

Agricultural Cooperative Enterprise in the Transition from Socialist Collective Farming

by
Bruce Gardner
University of Maryland
and
Zvi Lerman
The Hebrew University

Journal of Rural Cooperation, 34(1), 2006:1-18

Abstract

Cooperative enterprise has appeal as a means of filling gaps in the economic institutions of the rural sectors of the transition economies of Central and Eastern Europe and the former Soviet Union. But in addition to problems that have faced cooperatives in the West because of their inherent characteristics, the Soviet-era legacy created cultural burdens that cooperatives will have to overcome. A review of countries' experiences since 1989 indicates some commonalities in attempts to create "new cooperatives," but also instructive differences across countries. The evidence so far is unfavorable for cooperatives in agricultural production. In marketing and input supply the current situation is more promising. In both production and marketing, the economic institutions remain in flux. Unique approaches involving cooperatives may take permanent root, but their long-term prospects are in doubt.