



**ORIGINAL ARTICLE**

## **Survey of Reasons for Inactivity of range Cooperatives in North West Provinces of Iran**

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### **ABSTRACT**

*Almost half of the world population is living in rural areas of developing countries and most of them are smallholder farmers whose livelihoods are fulfilled through agriculture and relevant activities. Its statistical population consists of board and range cooperative members in Ardabil, and East and West Azerbaijan provinces. Simple random sampling method is used according to previous studies and expansion of statistical population. The results indicated that most of cooperatives are inactive in studied areas and this research examined the reasons for their inactivity.*

*Key words: range cooperatives, North West Provinces, Ardebil, Iran*

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### **INTRODUCTION**

Almost half of the world population is living in rural areas of developing countries and most of them are smallholder farmers whose livelihoods are fulfilled through agriculture and relevant activities. Investigating the range cooperatives of Ardebil, and East and West Azarbaijan provinces indicates that almost all of 37 range cooperatives in these provinces have been inactive since 2004. Inactivity of these cooperatives constitutes the potential loss of them and this fact can be utilized in a way to prevent the destruction of ranges and its preservation and restoration. Therefore, it is necessary to adopt appropriate measures in order to investigate the reasons for inactivity of these cooperatives because if this trend continues, we will see a complete dissolution of cooperatives over the next few years. Therefore, this research is conducted with the aim of identifying the causes for inactivity of range cooperatives and providing the necessary strategies and suggestions in order to avoid the deactivation process of cooperatives.

### **MATERIALS AND METHODS**

This study is quantitative in terms of data nature, applied according to the purpose, and non-experimental in terms of controlling the variables and is done through the survey- descriptive method. Its statistical population consists of board and range cooperative members in Ardabil, and East and West Azerbaijan provinces. Simple random sampling method is used according to previous studies and expansion of statistical population. Therefore, first the statistics about the board and range cooperative members in studied provinces were extracted from the region of Forests, Range and Watershed Organization and then the statistics about the board and range cooperative members were taken from mentioned organization according to each of the provinces and it was done through the simple random sampling of several cities. Sample size is obtained equal  $n=349$  (Ardabil=48, West Azarbaijan=105, and East Azarbaijan= 196) based on Cochran formula.

$$n = \frac{Nt^2.S^2}{Nd^2 + t^2.S^2}$$

In which:  $t = 1.96 \approx 2$ ;  $N$ = Population size;  $n$ = Selected sample size,  $S$ = Standard deviation (variance) of population

The research tool includes a questionnaire, which its validity (face and content) was confirmed according to the viewpoint of a group of professors and experts' in the field of Agricultural Extension and Education at University of Tehran, Tarbiat Modarres University, in addition to the experts in Forests,

Range and Watershed Organization in Iran. Pilot study (Cronbach's alpha reliability coefficient for problems  $\alpha=0.96$ ) is applied in order to determine its reliability and indicates that the questionnaire has appropriate reliability. Collected data are analyzed through the software SPSS version 11.5. The questionnaire consists of several sections, of which the section related to the survey of the reasons for inactivity of range cooperatives, consisted of 63 items that were collected based on the research background and measured in the form of Likert scale [21]. This scale consists of "Never", "Very Low", "low", "medium", "high" and "very high" for which the scores 1 to 6 were considered respectively, and these cases were taken into consideration for all items. Descriptive statistics such as frequency, percentage, mean, standard deviation and coefficient of variation, and inferential statistics such as Factor Analysis and Mean Comparison Test (ANOVA) were used in order to analyze the study data.

The exploratory factor analysis is used in this study which the aim of explaining a large number of variables based on a basic structure and in the form of specified components. In the first step, Bartlett Test and Kaiser- Meyer- Olkin Criterion (which is referred to as the KMO in the software SPSS) are applied in order to determine the suitability of data about the waste-creating factors. Significance of Bartlett test at the significant level 99% and appropriate rate of KMO (Table 1) indicate the correlation of set and relevancy of target variables for factor analysis. In determining the number of factors such as factor analysis, in which the model of analyzing the main components is applied to extract the factors, Eigenvalue criterion is used in order to achieve more significant factors conceptually and thematically by the researchers, and this has been an effective approach.

