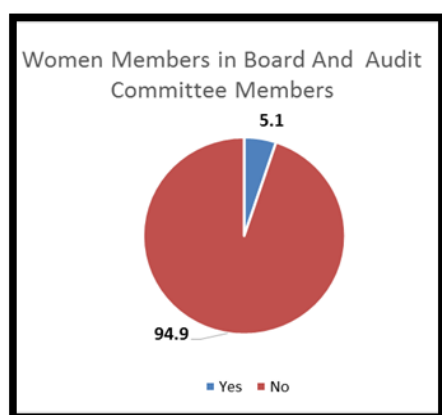
**Table-6: Difference between Partner’s Expectations and Existing Performance of the Cooperative**





#### 4.7. The genders of the Administrative Board and Auditors Board in the Cooperatives

**Table-7: The Genders of the Administrators in Cooperatives**



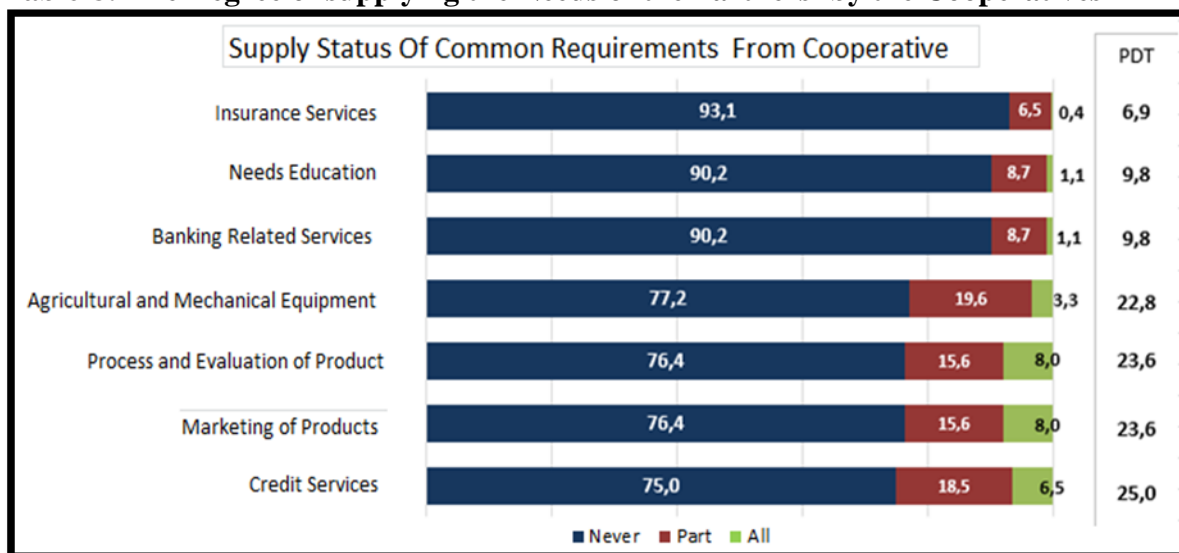
Are there female members in the Administrative and Auditing Boards of your Cooperative?				
		Frequency	Percentage	
Valid	0	4	1,4	
	Yes	14	5,1	5,1
	No	258	93,5	94,9
	Total	276	100	

According to Table-7 the question “Do you personally know the administrative board members of your cooperative and are there any female members among them?” is replied by the partners only 5,1% as “Yes” and the remaining vast majority replied as “No”. These results indicate that women are not sufficiently active in cooperative sector both quantitatively and functionally.

#### 4.8. The Degree of supplying the Needs of the Partners’ by the Cooperatives

According to Table-8, the conversations made by the partners indicate that the partners obtain high levels of support about credit services, the processing, evaluating and marketing of the products. To the contrary, they do not get any support about insurance, training and banking services.

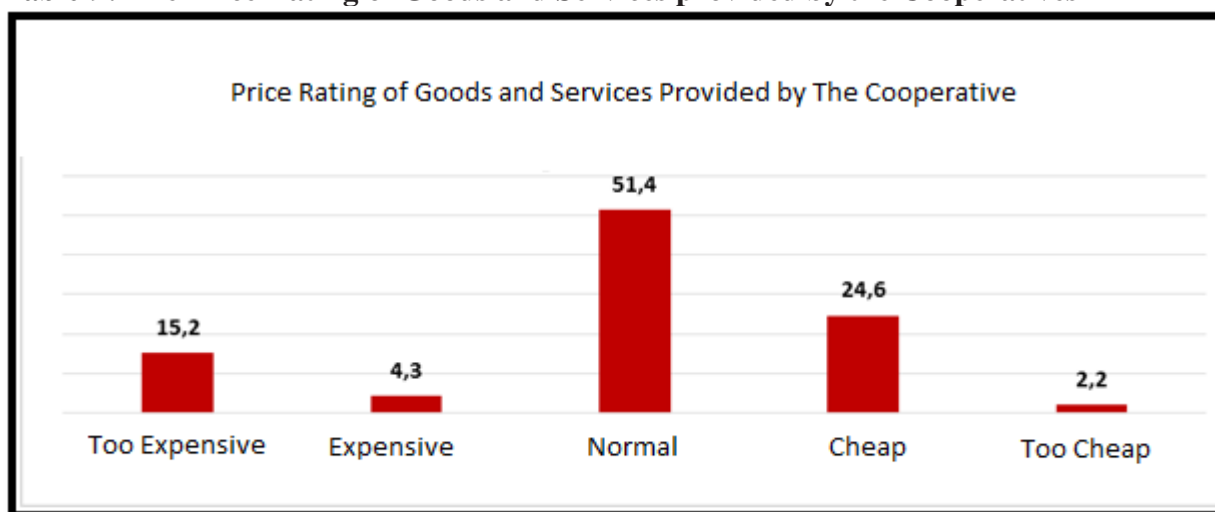
**Table-8: The Degree of supplying the Needs of the Partners' by the Cooperatives**



**4.9. The Price Rating of Goods and Services provided by the Cooperatives**

According to Table-9, the partners perceived the goods and services which the cooperatives supply as 24.7% cheap and 2.2% very cheap. As for the total of the positive values those who found it cheap or very cheap comprised to 26.8%. The remaining 73.2% of the partners found the goods and services which the cooperatives supply either as normal or expensive.

