

## Barriers of Local Participation in Rural Cooperatives in Fars Province, Iran

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**Abstract:** Local participation has an important role in development of rural cooperatives. This article attempts to illustrate the barriers of people participation in rural cooperatives in Fars Province, Iran. Rural cooperatives are certainly a major contributor to rural development in many countries. But, in this case there are a significant number of barriers to effectively using rural cooperatives as a tool for rural development. This paper used qualitative approach to illustrated barriers of cooperatives through local participation. The findings through focus group identified several constraints that have limited active local participation in rural cooperatives.

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### Introduction

Rural cooperatives have played an important role in the development of agriculture in industrialized countries as suppliers of farming requisites, marketers of agricultural commodities, and providing services such as grain storage and transport. It appears that many of these agricultural cooperatives are adapting their operations to the rapidly changing economic environment characterized by technological change, industrialization of agriculture and growing individualism (Ortmann & King, 2007).

The rural cooperatives in most developing countries are faced with constraints with regard to achieving the goal of rural sustainable development, which promotes social and economic development of local communities. In developing countries attempts to organize farmers into rural cooperatives have often failed, although rural cooperatives have the potential to supply farm inputs and market farm products that are both important for agricultural development (Hoyt, 1989). Rural cooperatives are generally considered as a tool for rural development. Many developed countries such as England, France, Germany and United States largely depend on incomes earned through rural cooperatives. It is the intention of this article to bring to discussion the constraints of people participation towards rural cooperatives development. The rural cooperatives in Iran in the recent years have diversified themselves into various areas of socio-economic activities. The failure of the government sector and various limitations of the private sector have compelled the policy-makers to pin their faiths on the cooperative

system (Aref & Sarjit, 2009). Hence, this paper attempted to outline the concept of rural cooperatives and its limitation towards rural development.

### Literature review

People are generally motivated to form co-operatives to obtain or provide goods and services to themselves or to the general community. In the process of providing such goods and services, the founding members, also own and control the operations and processes in a manner acceptable to the majority of the other members. Some of the benefits of co-operatives have been researched and published in various academic journals (Wickremarachchi, 2003).

A cooperative is defined by the International Cooperative Alliance (ICA), as a group of people who join together voluntarily to meet their common economic, social, and cultural needs and aspirations in accord with the following principles: open and voluntary membership, democratic member control, autonomy and independence, member economic participation, member training and education, cooperation among cooperatives, and concern for community. Co-operatives are also based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others (Chloupkova et al., 2003). Many theoretical papers (Bendrick & Egan, 1995; Brennan & Luloff, 2005) and a few studies (Bateman et al., 2005; Chloupkova et al., 2003; Majee & Hoyt, 2009; Saegert & Winkel, 1998) have made the case that

cooperatives are well placed to help poor people in strengthening their participation and inclusion in economic activities at the community level (Wilson Majee & Hoyt, 2010).

The International Cooperative Alliance (ICA, 2005) defines a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”. The seven internationally recognized cooperative principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; provision of education, training and information; cooperation among cooperatives; and concern for the community (Ortmann & King, 2007). Rural cooperatives are now considered strong vehicles for community empowerment, which is a big paradigm shift. As compared to the past, the cooperatives by empowering the people have helped eliminate poverty, sustain employment, enrich social standards, and provide employment. Empowerment can be of different levels. Cooperatives are the organizations, which are deeply embedded to the communities in which they serve. Cooperatives provide a strong democratic medium to empower the people (Verma, 2008). DeFourney (1992) argues that co-operatives have assets and qualities in areas, which cannot be claimed by other types of organizations. These include:

- Self-initiative,
- Sensitivity to local needs,
- Reducing the need for public regulation

In terms of rural cooperatives and rural development; the notion of participation has main impact on development of cooperatives. The concept of participation has been traced as far back as the 1950s in development discourse. A fundamental shift in development thinking according to Wainwright and Wehrmeyer (1998) occurred from the technology-dominated paradigm developed in the 1960s toward a more people-centered approach of sustainable growth that saw the emergence of participation in development activities. Participation like ‘development’ is viewed as having the capacity to bring about positive change and something which everyone has come to believe in and support. Participation has been viewed as a process that leads to empowerment. It can therefore be argued that the ultimate goal of participation is empowerment. Participation then is about power relations.

The rural cooperative has worked in Iran After land reform in 1963. Today there are more than

10000 rural cooperative. However, their ability of these cooperatives is limited and the Iran government is still not doing considering cooperatives as one of the development factors for rural area (Fariborz Aref & Sarjit, 2009).

### Research design

The objective of this paper is to present the problems associated with rural cooperatives. Focus group discussions (FGD) were considered as an effective technique to generate information on rural cooperatives since it involves a range of stakeholders. For instance, Bedford and Burgess (2001, 124) are of the view that ‘focus groups are especially useful when you want to compare the ‘world views’ of different sectors or groups of people in an efficient way.’

A total of 110 members from the cooperative comprising both the men and women were present. In this study the general purpose is to investigate the barriers of agriculture development in Fars’ villages in Iran. Fars is one of the 30 provinces and known as cultural capital of Iran. It is in the south of the country and its center is Shiraz. It has an area of 122,400 km. In 2006, this province had a population of 4.34 million people, of which 61.2% were registered as urban dwellers, 38.1% villagers, and 0.7% nomad tribes. Agriculture is of great importance in Fars. The major products include cereal, citrus fruits, dates, sugar beets and cotton (Wikipedia, 2010). Iranian agriculture is thousands of years old and this reflects the length of time during which soil and water resources of the country have been utilized for crop production. This study is based on quantitative methodology to investigate the barriers of participation in rural cooperatives. Hence to achieve the objectives of this study, the researcher uses quantitative method.

Twenty two villages in Fars Province, Iran were selected as a case study area because it provided many opportunities to develop rural agriculture. Focus group discussion (FGD) was performed to collection data from local farmers. FGD was conducted in a group setting and was used for obtaining a better understanding of participants’ attitudes towards the barriers of agriculture development. There is no consensus among qualitative researchers on the optimal number of participants in FGD. But the ideal number of participants in each FGD is six to ten. Participants of FGD were classified according to their place in the villages. All respondents were male. They ranged in age from 23 to 77 years. The researcher explained to

them the objectives of the study and what questions would be asked. The researchers examined, categorized participants responses from each focus group of villagers that were recorded in video tapes.

### **Result & Discussion**

Findings have shown that rural people are reluctant to get involved in agricultural activities for lack of interest. The lack of effective collaboration and participation in planning and management is rural area.

#### ***Lack of local capacity building***

Based on the FGD, members in the group expressed concern on the inadequate training sessions. The focus group members argued lack of capacity building is a main reason to lack of local participation for rural cooperatives. The lack of sufficient knowledge and training can be argued as one factor hindering most locals from taking up the responsibility. Building capacity within the community to manage the resources can enhance effective devolution at local levels. The community can also have an opportunity to participate fully in ecotourism activities in the area. Findings also illustrated that the rural cooperative structure dependence on the government. Hence, there is little capacity building with local communities

#### ***Limited support at community level***

The FGD groups believed local participation that leads to community empowerment for local people is one of the major characteristics of the rural cooperatives. Therefore, the study found that legal rights to aid active community participation have not been fully devolved at local level. The role of the community to be active participants in cooperatives management is lost. In fact, based on FGD dependency on government and lack of authority in communities was the main problem for development of rural cooperatives.

#### ***Insufficient incentives to participate***

Insufficient incentive to participate in rural cooperatives was other barrier which has been discussed by participant in FGD groups. Incentive is now argued as essential to further the enhancement of community participation in rural cooperatives. It is argued that 'incentives motivate communities and other role players to not only participate in development of rural cooperatives, but also to manage natural resources sustainably' (Fabricius 2004). However, the challenge is to what extent the

majority of the community members are able to access these incentives in order for them to support rural cooperatives.

#### ***Insufficient financial support***

The lack of financial funds is one major factor that hinders development of rural cooperatives. As has been identified, revenue from the agriculture activities has not been sufficient to meet community activities. On the other hand, government donor funds have not been sustainable. Members of a focus group also identified the lack of funds as one major factor that has limited development of their community cooperatives. According to respondents some locals have not met these requirements and have not been able to access government donor funds.

#### ***Lack of local partnerships***

According to FGD a general problem for participation in rural cooperatives is the lack of local partnerships. Another major constraint identified by the study is the absence of business partnerships with the local cooperatives. It has been suggested that local communities need partnerships to succeed in such local ventures for them to increase on their income sources. However, many authorities seem unconvinced of the desirability of building true partnerships with the communities and still view rural communities as technically unable and politically underprepared to play a serious role in extension of cooperatives (Barrow & Fabricius, 2002).

Based on the finding of this study, the barriers of rural cooperatives in Fars province can be categorized in three levels:

- Barriers at the individual level: These barriers include the lack of skill and knowledge, insufficient incentives to participate and lack of empowerment among individuals.
- Barriers at the organizational level: These barriers are usually associated with rural organization, lack insufficient financial support and lack of capable rural cooperatives leaders.
- Barriers at the community level: These barriers are related to community factors, which include limited participation, lack of local partnerships, limited support at community level, lack of rural empowerment in cooperatives decision-making and lack of appropriate rural structure.

## Conclusion

This paper has identified the barriers of local participation in rural cooperatives development. Rural cooperatives have played an important role in the development of agriculture in industrialized countries (Aref, 2011). Beside this potential, rural cooperatives in most Third World countries are faced with some barriers. Lack of community resources and capacity building were an important element contributing to limited rural cooperatives development. They referred to government policy and lack of local capacity as main barriers related rural cooperatives. Clearly, the described barriers may not be only specific to Fars province; some of them may also be considered as common general problems of rural cooperatives development in other communities in Iran. Base on the findings, it can be suggest that rural empowerment can be a tool for development of rural agriculture in Iran. An understanding of the existing barriers of rural participation provides basic information for setting a policy agenda to enhance rural agriculture. Further, it is important for government to understand that rural also face barriers that can hinder its progress in responding and recognizing the priorities of local communities in Iran.

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