



# Studying Relationship between Socio-Cultural, Economical and Managerial Factors with the Participation Rate of Agricultural Cooperatives' Members (Case Study, Shirvan Chardavol Township, Ilam Province, Iran)

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## Abstract

**Keywords:**  
Cooperative,  
Participation,  
Socio-cultural,  
Economical and  
Managerial  
factors

The purpose of this research was studying relationship between socio-cultural, economical and managerial factors with the participation rate of agricultural cooperative's members in the Shirvan Chardavol township in the Ilam province, Iran. The method of this study is descriptive-correlative. A researcher made questionnaire was used as the tool for gathering data. The face and content validity of the questionnaire were confirmed by university professors and cooperatives experts. Also the reliability of the questionnaire was confirmed through calculating the Cornbach's coefficient ( $\alpha = 0.80$ ). Population of this study included 751 active members of Shirvan-Chardavol county agricultural cooperatives. 260 people were selected as the sample based on using Morghan table. The classified proportional random sampling method was used in this study. Data processing was performed using SPSS estatistical software, as well as descriptive estatistics (central and inferential indexes) and analytical statistices (correlation coefficients analysis). The correlation coefficient results showed that there was significant relationship between socio-cultural, economical and managerial factors with level of participation of agricultural cooperatives members.

## 1. Introduction

Agricultural production cooperatives are cooperation based exploitation systems in which the farmers produce agricultural crops through collective farming using integrated cultivation method meanwhile maintaining individual ownership. Nowadays the international community and conventions admit the relationship between the public potential and real stakeholders (Pakniat et al, 2007). Many previous experiences of the governments in different regions, especially in rural areas indicate that the non-involvement of the people in processes of the plans has caused the villagers never feel they belong to the projects implemented. This has provided for failure of such projects in long-term (Baghaee, 2006). 40 year history of agricultural production cooperatives in Iran shows that this type of exploitation system has been faced with various problems. First, the cooperative sector has not been able to play a major role in the development of the country. Secondly, the cooperative movement has

been started by the government in Iran. This can be triggered that people look at toward cooperation and its transcendental ideas with skepticism (Arayesh & Ehsani, 2011). This is why the governments are trying to encourage participation of the people in the economic affairs and use cooperatives as a mechanism for accelerating the economic development of the villages. This can cause people to doubt the noble ideas of taking part in cooperatives, and imagine it as state or quasi-governmental organization with particular political desires. In such circumstances the members do not feel they belong to cooperatives and do not make much effort to achieve its goals. (Arayesh, 2012). According to the statistics provided by the end of 2006, there have been about 1,046 active agricultural production cooperatives in the country, covering a total of 4,963 villages with a population of about 278,362 people (Bazrafshan and Shahin, 2010). There are 174 agricultural cooperatives in the township of Shirvan-Chrdavol and Halylan from which 102 cooperatives (751

members) are active, 46 cooperatives are inactive, and 26 cooperatives are in their establishment stage (Cooperative Department of Shirvan-Chrdavol Township, 2011). Many Researchers have point to the neglect of cooperative system in the national economy, as the most important harming factor that may eventually bring the system to crash (Alebouyeh, et al, 2006; Ommani, 2011). As a matter of fact, many of the production cooperatives in Iran lack the features of actual cooperatives, because most of them have been established by the government; in fact they are unreal or semi-cooperatives (Mohajerani and Asgari, 2005). Most of agricultural cooperatives have failed in achieving a sustainable performance due to gradual deterioration of their members' essential role and failure in improving management performance in accordance with the economic changes. Also according to official report of Ministry of Cooperatives in the year 2012, there were some 129 thousand cooperatives in the country of which only 92 thousand cooperatives were active and the rest were on the verge of dissolution. Also in the township of Shirvan-Chrdavol something about 45 percent of the agricultural sector cooperatives are on the verge of closure or sale. To solve such major problems in the country is real and not symbolic participation in public policies and investments to cooperatives and other organizations providing social, political and cultural role of national development objectives assigned to the. In fact, the agricultural sector of Iran in general and Shirvan-Chrdavol Township in particular are in need of such associations. The fundamental problem of this research is studying the reasons why the Shirvan-Chardavol farmers have little motivation for participating in agricultural production cooperatives, and why they are more interested in individual exploiting system. To examine the fundamental problem of this study, the following questions have been raised: Why Shirvan-Chrdavol township farmers have little participation in agricultural cooperatives? What factors can be effective in encouraging them to more constructively participate in such cooperatives?