**Table-9: The Price Rating of Goods and Services provided by the Cooperatives**



**5. RESULTS AND RECOMMENDATIONS**

It is once more verified with this study that the cooperative system in our country is not at a desirable level when compared with that of the developed countries. Some of the results and the related recommendations in connection with this study are as shown below:

**5.1. Training and Research Activities**

In the research, the 82.6% of the partners have perceived the training which is rendered by the cooperative as inadequate and 5.1% as adequate. The difference between the positive values is 77.5%. According to this result there is a significant difference between the expectations of

the partners and the training activities of the cooperatives. In our country the educational levels of the producers of the small scale agricultural administrations and agricultural cooperative partners are low. In the society the cooperative culture and collective work traditions are not adequate. The insufficient R&D, the unqualified production capabilities of the partners, top organization inadequacy are considered to be stemmed from lack of cooperation, lack of interest to the cooperative activities lead to the perception problems related with economic events. On the other hand, inadequacy to research and information rendering seem to decrease the trust and interest towards the cooperative administrators. Also, it is difficult to present sufficient data about the production, employment, investment and share in the national income by the cooperatives. Therefore, it is considered that it shall be beneficial to establish data banks concerning the cooperatives in the Ministries and upper organizations. It is important to do cooperation with the universities who render cooperative training in the faculties.

## **5.2. Professional Administration and Human Resources Management**

In the research 85.1% of the partners have expressed that they expect the cooperatives to be administered professionally. The 27.5% of the partners have expressed that cooperatives are administered professionally. The significant difference between them is 57.6%. According to this result, there is a significant difference between the expectations of the partners about administration and the actual management type of the cooperative. In the research it is understood that no working office was available in the cooperatives apart from only one cooperative, that no personnel or professional administrator is employed. Also, only 4% of the cooperative administrators were graduated from higher education and 91.3% was graduated from primary school. Moreover, it is understood that the members of the administrative board are not university graduates. Consequently important problems are encountered in taking rapid decisions, in the management and in relations of the cooperative with the state bureaucracy. It is observed that there is only one cooperative which has a work office and which employed personnel. No cooperative which employed personnel was found apart from Pırpır Village which reports to Çilimli District of Düzce Province. This result is quite surprising and against the expectations as for the Human Resources Management in the provinces where the research is carried out.

## **5.3. Organization and Cooperation among the Cooperatives**

The number of partners in the cooperatives at the provinces where the research is carried out were: 30.9% had less than 50 members; 42.4% had between 51-100 and 26.7% were more than 100 members. It can be commented that although the number of cooperatives in Turkey is numerous, the efficient and strong cooperative understanding has not been emerged yet. In general the unit cooperatives have less partners, small scale and multi-purpose layout. As horizontal and vertical integrations could not be implemented yet, the cooperation between the cooperatives is not adequate. The lack of the upper organization and shortage of professional administrations inevitably lead to restrictions in rendering of consultation, project, auditing, supervision, marketing services and agricultural inputs, technical and legal services in cooperatives.

## **5.4. Access to Finance Sources and Insufficient Capital Problem of Cooperatives:**

As the cooperatives in Turkey are in small scale this leads to difficulties in financial assurance or guarantee rendering issues and to constraints in their access to financial resources. Cooperatives cannot make investments because their partnership rates are small. Finance problem weakens the competition power of the cooperatives and increase the economic and global risk factors. During conversation with the cooperative partners, the issue of support available to the cooperatives is replied by 90,2% of the respondents that they do not get any

support about banking and finance issues and 75% replied that they do not get any support about their loan needs. It is considered that taking and enforcement of measures by the governments in order to decrease the detrimental effects of global crises down to minimum and to decrease the imbalance in the distribution of national income and the development of the society and to solve the finance constraints of the cooperatives.

### **5.5. Sustainable development**

Sustainable development programs have multiple component and they are integrated works which complete each other through an “integrative approach” covering several residential centers located in predetermined geographical zones. Cooperatives is one of the most important partnership modes for these works. Cooperatives of which the horizontal and vertical integrations are completed that are organized with their upper unions are significant actors in implementation of project which create added value by developing and incentivizing agricultural production and animal raising. Cooperatives may implement various projects in processing, improvement, organic production, procurement and marketing issues of the agricultural production. It can be said that the agricultural cooperatives in the provinces where the research is applied are inadequate as for sustainability of production. Hence this condition is caused from such factors including inadequate training, top organization problem, small and weak organization of the cooperatives, their inability to utilize the available resources consciously, and that the product quality and agricultural inputs may damage and impair the ecologic system.

As a result it is important to teach the cooperative management how to catch fish rather than to give them fish as for sustainability issues. Its first example may be yielded by developing and implementing training programs that are directed towards training of the partners and administrators of the cooperatives.

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