Current Development of Farmers’ Professional Cooperatives in Fujian Province of China

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Keywords: Characteristics, Constraints, Development, Farmers’ Professional Cooperatives

Abstract. Farmer cooperatives is a new type of agricultural production and operation mode formed through the voluntary organization, management and cooperation of farmers. With the support of reinforced national policy in China, the number of farmer cooperatives increases rapidly, however, there are inherent deficiencies in cooperatives under rural social environment. Concept, talent, technology, capital and other factors constrain the development of cooperatives. Regarding to standardized management, operational effectiveness and scale size, cooperatives still have problems and shortcomings. In the cooperative operation, the director-general has a central position in the cooperative and play key roles in decision-making and management. Here, the characteristics of development in farmers’ professional cooperatives in Fujian province was analyzed, and influencing factors were discussed. Our research may provide an overview of farmers’ professional cooperatives in Fujian province and clues for counteracting shortcomings in development.

Introduction

Farmer cooperatives is a new type of agricultural production and operation mode formed through the voluntary organization, management and cooperation of farmers. According to the Provincial Administration for Industry and Commerce, the number of cooperatives and the number of members in Fujian increased by more than 30\% per year between 2010 and 2015. This not only reflects the economic benefits for the members of cooperatives but also shows that many cooperatives are quite young. As a result, there are problems in terms of immaturity and noncompliance, which have adverse effects on the business operations of cooperatives in the long run. Here, the characteristics of development in farmers’ professional cooperatives in Fujian province was analyzed, and influencing factors were discussed.

Characteristics of Development in Farmers’ Professional Cooperatives in Fujian Province

Diversification in services provided by farmers’ professional cooperatives

Grassroots farmers’ professional cooperatives in Fujian utilize local resources to develop specialty agriculture. Services have gradually expanded from an earlier model focused on a single agricultural operational service to a supply chain model involving production, supply, and sales. The previously loose organizational structures of cooperatives have also increasingly scaled up and become formalized. The survey showed that cooperatives in Fujian have a wide scope of operations in a number of areas, including cultivation and aquaculture, production and processing of agricultural products, transport and storage, agricultural resource procurement and sales, recreational agriculture and rural tourism, agricultural machinery services, and promotion of agricultural technology.
Diversity trend among the founding members of farmers’ professional cooperatives

In terms of the leadership in farmers’ cooperatives, a relatively high percentage of cooperatives are founded by large farming households, agricultural brokers, agricultural technicians, and village cadres. There are also various cooperatives that rely on the leadership of supply and marketing cooperatives, leading enterprises, and agricultural technical agencies. At the same time, a new generation of agricultural workers has gradually entered the field of cooperative management. They include university graduates, migrant workers who return home, urbanites, and businesspeople who have begun to engage with agriculture, rural villages, and farmers by creating various types of cooperatives. There has been an increase in those who choose to join cooperatives, with a trend of diversification among founders.

Policy guidance to drive and spread agriculture

The Fujian Provincial Government has rolled out supportive laws and policies in response to current shortcomings, which include low scale, lack of talent, and weak market capability. Laws and regulations have been formulated to regulate and encourage the development of cooperatives, seeking to perfect legal protections for their orderly development while reducing various obstacles in their founding to accelerate their development. In addition, local governments have taken advantageous measures in terms of finance, taxation, capital, and personnel to support the development of cooperatives. By using specialized funding to connect projects, provide discounted loans, and reward rather than subsidize, local governments have encouraged cooperatives to enhance their market competitiveness and risk-resistant capabilities. Moreover, to promote cooperative development, Fujian Province has utilized its Fujian–Taiwan collaborative advantage to learn from the experiences and methods of agricultural production and sales organizations in Taiwan.

Analysis of Surveyed Conditions of Directors-general of Cooperatives

Gender structure of directors-general of cooperatives

In a sample of 303 directors-general of cooperatives in Fujian, there were 257 men (84.8%) and 46 women (15.2%) (Fig. 1). In the operation of cooperatives, men typically played a leadership role, with fewer opportunities for women to show their operational management abilities. This is related to traditional rural notions and customs in which men typically attend to matters outside the home while women deal with matters inside the home. Therefore, to develop the rural economy, it is necessary to encourage entrepreneurship by rural women. However, current developmental levels show that the conditions and abilities of rural women with regard to founding cooperatives remain relatively weak, since many cooperatives are small scale and unable to influence or motivate farming households.

Figure 1. Gender of investigated directors-general of farmers’ professional cooperatives.
Educational status of directors-general

Many directors-general of cooperatives were previously ordinary peasants, large-scale cultivators and breeders, or cadres of village organizations. Most of these groups have worked and lived in rural regions for a long time and are thus constrained by local customs and economic conditions. As such, they have not generally received a great deal of education. According to the study questionnaire administered to 303 farmers’ professional cooperatives in Fujian, the educational level of 75 directors-general was middle school or lower (24.8%), high school for 151 directors-general (49.8%), some college for 56 directors-general (18.5%), and undergraduate degrees for 21 directors-general (6.9%). The educational levels of directors-general operating cooperatives were clustered at the middle and high school levels (Fig. 2).

![Education level](image)

Figure 2. Educational status of investigated directors-general of farmers’ professional cooperatives.