Table 1: Rate of KMO and Bartlett's statistics

| KMO Test | Bartlett's Statistics<br>Approx. Chi-Square | Significance<br>level | df   |
|----------|---|-----------------------|------|
| 0.954    | 16582.34                                    | 0.000                 | 1176 |

**RESULTS**

Descriptive results of studied statistical population indicate that the respondents' average age was 50.55 and the standard deviation equal to 14.46. 3.4% were 22-30 years old, 27.5% from 31-40 years old, 26.4% from 41-50, 19.8% from 51-60 and 22.9% were older than 61 years. 26.6% were illiterate, 52.3% literate, 17.6% with elementary degree, and 3.5% had diploma or above. 1.1% of them were single and 98.9% married. All subjects were native to their regions and 1.4% had only the agricultural job, 55% had animal husbandry job, 43.2% agriculture and animal husbandry, and 0.3% had government jobs. Among them, 40.2% attended in extension courses and 59.8% did not attended in these courses.

**Analyzing the important factors affecting the inactivity of range cooperatives**

Factor analysis technique was used in order to analyze the important factors affecting the inactivity of range cooperatives. Table 2 represents the number of extracted factors along with the Eigenvalue for each of them, variance percentage of each factor, and cumulative frequency of factors' variance percentage for studied set. It should be noted that given the large number of variables compared to multiple rotation and the conceptual and semantic affinity of reasons for inactivity of range cooperatives that are loaded on the extracted variables in each rotation, refining the variables is done based on the correlation matrix. Furthermore, the results of factor analysis in this study confirm that the highest rate of Eigenvalue is equal to 5.8 and related to the first factor and it explain approximately 25.3% of variance obtained by all factors (Table 2). The rate of total explained variance by seven factors, which are entered in the analysis, explains 73.33% of changes related to the reasons for inactivity of range cooperatives. Remained variance (about 27%) is also associated with the factors which are not forecasted in this study.

Table 2: Features of factors extracted from the factor analysis of main reasons for inactivity of range cooperatives

| Factor | Factor Name  | Eigenvalue | Variance Percentage | Items  | Factor load |
|--------|--|------------|---------------------|--|-------------|
| First  | Governmental dependence and low productivity of cooperative activities | 12.54      | 25.3                | Lack of proportional and mutual relationship with organizations and institutions                               | 0.586       |
|        |  |            |                     | Lack of proper communication with cooperative members  | 0.542       |
|        |  |            |                     | Lack of preparation and distribution of animal feed for ranchers   | 0.556       |
|        |  |            |                     | Lack of alternative fuel for cooperative members   | 0.683       |
|        |  |            |                     | Lack of influence by cooperatives on promoting the members' social values (collaboration, participation, etc.) | 0.679       |
|        |  |            |                     | Lack of internal dependence based on the democracy in cooperative  | 0.673       |
|        |  |            |                     | Lack of board members and Managing Director's voluntary cooperation and self-help                              | 0.592       |

| Factor   | Factor Name  | Eigenvalue | Variance Percentage | Items   | Factor load   |      |       |   |       |
|--|--|------------|---------------------|---|---|------|-------|---|-------|
|  |  |            |                     | Lack of experts' conscientiousness (decision making instead members and not directing and leading the cooperatives) | 0.761   |      |       |   |       |
|  |  |            |                     | Strong financial dependence of cooperative on the governmental institutions and structures                          | 0.773   |      |       |   |       |
|  |  |            |                     | Lack of adequate supervision over the use of provided loans   | 0.864   |      |       |   |       |
|  |  |            |                     | Inability of cooperative to guide and encourage the members in the investment                                       | 0.824   |      |       |   |       |
|  |  |            |                     | Financial attractiveness of private sector activities compared to the cooperatives                                  | 0.794   |      |       |   |       |
|  |  |            |                     | Lack of moral commitment and responsibility among the managers in the cooperative                                   | 0.619   |      |       |   |       |
|  |  |            |                     | Inability of cooperative to prevent from members' migration   | 0.771   |      |       |   |       |
|  |  |            |                     | Using the traditional methods of production management and optimum utilization of natural resources                 | 0.573   |      |       |   |       |
|  |  |            |                     | Inability of cooperative to centralize the members' capital for implementing larger programs                        | 0.676   |      |       |   |       |
|  |  |            |                     | Lack of effect by cooperative on reducing the production costs  | 0.593   |      |       |   |       |
|  |  |            |                     | Lack of effect by cooperative on increasing the quantitative and qualitative productivity of economic activities    | 0.555   |      |       |   |       |
|  |  |            |                     | Lack of coordination between government and cooperative members' objectives   | 0.735   |      |       |   |       |
|  |  |            |                     | Second  | Lack of knowledge about the cooperative tasks and lack of internal coherence and coordination | 9.94 | 20.29 | Lack of specified model and strategy to help the cooperative preservation | 0.735 |
|  |  |            |                     |   |   |      |       | Lack of training for members  | 0.613 |
|  |  |            |                     |   |   |      |       | Created conflict among the members due to priority differences            | 0.533 |
| Board members or managing director's negligence to accept the responsibility and duty  | 0.517  |            |                     |   |   |      |       |   |       |
| Lack of institutionalized cooperative values and culture among the board members and managing director                         | 0.816  |            |                     |   |   |      |       |   |       |
| Non-compliance with the principle of fairness and justice among the members  | 0.648  |            |                     |   |   |      |       |   |       |
| Lack of necessary correlation among the board members, managing director and experts   | 0.627  |            |                     |   |   |      |       |   |       |
| Lack of participatory organizational structure in cooperative  | 0.701  |            |                     |   |   |      |       |   |       |
| Lack of workflow structure in cooperative (Changing the board and managing director's responsibilities)                        | 0.643  |            |                     |   |   |      |       |   |       |
| Cooperative inability to have Board  | 0.627  |            |                     |   |   |      |       |   |       |
| Cooperative inability to have management based on mutual relationships   | 0.601  |            |                     |   |   |      |       |   |       |
| Lack of necessary information and knowledge about the nature of cooperative work among the Managing Director and Board members | 0.736  |            |                     |   |   |      |       |   |       |
| Lack of members' sufficient experience in the task   | 0.708  |            |                     |   |   |      |       |   |       |
| Lack of proper and rational utilization of capital and human resources in cooperative  | 0.757  |            |                     |   |   |      |       |   |       |
| Third  | Inability to satisfy and fulfill the members' expectations | 8.59       | 4.21                |   |   |      |       | Lack of providing the development and welfare service for members         | 0.786 |
|  |  |            |                     | Cooperative members' excessive expectations   | 0.577   |      |       |   |       |
|  |  |            |                     | Members' dissatisfaction of restrictions on using the ranges  | 0.716   |      |       |   |       |
| Fourth   | Weakness in extra-organizational communication             | 3.02       | 6.16                | Large number of villages covered by the cooperative   | 0.616   |      |       |   |       |
|  |  |            |                     | Lack of cooperative relationship with Department of Natural Resources   | 0.575   |      |       |   |       |
|  |  |            |                     | Lack of cooperative relationship with other relevant agencies   | 0.561   |      |       |   |       |
| Fifth  | Inability to create new job opportunities                  | 2.84       | 5.8                 | Inflexibility of cooperative association  | 0.573   |      |       |   |       |
|  |  |            |                     | Lack of job opportunities   | 0.541   |      |       |   |       |
|  |  |            |                     | Cooperative inability to create new job opportunities for members   | 0.814   |      |       |   |       |
| Sixth  | Lack of governmental                                       | 1.91       | 3.91                | Cooperative inability to create the sense of empathy and cooperation among the members and experts                  | 0.758   |      |       |   |       |
|  |  |            |                     | Lack of cooperative union   | 0.605   |      |       |   |       |
|  |  |            |                     | Government experts' negligence to accept the responsibility and duty  | 0.776   |      |       |   |       |

| Factor  | Factor Name                           | Eigenvalue | Variance Percentage | Items   | Factor load |
|---------|---------------------------------------|------------|---------------------|---|-------------|
|         |                                       |            |                     | Complex administrative operation and governmental bureaucracy | 0.549       |
| Seventh | Low per capita income of cooperatives | 1.45       | 2.95                | Low per capita income of cooperatives                         | 0.742       |

Results of ANOVA test in different provinces in terms of reasons for inactivity of range cooperatives indicated that there are significant differences among provinces, and this can be seen in Table 3.

Table 3: Analysis of Variance in different provinces in terms of reasons for inactivity of range cooperatives

|                    | Groups      | Mean Error | Degrees of freedom | F      | Significance level |
|--------------------|-------------|------------|--------------------|--------|--------------------|
| Inactivity Reasons | Inter-group | 140795.79  | 2                  | 232.55 | 0.000              |
|                    | Intra-group | 605.95     | 336                |        |                    |
|                    | Total       | 141410.74  | 238                |        |                    |

Results of paired comparison test indicated that this difference is seen between Ardabil with East and West Azerbaijan, and East Azerbaijan with West Azerbaijan.

Table 4: Results of paired comparisons (L.S.D test) among different provinces in terms of reasons for inactivity of range cooperatives

| Variable           | F       | First group     | Mean   | Second group    | Mean   | Mean difference | Sig.  |
|--------------------|---------|-----------------|--------|-----------------|--------|-----------------|-------|
| Inactivity reasons | 232.55* | Ardabil         | 127.34 | West Azerbaijan | 221.89 | -94.55          | 0.000 |
|                    |         |                 |        | East Azerbaijan | 210.04 | -82.70          | 0.000 |
|                    |         | West Azerbaijan | 231.89 | East Azerbaijan | 210.04 | 21.84           | 0.000 |

P < 0.05

### DISCUSSION AND CONCLUSION

The results indicated that most of cooperatives are inactive in studied areas and this research examined the reasons for their inactivity. The most important reason for inactivity of cooperatives is the governmental dependence and low productivity of cooperative activities including the Lack of proportional and mutual relationship with organizations and institutions, Lack of proper communication with cooperative members, Lack of preparation and distribution of animal feed for ranchers, Lack of alternative fuel for cooperative members, Lack of influence by cooperatives on promoting the members' social values (collaboration, participation, etc.), Lack of internal dependence based on the democracy in cooperative, Lack of board members and Managing Director's voluntary cooperation and self-help, Lack of experts' conscientiousness (decision making instead members and not directing and leading the cooperatives), Strong financial dependence of cooperative on the governmental institutions and structures, Lack of adequate supervision over the use of provided loans, Inability of cooperative to guide and encourage the members in the investment, Financial attractiveness of private sector activities compared to the cooperatives, Lack of moral commitment and responsibility among the managers in the cooperative, Inability of cooperative to prevent from members' migration, Using the traditional methods of production management and optimum utilization of natural resources, Inability of cooperative to centralize the members' capital for implementing larger programs, Lack of effect by cooperative on reducing the production costs, Lack of effect by cooperative on increasing the quantitative and qualitative productivity of economic activities, and Lack of coordination between government and cooperative members' objectives. These results are consistent with the findings by [17], [6], [15], [14], [22] and [8]. Lack of knowledge about the cooperative tasks and lack of internal coherence and coordination, failure to satisfy and fulfill the members' expectations, Weakness in extra-organizational communication, Inability to create new job opportunities, Complexity and governmental bureaucracy, and Low per capita income of

cooperatives are the other problems facing the range cooperatives. Financial problems of cooperatives and their failure to provide various services for members are among the main reasons for weakness of cooperatives and their inactivity emphasized in the research by Saadi [2] Based on foregoing cases, it is recommended that the cooperatives' problems should be continually investigated and analyzed through creating the committee for monitoring the activities of cooperatives in order to promote the cooperatives and prevent them from being inactive. The financial difficulties in the supply and distribution of animal feed, fuel, etc, are among the major problems of range cooperatives. In this regard, the necessary arrangements for providing and paying the cooperatives the low-interest and long-term loans to perform the infrastructure affairs and supply the financial needs of cooperatives seem useful and constructive measures. Lack of appropriate infrastructure in a region before running the cooperatives is the reason for most of the failures in this utilization system and consequently the cooperatives will become inactive. It is essential to make the appropriate infrastructure in establishing the cooperatives through utilizing the briefing and training courses before establishing the cooperatives. Devolution to the cooperatives and reducing the red tape will have significant impact on preventing the inactivity of cooperative activities. Therefore, it is necessary to reduce the state role in administrative affairs of cooperatives and limit the government involvement just in regulatory affairs. Provide the accurate information for the beneficiaries and other members about their objectives, tasks, and rights will lead to a mutual commitment between the rangeland managers and government and this is in turn a two-sided guarantee between the interested parties to follow the objectives of cooperative. Providing the extension services to raise the rangeland managers' knowledge level about the way of doing the activities of maintenance and regeneration will lead to an appropriate infrastructure for developing and improving the activities of range cooperatives as well as preventing the inactivity of activities by these cooperatives.

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