Saharkhiz, (2009) investigated the mechanisms of attracting popular participation in the cooperative companies— especially multi-purpose cooperatives— from the perspective of cooperative sector and the relevant organizations' executive directors and showed that in respondents' opinion, from the various factors, the government's supportive policies regarding the cooperative sector (especially in multi-purpose cooperative companies framework) played the most important and influential role in attracting the effective popular participation, and believed that promoting the scientific and technical

capabilities of the cooperatives' managers and increasing the people's awareness of the cooperative sector was the next crucial factor in this regard.

Jonson (2010) in a study found that experienced farmers have expressed the "quality services" as the criteria for choosing between membership and non-membership in a cooperative.

Vahidzadeh( 2004) argues that the dominant cause of the failure of cooperatives can be found in three categories of poor management, lack of organizational discipline and the weakness of financial strength. According to his opinion, the most important injuries of production cooperatives are in the organizational structure and management issues. Seifi Khodashahri ,(2009) in a study entitled " participation effects of fishermen members of Gilan province cooperatives in economic performance of the cooperatives" concluded that there is a significant relationship between the literacy, membership history, amount of shares, knowledge of cooperative principles and regulations, satisfaction from the cooperative, attending the training - extension courses and ultimately economic performance and participation level. Papzan (2005) considers the following factors as the main challenges and risks among the cooperative members, affecting the performance of the cooperatives: Lack of motivation among the staff, top-down planning, lack of funds and delayed allocation time, lack of educational facilities in the extension centers, low-literacy and illiteracy of majority of the farmers, lack of skilled manpower, the farmers' distrust of some experts, non-institutionalization of people's participation, extension staff involvement in administrative works, lack of proper planning in the network use of the popular forces, the lack of updated information of extension staff, lack of refresher courses and lack of extension law in the extension system of the country.

Carroll et al (2000) believed that the heterogeneity of member is the main reason for the unsuccessful of cooperative members. Samari & Ghandomzadeh(2010) believe that the participation of cooperatives members is related to social factors (government and Legal supports), economical factors(Initial capital and Risk taking), management factors(Proper orientation of business, Clear purpose and mission an organizational culture). Ford and Cropp (2002) believe that the initial investment, communications and financial management plays an important role in the success of cooperatives. Taherkhani & Kharani arani (2003) indicated that social factors have been effective in the participation of cooperatives members, and participation is not only dependent on economic factors. But combinations of social and economic factors are important in this process. Saadi and Azami (2008)

claimed that the most important injury of agricultural cooperatives are: Limited understanding of members from philosophy and principles of cooperative formation, Strong orientation of cooperatives to offer services, educational Weakness of cooperative members, Investment restrictions, Cooperatives tendency to government, The weakness of information in cooperatives. Studies conducted by (Arayesh & Ehsani, 2011) showed that the empowerment of members has a positive relationship with their participation in cooperatives.

General objective of this study is studying relationship between socio-cultural, economical and managerial factors with the variable of agricultural cooperatives' members' participation together with the following specific objectives:

1- Prioritizing of socio- cultural, economical and managerial factors.

2 - Studying the relationship between the socio- cultural, economical and managerial factors with the variable of agricultural cooperatives' members' participation.