The management knowledge and skills of directors-general

Since many directors-general of cooperatives are competent individuals from rural villages, they have a deep understanding of local issues related to agriculture, rural villages, and farmers. They tend to have more significant social relationship resources and possess a spirit oriented toward gaining wealth through industrious farming and enduring hardship. As shown in Fig. 3, 43.2% of the directors-general were peasants before serving their cooperatives, 23.8% had engaged in commercial business activity, 14.9% had served as village cadres, and 15.2% had worked part time in enterprises. In terms of work experience, these directors-general have engaged in agricultural work or individual enterprises for long periods and possess the qualities of hard work and independence. However, since they have spent much of their time living in relatively small circles, they may lack professional skills in the management of cooperatives. When making decisions, giving orders, or organizing and coordinating events, they generally rely on personal experience or prestige, and lack scientific management skills and methods. As a result, they have limited capacity to scientifically optimize or allocate resources, which affects cooperation between members. More than half of the directors-general had experience in business, working part time, or serving as village cadres, which means they could help with the operation of cooperatives based on their understanding of or involvement in commerce, enterprise, and grassroots politics.
Age structure of directors-general

According to the survey, directors-general have generally worked relatively more years and have abundant work experience. Among directors-general, 73.3% had more than 10 years of work experience, but they also tended to be older: 23 were under 30 years old (7.6%), 57 were 30–40 (18.8%), 38.2% were 40–50, 33.7% were 50–60, and 5 were over 60 (1.7%) (Fig. 4). This outcome indicates that directors-general are generally older and thus have advantages in terms of abundant work experience and social relationships. However, such characteristics were not conducive to the subsequent development of teams at the cooperatives.

Training received by directors-general

A low percentage of directors-general have received training. According to the survey data, within the last 2 years, 28% said they had received “some” training, “very few times,” 3% said they had “never received any training,” and 51% said they only “occasionally underwent training” (Fig. 5). Not much time has passed between the establishment and development of new cooperatives, making them new entities that require an accumulation of theory and practical experience. However, the operators of cooperatives need to possess considerable abilities and qualities; they must understand operational management, know the laws and regulations governing cooperatives, possess knowledge about finances and taxation, and have productive skills. The low amount of training may constrain directors-general in their attainment of knowledge and skills and the improvement of their capabilities.
Factors that Constrain the Cultivation of Talented Directors-general in Farmers’ Professional Cooperatives

Constraints in thought and concepts

A popular path to wealth for rural villagers is to go into the cities and study, work part time, or do business. A traditional disdain for agricultural operations has caused society to overlook the operations of cooperatives. Rural youth are less willing now to engage in agricultural activity; they prefer to migrate to urban areas or industrial sectors. Even graduates of agricultural universities rarely seek employment in rural villages as a result of various constraints.

Further, inadequacies in educational models and concepts are not conducive to training qualified talent to operate cooperatives. The traditional Chinese educational model tends to emphasize theoretical knowledge and academic credentials while overlooking practical and occupational skills. This can make it difficult for even highly credentialed talent, such as university students, to successfully execute the necessary technical, productive, and operational management tasks at cooperatives within a short period of time.

Constraints by socioeconomic levels and conditions

A typical mountain–sea economic context was formed in Fujian Province. The coastal economy is more developed while the mountainous areas are more economically backward, comprising a dual rural/urban economy. Compared to cities, rural villages have inadequately developed economies and insufficient attraction for talent in terms of income, work environment, and living standards. In particular, the residential, work, and cultural environments of rural villages fall behind those of cities, making external talent and those who leave rural villages unwilling to work in villages. At the same time, farmers’ professional cooperatives themselves find it difficult to attract talent. Constrained by various factors, many farmers’ cooperatives are small in scale, economically weak, lacking in robust systems, and generally unable to provide outstanding personnel with competitive remuneration. Such characteristics adversely affect the introduction, consolidation, and growth of high-quality talent.

Constraints on development and protection systems for talent

(1) Inadequacies in the training of operating talent for cooperatives. First, the basic educational conditions and standards of rural areas are relatively worse because of the uneven structural allocation of educational resources to cities and villages, thus constraining the cultivation of talented operational personnel for farmers’ cooperatives. Second, higher education institutions such as universities have made unreasonable allocations in the training of agricultural management personnel, creating large gaps in professional education for cooperative professionals. Third, there is a lack of institutions
engaged in furthering education for farmers’ cooperatives. Fourth, existing rural talent training lacks a scientific system. Teaching staff engaged in training mainly comprise personnel from agricultural technical service agencies or government agencies. Few school teachers or typical figures in farmers’ professional cooperatives serve in these positions.

(2) A lack of robustness in the introduction and incentive mechanisms for talented operational personnel for cooperatives. The introduction of talented operational personnel into farmers’ professional cooperatives lacks robust labor market mechanisms or market means to allocate human resources for rural villages.

(3) Inadequate policies and legal protective measures. Policies formulated by the government are still quite obscure and lack systematic and detailed measures and standards. Many promulgated policies focus on capital support and tax discounts for cooperatives, but human resources policies for supporting agriculture remain underdeveloped.

(4) Inadequate publicity for social opinions. A positive social opinion context would attract social attention and support, and in turn lead to the introduction of social resources. While there has not been a shortage of promotional reporting in central and local media in recent years, reporting has mainly focused on the operational achievements, experiences, and stories of highly successful cooperatives. Meanwhile, reporting on the problems and difficulties of cooperatives has been extremely rare. Moreover, while a great deal has been reported on the economic accomplishments of cooperatives, there has been relatively little reporting on the knowledge, talent, labor, and creativity of cooperatives.

Summary

Our survey data shows that characteristics of development in farmers’ professional cooperatives in Fujian province include diversification in services and members, and government policy support. The characteristics of directors-general of farmers’ professional cooperatives in Fujian province were also revealed. Factors that may influence the development of cooperatives were analyzed. We hope that these results will help to promote the development of cooperatives in China more efficiently.

Acknowledgement

This research is partly supported by Fujian Young Teacher Educational Scientific Project (No. JAS160832).

References


Reference to a chapter in an edited book:
