

DO INSTITUTIONAL INCENTIVES MATTER FOR FARMERS TO JOIN COOPERATIVES: A COMPARISON OF TWO CHINESE REGIONS

by

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Abstract

This paper analyzes Chinese farmers' participation in agricultural cooperatives. Special focus is placed on the country's cultural and institutional background and its impact on cooperatives' governance structure. The impact of differences in regional economic and social development and the need for formal institutions and democratic governance of farmers' organizations are also examined. The empirical analysis utilizes survey data from 373 agricultural cooperative members in two provinces in China of differing economic development levels: the western, less developed region Sichuan, and the well developed region Zhejiang on the eastern coast. Hypotheses regarding differences between the two regions, aimed to target each of the four levels of social organization discussed by Williamson (2000), are formulated and tested.

Keywords: Agricultural cooperatives, Chinese agriculture, Williamson's four levels of social organization