## 2. Materials and Methods

The method of this study is descriptive-correlative. A researcher made questionnaire was used as the tool for gathering data. Face and content validity of the questionnaire were confirmed by the panel of experts. To determine the questionnaire reliability, 30 one were filled by cooperative members (out of the statistical population) and alpha Cornbach's coefficient was calculated (0.80). population of this study included 751 active members of Shirvan-Chardavol township agricultural cooperatives. 260 people were selected as the sample based on using Morghan table. The classified proportional random sampling method was used in this study. Data processing was performed using SPSS estatistical software, as well as descriptive estatistics and analytical statistics.

## 3. Results and discussion

### 3.1 Characteristics of members

Investigation showed that the mean age of the individuals has been 45 years while the age class of 41 to 50 years old had the highest frequency. About 94% of the members were men and about 6% of them were women, indicating that women do not have an active role in agricultural cooperatives of the region. Also 23.1% of the members were high school graduates. Moreover, 16.5% of the samples were illiterate, indicating that half of the members were illiterate or uneducated; this notifies the necessity for considering the required facilities for their literacy by the relevant organs. Studies showed that most of the under study people's profession was animal

husbandry and farming and fewer were self-employed, employees and workers. The results showed that the average background years of membership in agricultural cooperatives were about 12 years. Those with 11 to 15 years membership background had the highest frequency. The average area of agricultural land in this study was obtained as equal to 6.5 acres. Studies on members' annual income from farming occupation show that about 37.8% of the total members under study have an annual income of equal to or less than 4,000,001 Rials. In most cases, that is 67.1% of the under study samples enjoyed private property ownership and the rest exploited their farmlands through renting, shareholding, endowed lands, nationalized and collective lands. Study showed that the members' awareness and knowledge level about the benefits of participation in agricultural cooperatives has been moderate upward.

### 3.2. Prioritizing the Socio-cultural characteristics in the agricultural cooperatives

In the field of prioritizing the Socio- cultural characteristics in the agricultural cooperatives, according to the table (1) is considered that responsibility of members to cooperatives are located in the first priority. Self- confidence of cooperative members, insurance of members of cooperatives, experience members about agricultural cooperative, members' awareness of the objectives and benefits of cooperatives, active and effective communication between agricultural cooperatives members, interesting of members to agricultural cooperatives, and educational level of cooperative members with the cooperative members are located in the second to eighth priority.

### 3.3. Prioritizing the economical characteristics in the agricultural cooperatives

In the field of prioritizing of economical characteristics in the agricultural cooperatives, according to the table (2) is considered that distribution of agricultural inputs (fertilizer, seed, etc.) are located in the first priority. Getting of loan and credit from agricultural cooperatives, providing of agricultural machinery, purchasing of agricultural products of cooperative members by agricultural cooperatives, using of cooperatives from supporting facilities, marketing of agricultural products by cooperatives, establishing of small manufacturing industries by cooperatives, employment rate by cooperative and rate of income and profit of members from agricultural cooperatives are located in the second to eight priority.

Table1. Prioritizing the socio - cultural factors in the agricultural cooperatives

Socio- Cultural Characteristics	Frequency	Mean	Standard deviation	Coefficient of variation	Rank
Responsibility of members to cooperatives	254	3.88	1.19	0.30	1
Self- Confidence of Cooperative members	251	3.86	1.23	0.31	2
Insurance of members of cooperatives	253	3.89	1.23	0.31	3
Experience members about agricultural cooperative	251	3.84	1.27	0.33	4
Members' awareness of the objectives and benefits of cooperatives	252	3.64	1.21	0.33	5
Active and effective communication between agricultural cooperatives members	251	3.76	1.25	0.33	6
Interesting of members to agricultural cooperatives	253	3.67	1.26	0.34	7
Governmental Support from Cooperative members	252	3.42	1.22	0.35	8

Table2. Prioritizing the Economical factors in the Agricultural Cooperatives

Economical factors	Frequency	Mean	Standard deviation	Coefficient of variation	Rank
Distribution of agricultural inputs (fertilizer, seed, etc.)	252	3.64	1.19	0.32	1
Getting of loan and credit From Agricultural Cooperatives	251	3.48	1.15	0.33	2
providing of agricultural machinery	252	3.38	1.16	0.34	3
purchasing of agricultural products of Cooperative members by agricultural cooperatives	253	3.55	1.22	0.34	4
Using the cooperatives from supporting facilities	253	3.27	1.13	0.34	5
Marketing of agricultural products by cooperatives	252	3.53	1.25	0.35	6
Establishing of small manufacturing industries by cooperatives	250	3.34	1.22	0.36	7
Rate of Income and Profit of Members from Agricultural Cooperatives	251	3.53	1.29	0.36	8

Table3. Prioritizing the managerial characteristics in the agricultural cooperatives

Managerial factors	Frequency	Mean	Standard deviation	Coefficient of variation	Rank
Creativity and innovation managers to attract people's participation	250	3.58	1.21	0.33	1
Helping Manager to Strength understanding and Collaboration in the Agricultural Cooperative	252	3.64	1.24	0.34	2
Manager's ability in financial management in the agricultural cooperatives	249	3.72	1.27	0.34	3
Active Participation of Members in the decision making of Cooperatives	253	3.46	1.21	0.34	4
Using the experiences of other cooperatives in cooperative	250	3.31	1.16	0.35	5
Manager familiar with ways to attract people's participation in cooperatives	251	3.50	1.24	0.35	6
Durability and stability in the management of agricultural cooperatives	252	3.97	1.31	0.35	7
Management experience and expertise in the field of agricultural cooperatives	252	3.51	1.27	0.36	8
Motivating of members to participate in cooperatives	254	3.40	1.23	0.36	9

### 3.4. Prioritizing the managerial characteristics in the agricultural cooperatives

In the field of prioritizing of managerial characteristics in the agricultural cooperatives, according to the table (3) is considered that creativity and innovation of managers to attract people's participation are located in the first priority. Helping manager to strength understanding and collaboration in the agricultural cooperative, manager's ability in financial management in the agricultural cooperatives, active participation of members in the decision making of cooperatives, using the experiences of other cooperatives in cooperative, manager familiar with ways to attract people's participation in cooperatives, durability and stability in the management of agricultural cooperatives, management experience and expertise in the field of agricultural cooperatives and motivating of members to participate in cooperatives are located in the second to nine priority.

### 3.5. Correlation studies

In the present study, the Spearman correlation coefficient was used for assessing the relationship between the research variables in accordance with the employed scales (Table 4). Correlation coefficient results showed that there is significant relationship between the socio - cultural, economical and managerial factors with agricultural cooperatives' members' participation.

Table 4. Relationship between the research variables

Variables	r	p
socio-cultural features	0.30	0.000
economical features	0.31	0.000
managerial factors	0.24	0.000

### 4. Conclusion and recommendations

Agricultural production cooperatives are cooperation based exploitation systems in which the farmers produce agricultural crops through collective farming using integrated cultivation method meanwhile maintaining individual ownership. Nowadays the international community and conventions admit the relationship between the public potential and real stakeholders. The correlation coefficient results showed that there is a significant relationship between the socio-cultural variables and participation of agricultural cooperatives' members. This finding is consistent with findings of the studies conducted by Arayesh & Ehsani( 2011); Papzan (2005); Samari & Ghandomzadeh(2010); Carroll (2002) and Taherkhani & Kharani arani (2003). The correlation coefficient results showed that there is a significant relationship between the economical variables and participation of agricultural

cooperatives' members. This finding is consistent with findings of the studies conducted by Arayesh & Ehsani( 2011); Seifi Khodashhry, (2009); Taherkhani & Kharani arani (2003) and Ford and Cropp (2002). The correlation coefficient results showed that there is a significant relationship between the managerial variables and participation of agricultural cooperatives' members. This finding is consistent with findings of the studies conducted by Arayesh & Ehsani(2011); Seifi Khodashhry (2009); Taherkhani & Kharani arani (2003); Ford and Cropp (2002); Saharkhiz (2009); Vahidzadeh( 2004) and Saadi and Azami (2008).

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