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“Development on the margin”

Agricultural Marketing Cooperatives as Laboratories of Social Innovation: Establishing Cooperatives among Ethnic Smallholders in Thailand

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Abstract

Cooperative organisation has long been an approach to improve the socio-economic conditions of its member-farmers, and has been described as a promising scheme particularly for linking smallholders to credit and supply markets and to facilitate access to outlet markets. The basic advantage to serve the needs of its members rather than generate profits for investors - as it is the case in ordinary business enterprises-entails what pioneers in this academic field coined “the dual nature” of cooperatives, highlighting the cooperative a) as a social group and b) a joint enterprise, owned and operated by the same members of the group. However, recent changes in food markets and emerging consumer needs require increasing innovative abilities of the farmer groups and a strong identity at the same time.

Against this background and in order to largely unfold its advantages, a cooperative will inevitably have to undergo a process of formation and standardisation, and it is likely that the group will face problems which pose a threat to its very basic cooperative set-up or eventually to overall continuation.

The study will initially revise these bottlenecks from literature and - departing from this - analyse the peculiarities the establishment of two cooperatives among ethnic Hmong upland farmers brought out, focusing on the formation of group internal structures and the loci of decision-making. Thus, the paper will key in current discourses on community-empowerment and pro-poor approaches to development.

Drawing on the experiences from a 5-years action research project into the establishment and facilitation of agricultural marketing cooperatives in ethnic smallholder litchi production, the data basis this analysis is build on consists of 14 consecutive protocols of group leader meetings since this institution’s implementation, supplemented with participant observations that were recorded in a structured form.

The results will provide insights into what specific pitfalls can be expected in embedding cooperative organisations among ethnic farmer communities, and how these pitfalls can be anticipated and overcome. We examine the boundaries of cooperation in the ethnic smallholder context and highlight the factors favouring a clear delineation from private business approaches, enabling a maximum participation of local smallholders.

Keywords: Agricultural Cooperatives, ethnic smallholders, qualitative research, Thailand