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A COMPARISON OF AGRICULTURAL COOPERATIVES IN THAILAND AND CHINA

Abstract:

A cooperative is one of the crucial mechanism for the development of many countries since they have strong ties to local communities including Thailand and China. There are a lot of research reports related to agricultural cooperatives in Thailand and China but there are very few studies focusing on a comparison of the agricultural cooperatives in China. The main objective of this paper is to study on a comparison of agricultural cooperatives in both Thailand and China by using the institutional perspective. It was shown that the agricultural cooperatives were the major financial sources for farmers. Furthermore, they paid a leading part in the provision of goods, services, products processing respectively

□□The new institutional economics perspective explained that institutional factors influenced organizational evolution while the historic path has been affected by the interaction between institutions and organizations. The major obstacles to achieving the goal of the cooperatives in Thailand are as follows 1) limitation of knowledge and understanding about the cooperative 2) lack of linkage for mutual cooperation 3) absence organization directly taking the role in harmonizing the information technology development system 4) inadequate role of the Cooperative League of Thailand. Currently, the agricultural cooperatives was challenging by changes in various external and internal environment. To be sustainable in that situation, they must adjust their structures and business activities. In China, the agricultural marketing cooperatives has expanded rapidly in the 1990s. Additionally, the Cooperative National law on farmer professional cooperatives 2007 enhanced the expansion of the enterprises. It is believed that it could tie many small farmers with traders, retailers, as well as commercial premises. As a result, the cooperatives may contribute to the market development. More interestingly, it could enrich the supply chain. Even though, the State support is very important in the establishment of cooperatives, China apply a different model to initiate a cooperative. Particularly, the newly established cooperative must employ at least one member with huge experience. For example, he or she could access to funding sources and has plenty of social capital. The significant recommendation of the study is to learn more about the alternative model of establishing agricultural cooperatives from China.

Keywords:

agricultural cooperatives, new institutional economics, alternative model

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