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COOPERATIVE FARM: A CASE STUDY OF ORGANIZATIONAL ADAPTATION TO  
ENVIRONMENTAL UNCERTAINTY

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\*Prepared for presentation to the session on "Theory and Research on Rural Development" at the annual meeting of the Rural Sociological Society in Baton Rouge, Louisiana, August 26, 1972. The research reported here was supported by funds granted to the Institute for Research on Poverty at the University of Wisconsin by the Office of Economic Opportunity pursuant to the provisions of the Economic Opportunity Act of 1964. The authors' conclusions remain their own responsibility.

November 1972

## ABSTRACT

A partial displacement of operating goals in a small, southern, OEO-funded poor-peoples' cooperative is analyzed as a process of adaptation to organizational environment. The displacement consisted primarily of a gradual (though not complete) de-emphasis of the Coop's original goals of providing immediate benefits to its membership in the form of low-cost or free vegetables and wages for part-time labor, along with a progressive tendency to orient production increasingly for sale to large commercial buyers instead. The basic cause of these developments is sought in difficulties encountered by the Coop in its attempt to solve problems of extreme resource scarcity through integration into the local community. This solution, it was hoped, would simultaneously mobilize needed resources and also channel organizational benefits to those for whom they were originally intended. Some of the more important reasons for these difficulties in mobilizing local resources are discussed, including weakness of indigenous "community;" prevalence of Gemeinschaft values; low levels of education and training; economic scarcity and hardship; defects of original organizational design; over-extension of service projects; and concurrent increases in levels of welfare and emergency food. Finally, after noting the study's relevance to the complex organizational literature on goal displacement and environment, some of its more pertinent policy implications are reviewed, with particular reference to some of OEO's operating policies for funding low-income rural cooperatives.

Community Support and Goal Displacement in a Poor Peoples'  
Cooperative Farm: A Case Study of Organizational Adaptation to  
Environmental Uncertainty<sup>1</sup>

Of all the tools and tactics employed during the past decade in the War on Poverty, one of the most popular has been the development of poor peoples' cooperatives. Hope has run high, especially among rural poverty warriors, that such institutions might provide some help, however limited, to at least two distinct groups of rural poor persons: first, those thousands of poor small farmers whose ranks have been decimated by inability to compete effectively against increasingly large corporate farms; and, second, the rapidly increasing number of rural nonfarm poor who either have lost their farms in the face of such competition, or have found themselves unemployed as a result of rapid mechanization in the production of certain crops, such as cotton. Unfortunately, however, because of a near absence of relevant studies and evaluations,<sup>2</sup> these recent cooperative development efforts among the poor have not benefited significantly from the theoretical and practical knowledge that such studies might ideally provide.

The following case study of a southern poor-peoples' cooperative farm represents a modest effort to begin filling this gap. In order to develop some general--and tentative--policy recommendations, the analysis in this study will attempt to provide some sociological understanding of what the practical problems were which seemed to underlie the Cooperative's gradual de-emphasis of several of its original aims. In a more theoretical vein, we shall suggest also that such a partial displacement

of operating goals can be fruitfully understood as a consequence of organizational adaptation by the Cooperative to its highly uncertain "task environment" (J. Thompson, 1967).

Specifically, the Coop, whose identity will be concealed with the name of "Cotton County Cooperative Farm,"<sup>3</sup> is a nonresidential, collectively owned vegetable farm which was organized in 1968 by the staff of an OEO-funded community health center in one of the Deep South's poorest counties. Its initial objectives were to reduce widespread malnutrition in the county and to provide wage labor to member-workers. Beginning with less than 100 rented acres, it now farms over 500 acres of land, of which it owns more than 300 outright. Its entire staff and membership are black. Structurally, the Coop is governed by a board of directors whose members represent twelve local "coop clubs" in towns and villages throughout the northern half of rural Cotton County. The Coop's offices and lands, however, are all located just outside of Hilltown, the home of the Eastern/Hilltown Health Center which started the Coop. Actually, the Coop is a rather unusual enterprise; rather than being an agricultural marketing or supply institution for small farmers, it is designed to provide benefits primarily in the form of free or discount food and agricultural employment to a poor membership the majority of whom are neither farm owners or tenants.<sup>4</sup> There is no doubt that the provision of such benefits by the Coop has been substantial; but over this period there has also been a gradual and partial decline in the delivery of such welfare-oriented benefits and a parallel tendency for the Coop to become increasingly oriented to

production for more distant and competitive agricultural markets in its efforts to become economically self-sufficient. It is with this partial displacement of operating "welfare" goals in favor of goals of efficient and competitive market production that this analysis is primarily concerned.

Because the logic of the argument in this paper (and hence the format of what follows) comprises the primary "explanation" or interpretation of why this partial goal displacement occurred, special care should be taken to make this logic explicit. The primary orienting question, of course, is, why did the displacement occur? The question is of relevance not only because it addresses the difficulties of rural developers in providing sustained benefits to the poor, but because it addresses a classic theoretical question in the field of the sociology of complex organizations.

The analysis begins, logically speaking, with a profoundly important fact of life facing most poor-people's cooperatives--namely, an extreme scarcity of resources of all kinds, but particularly of capital.<sup>5</sup> Knowing from the Coop's inception that OEO's solution to this overwhelming problem (in the form of grant funding) would be very short-term (three years), the Coop included among its original goals the aspiration to eventually become self-sufficient as a business enterprise, primarily by means of selling vegetables to commercial markets.

Exacerbating the problem of extreme resource scarcity, however, was the fact that the Coop's primary original goal, or mission, was to provide various benefits at a "discount," so to speak, to its poor target

population. This primary objective of improving member welfare posed serious organizational problems for two important reasons. First was the obvious fact (perhaps not sufficiently obvious to the Coop's designers) that the costs of providing welfare benefits to members would make the task of achieving business efficiency and self-sufficiency in an already precarious situation all the more difficult. Second was the probable existence, according to such theorists as Mancur Olson (1965), of powerful rational disincentives to initial voluntary participation in an organization committed strongly to the delivery of "public goods," such as the Coop.<sup>6</sup> Thus, the founders of the Coop faced an enormous three-cornered problem: how to mobilize adequate resources in a poverty-stricken environment to start a fledgling business off on the road to eventual self-sufficiency; how to meet the added costs of achieving their primary objective of providing benefits to poor members; and finally, how to overcome whatever rational barriers there might be to participation in an organization committed to the delivery of benefits with "public good" features.

Of central importance to the present analysis is the concept--and reality--of the "intended solution" to this three-cornered problem which was built into the Cooperative's initial design. Primarily, this "intended solution" consisted of integrating the Cooperative into the local community in such a way as to mobilize and utilize the human and organizational resources within it. In part, these resources included the potential of local members to supply labor, to consume Coop outputs (vegetables), and to provide unpaid volunteer services as board and

committee members and as loyal community workers. For the rest, they comprised the economies of scale, the effectiveness of organization, and the free professional and technical skills associated with the Health Center infrastructure and its ten local "contact centers" throughout the same county. A second mandatory dimension of the "intended solution," of course, consisted of capital grants or loans from outside sponsoring agencies or institutions. However, because such outside grants or loans were expected to be short-term and temporary, the local community dimensions of the "intended solution" assumed greater long-run importance. Unfortunately, implementation of the Coop's local solution to its problems of extreme resource scarcity was fraught with difficulty.

The crux of the argument presented here is that it was because of this difficulty--the failure to successfully mobilize community resources--that the displacement of operating goals occurred. The argument moves then to the important question of why the "intended solution" did not work out very effectively. This question is of particular relevance because of our belief that the solution, had it been implemented differently, could, in fact, have succeeded. Hopefully our attempt to answer this critical question will provide a basis for some policy recommendations of more general use to low-income cooperative developers.

The concluding step in the logic of the analysis is that so long as no alternate sources of funding and other support could be found, the unsuccessfulness of the Coop's original "intended solution" left the organization no other choice, if it was to survive at all, other than



to turn to more distant and more competitive agricultural markets as its source of livelihood. The fact that the Cooperative, from its very beginning, embraced dualistic goals (i.e., both provision of service benefits and a commercial orientation to distant markets) made this shift seem quite natural. Our point is that given the ineffectiveness of the Coop's "intended solution," the displacement of goals represented by the shift was unavoidable if the Coop hoped to survive. This necessity, however, has created a profound dilemma for the Coop (and probably for numerous other such enterprises). It has led, on the one hand, to a de-emphasis of those "welfare" objectives which the organization sought originally to serve, and on the other hand, it has exposed the Coop to all of the competitive dangers which have been the death of a growing proportion of small farms in America.

In order to maintain proper perspective throughout what follows, several cautionary points should be made. First, it should be clearly understood that we are not saying the Coop has been a failure, even though we have described its "intended solution" in this way. OEO funding ended in November of 1971, and although there are clearly hard days ahead, it is too early to tell how successful the Coop will be as a business enterprise. Even with respect to providing benefits to its members the Coop cannot be described as a failure, as we shall see. Thus far, the displacement of its original service goals has only been partial, a trend.

Second, it should not be assumed from our post-mortem of why the Coop's "intended solution" failed, that we are suggesting such solutions--

which we have observed to be a conspicuous part of many other cooperative development projects--cannot work. We know of several cases in which such solutions have worked (although any review of these lies beyond the scope of this paper). We argue only that the difficulties in their successful design are both great and frequently unappreciated, and that such an analysis as the present one may help to show how some of these difficulties can be overcome.

Finally, we wish to dispel the impression, which might arise from our intensive focus on a particular organization in a local milieu, that the "fault" or "responsibility" for the problems described lies ultimately with the inhabitants of that local community. As is true in more general discussions of "the culture of poverty" (e.g., Valentine, 1968), the blame lies ultimately with the broader social and political system which has tolerated poverty in the midst of affluence.

Let us turn, at this point, to a review of the historical and empirical materials which are germane to the logic of our argument. Afterwards, we shall conclude with a discussion of the more general theoretical and practical relevance of the analysis. Regarding the former, we shall suggest that the experience of Cotton County Cooperative Farm offers strong support for the utility of complex organizational theories which emphasize the role of environment in organizational development, particularly with respect to the common organizational process of goal displacement. At a practical level, we shall conclude that the need for long-term environmental sponsorship and empowerment of development enterprises with "welfare" or "public good" aspects is much greater

than has generally been recognized by policy makers. In particular, we shall note certain serious problems inherent in grant-funding as a form of sponsorship, as well as a tendency of such sponsoring agencies as OEO to support two generally incompatible objectives in such enterprises as the Coop, and perhaps for this reason, to provide a type and volume of resources that are inadequate to the likely attainment of either objective.

#### Sources of Data

Data for the present analysis come mainly from three sources. The first was a series of interrelated survey interviews administered at two different points of time in Cotton County. The earliest was a complete census of all black households in North Cotton County which was administered in 1967 by Eastern University, one of whose doctors of preventive medicine was the prime mover in founding the Eastern/Hilltown Health Center. At the same time, an intensive health interview was conducted with a sample of these households.<sup>7</sup> These interviews provided extensive information about the demographic and social characteristics of the county's black population, as well as detailed information regarding their pressing health problems. Most of the descriptive data for the County which follows come from these interviews.

A second wave of interviews of a much smaller group was supervised four years later in 1971 by the senior author. The group consisted of Coop members and staff who had also, for the most part, responded to both the census and the health study four years earlier.<sup>8</sup> (Although

not particularly relevant to the present analysis, these respondents were exactly the same individuals who had been interviewed in 1967, and they were asked many of the same questions in 1971 for purposes of longitudinal analysis.)<sup>9</sup> This second wave of interviews elicited data on numerous individual and family changes that had occurred, as well as on participation in and attitudes toward the Cooperative. Most of the figures below which describe the attitudes and circumstances of Coop members were taken from this 1971 member survey. Both in 1967 and 1971, all interviewing was done by specially trained and supervised local black residents.

A second source of data consists of extensive field notes taken by the authors during their four visits to the Cooperative in 1970 and 1971, and during visits by various Coop and Health Center leaders to the authors' own university during the same period. Altogether, these visits totaled approximately five weeks of field contact and included a wide variety of worthwhile observational situations.<sup>10</sup> Though impressionistic in nature, the notes from these four visits have helped to provide many insights and are the source of many of the qualitative observations made below. The third important data source consists of numerous documents, records, and reports from the Coop, Health Center, and OEO.<sup>11</sup> Generally, although there were numerous points in our investigation at which we would have benefited from more systematic, detailed, or complete information, we feel confident that these three sources of data have provided an adequate basis for what follows.

### Origins and Development of the Cooperative

The Cotton County Cooperative Farm originated as a nutrition project of the Eastern/Hilltown Health Center. The Health Center, in turn, was the brainchild of mainly one man--an energetic and socially conscious doctor in the Department of Preventive Medicine at Eastern University who believed strongly both that it is the responsibility of the medical profession to bring medical care directly to the communities needing it most, and that ultimately, delivery of such medical care can be effective only when accompanied by basic social and economic change. Thus, the Health Center he imagined was to be truly comprehensive--including sanitation, nutritional and community development programs, as well as health care. According to him, "our aim was to use health as a basis, as a point of entry into the poverty cycle that would eventually lead to broader social change."<sup>12</sup>

Several possible locations were considered, but finally, the northern half of Cotton County was chosen. The area comprised some 400 square miles of land and between 12,000 and 14,000 people, approximately 80 percent of them black. After much behind-the-scenes political and community spade work, the project got under way in 1966 with an initial grant from OEO of over \$1.2 million.

By almost any criterion, Cotton County was one of the poorest areas in the country. The Eastern University census of the region in 1967, for instance, revealed that the mean family income among blacks was in the neighborhood of only \$900 per year and that only 43 percent of the male household heads were employed year-round.<sup>13</sup> Primary reasons for

the existence of such poverty, of course, were both the history of extreme discrimination suffered by the black population of Cotton County and the generally depressed economic condition of the entire region. Seriously aggravating the more general problem was the almost complete post-war mechanization in production of the region's primary agricultural crop, which is cotton. Field labor in the production of cotton had, prior to this revolutionary change, been the principle source of income for Cotton County's black population. By the time of the Health Center's founding, however, this labor force had largely been rendered technologically obsolete. One of the most direct and catastrophic effects of this mechanical revolution was to force thousands of tenant farmers and sharecroppers off their farms, along with many independent small farmers who could not afford the machinery necessary to meet the competition of those who could. The alarming effects of this displacement may be seen in Table 1: in the twenty years between 1949 and 1969, the number of farms in Cotton County declined from 9,436 to 1,070, while the average size of farms in the county increased from 59 to 459.5 acres. Clearly, the staff of the Health Center had picked an area where its services--and many other services as well--were desperately needed.

An integral part of the original Health Center design was the formation, in each of the ten communities where there was to be a medical "contact" center, of local "health associations" (HA's). These relatively cohesive and spirited local groups have served as a vehicle for health education, local environmental improvement, and community

development, and also as the basic local source of representation on the Council of the North Cotton County Health and Civic Improvement Association (Health Council), which serves as the basic policy-making body for the Health Center itself. To organize the local HA's in each of the ten communities, a number of experienced social workers were brought into the areas, one of whom (the head of the Council's community action office) was soon to become the first project director of the new coop. Working primarily through the local churches, previously active civil-rights organizers also played a major role in forming the health associations.

It was soon found that inadequate nutrition was one of the population's primary problems--for instance, food supplements were one of the "medicines" most frequently prescribed by Health Center doctors. Current welfare and food stamp programs had not provided a solution to this problem, as reflected in the fact that many could not even afford to purchase food stamps.<sup>14</sup> To deal with this problem, the idea of "garden clubs" in each community was suggested, but when nearly 900 families registered an interest in such clubs, it became apparent that a larger and more efficient vegetable growing operation would be required. From this emerged the idea of a vegetable-growing cooperative farm.

Research by experts at nearby agricultural experiment stations had indicated that the county's soil and climate were suitable for vegetable crops of both nutritional and commercial value. Although in 1964 less than .1 percent of the county's farm income came from such production, the experts felt that vegetable farms could be commercially viable.

Specifically addressing the needs of the HA's, one visiting agricultural consultant informed the organizers that 100 acres would be required to adequately feed 3000 people and also introduced the idea of a small cannery to handle whatever might be produced above local needs.

In 1968 an initial grant of \$152,000 was received from OEO (through Eastern University as a sponsoring institution) to implement the coop idea (see Table 2). Perhaps the most conspicuous feature of the Coop's original design is that the membership was divided into ten (and later, twelve) "coop clubs," each closely associated with and located in the same towns as the ten HA's. By OEO requirement, only families falling below the current OEO poverty line could qualify as members, producing in 1968 a total membership list of 698 families (Table 7). During its first two years, the central office of the Coop was located in the Eastern/Hilltown Health Center, nearby the Coop's land. Overall control of Coop policy was placed in the hands of a board of directors composed of two representatives from each of the coop clubs. An experienced black farm manager was hired from outside the county to run the farm under the general direction of the project director, who, in turn, was supposed to serve as the executive agent of the board. Appropriate committees were set up in each local club to take responsibility for the recruitment and transportation of farm workers and to locally distribute the vegetables grown. These vegetables were distributed free to those members who could not pay or work for them and were sold at a discount to other members.

By the end of 1968 the Coop had approximately 156 acres under



cultivation and claimed by the year's end to have grown and distributed about 1 million pounds of food, including such crops as snap beans, butter beans, squash, collard greens, potatoes, and others. In order to facilitate year-round distribution, a frozen food locker was leased in a town near the target area. It was expected that substantial income would be derived from the sale of the vegetables to members, as well as to outside commercial buyers. With such eventual commercial markets in mind, much thought was given to the possibility of starting the cannery which had been suggested by one of their consultants. By the end of the 1968 season, operations had been sufficiently successful to prompt the first project director to optimistically forecast that "by next year, it looks as if they'll be able to do 500 acres and have a full-scale cannery--enough not only to provide food for subsistence in Cotton County, but to export to northern markets--a new industry providing hundreds of jobs. . . ."

The problem of initial funding, of course, had been solved by OEO, which promised to continue aid for two years. Some additional funds came from small private contributions, such as a northern civil rights organization which provided \$10,000 for the down payment on the Coop's first land purchase. Needed technical aids came from diverse sources, including sympathetic agricultural experts in nearby colleges and the staff of the Health Center.

During the next two years, the Coop matured into a full-fledged farming operation. Its total land holdings grew to approximately 550

acres, of which 477 were under cultivation by 1971 (Table 3). Fixed assets by the end of 1970 (Table 4) had grown to \$292,000, the greater part consisting of land. OEO funding continued as promised (Table 2), but some additional funding was arranged. The Ford Foundation provided a loan on advantageous terms of \$161,000, and OEO provided an additional grant of \$55,200 (Table 2) to proceed with plans for the cannery.

Problems arose regarding these plans, however, for the Coop directors (drawing upon advice from private consultants) felt that this amount was insufficient to start a cannery of adequate scale. As a result, plans for the cannery were eventually dropped and the funds originally intended for it were put to different uses, including construction of a large packing shed.

During these first years, the Coop's membership continued to grow (Table 7), until it reached a peak of 909 families in 1970 (and was followed by a sharp decline in the following year). This rise in member interest was also reflected in one of the 1971 interview questions asking about attendance at local coop club meetings. Whereas 25 percent of our respondents said they had attended at least one such meeting in 1968, this figure had risen to 64 percent by 1970. In addition to reflecting vigorous recruitment by local coop club leaders, this growth in membership no doubt also resulted from the Coop's ambitious efforts to initiate additional projects which would benefit its members. These included starting an Afro-American bookstore in Hilltown, serving hot lunches to Coop field workers, starting a sandwich shop at the Eastern/Hilltown Health Center, selling frozen meat from the Coop's frozen food locker

at discounts to members, selling used clothing at very low prices in several towns, and distributing free used clothing to members in need. If, alongside these benefits, one also includes the distribution of food and provision of work to a malnourished and underemployed membership, there can be no doubt that the Cooperative was providing substantial and worthwhile assistance to its target population.<sup>15</sup>

Three critical features of the Coop's initial design should be noted. The first of these is the basic dualism of the organization's objectives or goals. Although its primary initial objective was clearly to alleviate the poverty of its target population by means of the delivery of various benefits and "public goods,"<sup>16</sup> the Coop also hoped from the very beginning to continue providing such help by eventually becoming a self-sufficient business enterprise. This point is important because the goal displacement which will be documented and analyzed below does not represent so much an abandonment of one goal and an adoption of a new and different one, as a gradual process of reordering the priorities attached to multiple organizational goals.<sup>17</sup> Some of the evidence of this dualism in Coop objectives has already been reviewed and further evidence will be cited as well.

This dualism should not be seen, however, as merely the reflection of hasty planning or ambivalence on the part of the organization's founders in the Health Council and the Health Center (although we believe they did make some important mistakes in designing the Coop).<sup>18</sup> In addition, the dualism and the initially greater emphasis on the delivery of service benefits to the poor (at the expense of business efficiency

and self-sufficiency) were sanctioned and encouraged by OEO. An internal OEO memorandum in 1968 which supported the Cooperative listed among its "demonstration" features four objectives, all of which focused on aid to the poor rather than upon the attainment of business self-sufficiency.<sup>19</sup> Only at the end of the memorandum, and almost as an afterthought, did its writer add that "hopefully the participants will later be able to use the equipment and skills provided by the project to fashion a commercially feasible production and marketing cooperative."<sup>20</sup> The clear understanding that OEO funding would be short-term forced the Coop to include in its plans a recognition (however vaguely conceived at first) of such an eventual requirement. However, to qualify initially for support, and then for subsequent renewals, the Coop was encouraged to place particular emphasis on delivery of various welfare-oriented benefits which could only make the task of achieving self-sufficiency more difficult. Even in the last year of federal support, OEO's grant statement justified the project as one which would "demonstrate the effectiveness of a coop in eliminating malnutrition."

A second critically important feature of the Coop's design was its close association with the local community. This feature was the distinguishing mark of the design's "intended solution" to overwhelming problems of resource scarcity. This included, especially at first, maximizing the advantages of working very closely with the health associations and the Health Center. Coop meetings were held in the same contact centers as HA meetings, usually immediately afterwards; the same people often served as officers in both; Health Center staff and

specialists were "borrowed" freely by the Coop; and the Health Center played a major role in mediating between the Coop and its major funders-- OEO and Ford Foundation. Another important component of this close association with the local community was the Coop's (and the HA's) heavy stress on local citizen participation and grass-roots control. Thus, the Coop was to be controlled by a popularly elected board, staff were to be local people as often as possible, and the "club" structure consciously imitated that of the HA's in order to maximize grass-roots contact, and hence, the advantages that such close contact could bring in the form of member loyalty and volunteer support. These features of the Coop structure, of course, were also intended to facilitate its economic integration into the community by guaranteeing a highly motivated local labor supply and an equally efficient local market outlet for Coop vegetables.

Finally, a third critically important feature of initial design was the fact that even though the Coop hoped to maximize its use of "free" resources available in the HA's and the Health Center (resources that would not have been available to a private profit-making enterprise), it was set up, both legally and organizationally, as an entirely independent and separate structure. This elemental fact had the effect of minimizing various constraints that might otherwise have retarded, or even prevented, the displacement of goals with which we are concerned. At this point, let us turn to a brief review of just what these changes were.

### Evidence of Partial Goal Displacement

The partial displacement of the Coop's operating "welfare" goals took three general forms: 1) a decline in the amount of money earned by members working at the Coop, particularly by day laborers; 2) a decline in the amount of acreage devoted to producing food for the membership, paralleled by a rise in the acreage devoted to crops sold on contract to large commercial buyers; and 3) a decline in other non-agricultural benefits delivered to members by means of the Coop's various other community projects.

The decline in money earned by members of the Coop is shown in Table 5, the figures in which, it should be noted, were taken for the most part from the Coop's annual budgets, rather than from year-end operating statements (which were not available). From these figures it may be seen that the monies budgeted for day-labor by members in the fields, for the office staff (clerks, typists), and for workers on "other projects" (those working in the frozen food locker) steadily declined from year to year.<sup>21</sup> The only category showing an increase was "salaried labor," which consisted primarily of salaries for such personnel as the farm manager, the bookkeeper, and the equipment operators.<sup>22</sup> The total amount for each year dropped from nearly \$98,000 in 1968 to an estimated \$59,000 for 1972. In addition to the fact that these figures reflect actual final expenditures only approximately, they hide certain other parallel developments as well, such as a progressive tendency for field wages to become concentrated among workers from just two of the coop clubs and to be paid increasingly to nonmember workers from other

areas, as well as to members. According to an examination of pay slips for June, July, and August of 1970, 76 percent of the Coop's field labor for that period came from the coop clubs in Hilltown and Riverton, and another 5 percent came from outside the target area altogether, leaving only 20 percent from the other ten towns.<sup>23</sup> Generally, the figures in Table 5 show a progressive belt-tightening as the Coop strove to become more efficient as a self-supporting business enterprise.

The decline in food benefits to members, and the parallel increase of production for large commercial buyers is shown indirectly in Table 6, which summarizes the approximate acreages devoted each year to these purposes. As shown by the first column, acreage used to produce vegetables for distribution to members in the local communities declined from 106 at the beginning to 20 acres in 1971 and 1972. Originally, these locally distributed vegetables included those given free to families in extreme need, food earned by member field laborers, food purchased at a discount by members, and food purchased at prevailing prices by local nonmembers. By 1970 and 1971, however, food from this specially reserved (and reduced) acreage was distributed by only the first two methods--virtually none was any longer regularly sold either to members or nonmembers via local outlets. The field notes indicate that, once again, there had developed a tendency for free food from the Coop to be distributed disproportionately in a few of the Coop's twelve communities.<sup>24</sup> Table 6 also clearly indicates the concomitant increase in acreage devoted to crops for large commercial buyers, a trend that was characteristic of both hand-harvested

vegetables (column 2) and of the "field" crops that were largely harvested by machine (column 3). The conclusion seems inescapable that members of the Coop in 1971 and 1972 were getting fewer vegetables than three years before.

Final evidence of goal displacement may be found in the fact that the majority of the peripheral, welfare-oriented projects started during the Coop's first two years had either been dropped or cut back by 1972. The Afro-American bookstore had to be closed in 1971 because it was not paying its own way, as did the frozen food locker, with the result that vegetables could no longer be made available to members on a year-round basis. Even before the entire food locker closed down, the sale of frozen meat to members had been stopped because of low demand and consequent inability of that operation to support itself. Also, four used clothing stores that the Coop supported for a time in different towns were closed down, although the Coop has continued to distribute substantial quantities of free used clothing and other goods which it occasionally receives from private donors. The sandwich shop at the Health Center was still functioning in September of 1971, but as an independent operation without any Coop support.

Although the displacement of the Coop's welfare goals has by no means been complete,<sup>25</sup> there can be no doubt that it has been both real and substantial. Having documented this process of economic retrenchment by the organization, we are led next to ask the obvious question of why the displacement occurred. As explained at the outset, the analysis suggests that it occurred primarily as a result of the "failure" of the



Coop's "intended solution" to its initial problems of extreme resource scarcity. Before turning to an examination of some of the more important causes of this "failure," a review of the evidence indicating that such a failure did in fact occur is in order.

#### Evidence of Difficulties in Achieving the "Intended Solution"

One of the most significant and troublesome indications that the Coop's plans for mobilizing local community resources was not working out satisfactorily had to do with the recruitment of field workers at the times and in the numbers they were needed. In accordance with its general service or "welfare" objectives, the Cooperative's initial policy was to employ manual labor rather than to rely primarily upon machines and chemicals as factors in production (hence the Coop's initial choice of labor-intensive vegetable crops).<sup>26</sup> Workers were hired from the membership and paid by the day for planting, chopping (weeding), and harvesting. In 1968 they were paid both in cash and in scrip redeemable for vegetables. This system proved unsatisfactory, however, for workers soon had more scrip than they wanted, and many workers began to cut back their efforts in the field. Therefore, in 1969 the Coop switched entirely to cash payments, and where possible, piece rates were established.<sup>27</sup>

According to staff members, the Cooperative had started out with a surplus of people wishing to work. By 1970, however, the picture had changed as the Coop encountered increasing difficulties in mobilizing adequate numbers of workers when they were needed and in training them to pick according to standards of quality control. At times, the Cooperative

resorted to using local employment agencies (which also organized teams of workers for white plantation owners). Spot announcements on the local radio were also tried. Even so, the Coop lost some crops when labor could not be found in time.<sup>28</sup> These difficulties were reflected in the indication by about half of the respondents in 1971 who had worked for the Coop that they sometimes hadn't learned "...until it was too late to go that the Coop needed field workers." For some of the crops, the Cooperative instituted a "bushel-for-bushel" plan, by which pickers could keep one bushel if they picked another for the Coop, or if they paid one dollar.

In 1971 the Cooperative made a more structured attempt to organize its own labor force. That spring, classes were given in each of the communities on how to pick vegetables. Those completing the course then elected crew leaders, who were to be in charge of transporting the workers to the fields near Hilltown.<sup>29</sup> Even this attempt proved largely unsuccessful, however. In Paxtonville, for instance, 79 people signed up to work for the Coop and 5 crew leaders were elected. But, for one reason or another, the crew leaders did not fulfill their duties.<sup>30</sup> The coop club in Paxtonville did little to pick up the reins, and that summer, out of the total of \$10,500 paid to day laborers, only five dollars was earned by workers from Paxtonville. That a substantial segment of the membership was concerned with problems of labor supply is indicated by the fact that among the 35 percent of our respondents in 1971 who offered their opinions of the "worst problems" of the Coop, 11 percent (of the total sample) cited various labor problems.

However, according to the farm manager, labor shortages were not as severe in 1971 as they had been in 1970, even though the Coop had expanded its acreage (Table 6). The problem had been partially solved by choosing crops that did not require as much labor (Table 6) and also by assigning the responsibility for bringing in labor to one of the staff members. Between those he brought from his own town, Riverton, and those who came from Hilltown, more than 75 percent of the Coop's labor needs were filled. In any case, as indicated by a number of casual comments by staff members, the Coop staff's attitudes toward the members as a labor supply had soured somewhat by the summer of 1971. On one occasion, for instance, the farm manager, when asked about the problem of members not being able to get over to work at the Coop, said that the solution was up to them. All they had to do was organize!

The Cooperative ran into similar problems in attempting to market its vegetables to members. Initially, vegetable stands were set up in each of the towns, operating a few days a week during the harvest season. However, even when local sellers were hired on a commission basis, the members did not buy with sufficient regularity and in sufficient volume, and some of the vegetables spoiled. For 1970, the Coop considered the idea of setting aside about ten acres of Coop land for each separate community and giving the respective clubs responsibility for harvesting and distributing the food.<sup>31</sup> However, according to the consultant whose suggestion it was, only one of the five coop clubs contacted showed the least interest; so, for 1970, the board decided that the clubs should serve, instead, as administrative channels for handling food orders by

individual members from the central Coop. Even this solution enjoyed only limited success, however, for many people simply did not pick up the food they ordered. It should be noted that the basic problem was at least partly organizational in nature, rather than entirely a reflection of low demand by the membership: 26 percent of our respondents in 1971 said that they had wanted to get vegetables from the farm, but for one reason or another had been unable to do so.

There is evidence that integration of the membership into the Cooperative through the clubs had declined as well. Three or four of the clubs have, according to the interview responses of a supplementary sample of board and staff members (and field observations), become virtually moribund, while the general level of activity of several more decreased noticeably between 1970 and 1971. In addition, as noted earlier, several local club projects, such as operation of the local used clothing outlets, have been dropped. This decline contrasts with the continuing (and, in some towns, the increasing) activity of the local health associations.

The most active club is apparently the one in Hilltown. One half of the board and staff sample reported that it was "very active" and one fourth reported that it was much more active than it had been in 1969.<sup>32</sup> The Hilltown club was the only one to actually increase its membership in 1971, with 151 members, and it was, officially at least, three times the size of any other club.

However, representatives from most of the clubs continue to attend board meetings, at least from time to time. The board itself has

continued to meet regularly, although there have been periodic complaints in the board's minutes that not enough representatives were showing up and that some of the clubs were too inactive. Attempts have been made to encourage attendance by paying board members for transportation to the monthly meetings, and for a crucial meeting in 1971 (which dealt with an imminent change of university sponsorship of the Health Center) the Coop paid each board member ten dollars to ensure attendance. Nevertheless, in spite of these inducements, only from 12 to 15 out of the total 24 board members usually show up for meetings.

On the other hand, there has been no overall trend in Cooperative membership size, although the 1971 membership of 571 was far below the peak of 909 in 1970 (see Table 7). What is rather remarkable about the official membership, however, is its large annual turnover, a factor that certainly didn't help to retard the decline in club activity noted above. As may be seen in Table 7, the annual carryover of membership from one year to the next has ranged from 18 to 54 percent, depending upon the year and upon the percentage base used to calculate the figure. This instability was also indirectly reflected in our examination of the pay slips for a typical harvest week in July of 1971. This revealed that about half of the people who came to work were not official members of the Coop that year at all, and that these nonmembers earned about 25 percent of the total paid that week in field wages.<sup>33</sup>

Nevertheless, it would be wrong to infer, on the basis of these data, that the Coop membership was riven by intense and widespread dissatisfaction, apathy, and ignorance regarding the Coop, even though

we did encounter some evidence of trends in this direction among some members. On the negative side, for instance, 30 percent of all the respondents in 1971 suspected some favoritism in the Coop in the sense that "there are some people or groups who are getting more from the Farm Coop than they deserve." These suspicions were also reflected in casual comments by some of our informants. Regarding the extent of apathy and ignorance about the Coop, 42 percent could not correctly identify any of the Coop's full-time paid staff, and 47 percent could not identify to what group (the members) the earnings of the Coop belong in principle. On the more positive side, only 7 percent of the respondents admitted, when queried directly, that they were dissatisfied with the Coop. In addition, if it were possible to weigh the expressions of enthusiasm and support against the expressions of discontent encountered during the course of the field work, the balance would tip very decisively toward the former. Judging from the results of other studies of Coop member attitudes (e.g., Beal, et al., 1951), the Cotton County Cooperative Farm probably suffered no more member dissatisfaction--and possibly less--than is typical of more established cooperatives.

A final body of evidence indicating that the Coop was having difficulties achieving its "intended solution" of local community integration and mobilization pertains to the progressive separation and conflict between the Health Center and the Coop. The community action arm of the developing Health Center formally withdrew from its association with the Cooperative in 1969 in order that its workers, who had been

spending 60 percent of their time on the Coop, could turn all their efforts to building up the health associations in their ten communities. The first Coop project director, who was also the head of the Health Council's community action arm and whose salary was paid by the Health Center, increasingly turned his attention and that of his staff towards this effort. Although he continued to work informally with the Coop, primary responsibility for the operation was gradually assumed by the second project director, who was at this time serving as an "apprentice" for her new role.

Initially, as described earlier, there was a great deal of overlap and cooperation between the Coop and the Health Council. Seven of the Coop's board members served also on the Health Council, and members of the local health association in each town also tended to be members of the coop club in that town. Gradually, however, competition developed for the energies and commitments of active members. The second project director complained, at one point, that the Health Council and its associations had "stolen" the Coop's members. Indeed, there seems to be some justification for this complaint, if formal membership can be taken as a criterion. In Allerton, one of the towns, membership in the coop club dropped from 37 in 1968 to 27 the next year, while the local health association's membership rose from 65 to 250. Similarly, in another town the Cooperative lost 13 members while the association gained 350 (giving it a membership of 500 by the end of 1969).

Over time the two organizations gradually grew apart. The Cooperative itself moved out of the Health Center building where it

started and set up its own offices some two miles away. By the end of 1971, only two of the Coop's board members were connected with the Health Council: one sat on the Council and the other served as its executive director. Only 11 of the 30 leaders of the health associations in 1971 were members of the Coop, either in 1970 or in 1971.

The waning influence of the Coop in Health Council affairs became sharply apparent during the winter of 1971. The originator of the Health Center project was moving from Eastern University to State University, and the Health Council had to decide whether university sponsorship of the Health Center should move with him, or if, instead a certain large, agricultural, midwestern university should assume the role of university sponsor. The Coop and Hilltown had both been represented on the study group that visited the midwestern university in question, and the Coop (which was in its last year of OEO funding) strongly preferred affiliation with that university. However, in a meeting closed to Coop board and staff representatives, and without any discussion of the Cooperative's needs, the Health Council voted to follow the Health Center's originator to the new, non-agricultural, State University. This decision (and the manner in which it was made) caused much bitterness among Coop board and staff people, and a harsh letter suggesting that the Health Council had fallen under control of "the Man" was sent in protest.

As of September 1971, some of the coop clubs were still meeting in the Council's local contact centers, and in a few cases they still had back-to-back meetings.<sup>34</sup> Also, the Health Center has continued,



at least through 1971, to pay the salary of a Coop staff member in charge of the remaining 20 acres used to grow food for the community. Nevertheless, relations between the two organizations have become somewhat strained.

Other indications of difficulty in implementing the Coop's "intended solution" were noted earlier in connection with the various projects which were started but which had to be closed down, such as the sandwich shop, the hot lunch program, the clothing outlets, the bookstore, and the frozen food locker. All of these otherwise beneficial projects were found to be a drain on finances which the Coop could not support if it was to become self-sufficient.<sup>35</sup> There were other difficulties too, that lay largely beyond Coop control. These included the occasional (and hence unreliable) nature of technical aids received from unpaid volunteer consultants, as well as the unpredictable nature of the small contributions of labor and capital that occasionally came from outside private donors.

Although a description (as above) of the Cooperative's difficulties in mobilizing community resources and achieving community integration is an essential first step in understanding their origins, such a description does not constitute a sociological explanation of them. Unfortunately, because this particular complex situation is being considered holistically, no single sociological "theory" or analytic framework can provide the comprehensive sort of explanation needed to account for the changes and problems described. Use will be made, where possible, of previous sociological research for this purpose, but

for the most part, it has been necessary to draw, in a somewhat ad hoc manner, on a variety of different approaches and levels of analysis in order to explain why the Coop's "intended solution" did not succeed as planned. Mindful of the eclectic nature of such a "multifactor" approach, let us turn next to a search for the general causes of difficulty in achieving this "intended solution."

#### Factors Responsible for Failure of the "Intended Solution"

Although numerous causal factors might well be adduced by analysts employing a different approach to account for the Coop's local difficulties, the seven which follow seem to be of particular potency:

- 1) weakness of indigenous "community" in the area;
- 2) weakness among local residents of values embodying Gesellschaft rationality;
- 3) generally low levels of technical skill and knowledge, literacy, and formal organizational experience;
- 4) pervasiveness of extreme economic scarcity and hardship;
- 5) important defects in the initial rational definition and design of the Cooperative;
- 6) over-extension of the Coop's limited assets into various "welfare" projects; and finally,
- 7) a significant increase between 1967 and 1972 in levels of welfare and emergency food available to the local poor population from sources other than the Coop.

Because this list may be conspicuous in part for what it omits, perhaps several comments should be made before proceeding to review each of its points in turn. Our approach has not been to try to isolate violations of classic "principles" of cooperative business operation,

such as those reviewed in the interesting study of farmer cooperative failures by Miller and Jensen (1957). Although there will be occasion to note such violations, the approach in this study has been, rather, to identify some of the more basic social structural and environmental problems which led to such violations in the first place.<sup>36</sup> Hopefully, such an approach may increase understanding of what root problems must be dealt with in order to design similar enterprises more successfully in the future. In this spirit, we shall attempt, as we go along, to identify strategies that might have made it possible for the Coop's "intended solution" to have been more successful. It should be noted, finally, that the fact of OEO sponsorship has not been dealt with in this list of problems for the simple reason that this particular dimension of the Coop's "intended solution" developed as expected. The problems caused by the manner and termination of OEO funding will be considered in the concluding discussion. But first, let us review what was involved in the seven problems noted above.

#### 1. The Weakness of Indigenous Community

A rather substantial research literature in sociology has developed around the question of what social and economic conditions facilitate the capacity of people with common needs and problems to act collectively on their own behalf through organizations and movements founded for that purpose.<sup>37</sup> Most of these studies start with the premise, or observation, that such collective action is the exception rather than the rule among populations with pressing common problems. They then

proceed to identify specific social factors that enhance or retard the kind of cohesive and integrated community which is usually posited as necessary for such collective action. The various types of community which have been cited as offering a viable basis for collective action include those based on common occupation, residence,<sup>38</sup> ideology, religion, or ethnic tradition. Although the specific conditions underlying such various types of community vary from one to the next, there appears to be considerable agreement about some of the social and economic circumstances which permit their development. These conditions include (depending on the study and the type of community), sharing of common values or culture; geographical propinquity or possession of effective means of intercommunication and transportation; isolation from assimilative influences; opportunities for regular and recurrent social interaction (including opportunities for meaningful personal interaction); possession of basic participation skills; interactive sharing of common dangers or deprivations; exposure to economic uncertainties and fluctuations; relative freedom from extreme repression by enemies; shared definitions of common problems; and an absence of the normalizing influence of traditional beliefs, including religion.

While some of these "prerequisites" for the development of community, and hence for collective action and organizational participation, have been present among the black population in Cotton County, most of them have not.<sup>39</sup> Geographically, this population is widely dispersed and isolated from others outside the particular local village or town; work generally does not provide regular opportunities for close

and continuous interaction with others (except perhaps on the plantations where there exists great pressure, in the form of economic reprisals, against collective action by blacks); basic skills for participation in formal organizations are not highly developed; except in the local hamlets and on the plantations, common hardships and dangers tend to be faced individually or in families rather than in closely integrated groups;<sup>40</sup> economic hardships tend to have been constant, rather than fluctuating; until recently the population has not been relatively free to organize, but has suffered constant intimidation from the surrounding white community;<sup>41</sup> militant definitions of the nature of common problems and those responsible for them have not been widely shared;<sup>42</sup> and the intense religious convictions of the population have, for many, tended to encourage acceptance of the status quo and to discourage more militant definitions of economic and political reality.<sup>43</sup>

Partial recognition of these circumstances is reflected in the observation by the first project director that the membership of the Coop was not drawn from a single, tightly knit community, but rather from a "collection of communities," and that "each of these communities has its own identity, its own cohesion and its own interests." In addition to this geographic and social dispersion, certain other social divisions cut across the area. Again, according to the first project director, there has been a traditional social division between town people and plantation people, as well as between middle class and poor blacks. Perhaps in part reflecting these divisions, the authors also observed some conflict in the Coop between the regular blue-collar

agricultural workers and the white-collar office staff. As noted earlier, this conflict surfaced with disruptive results when the second project director was on her study tour of Israel. According to one board member (who evidently sided with the field staff), workers felt as if a "great white superior" was overseeing them.<sup>44</sup> When asked if there were any groups which tended to get more than they deserved from the Coop, about one third of the field staff mentioned those working in the office.<sup>45</sup> In contrast, during our informal conversations with various office staff, the farm manager and his assistants were accused on several occasions of mismanagement.<sup>46</sup>

Within particular towns and local areas, the primary integrative institutions, prior to the founding of the health associations, consisted primarily of family and church. Families usually assume extended form, and in several areas, the families are all interrelated by either blood or marriage. Church-going and participation in various church-related clubs have supplemented these extended kinship networks as the primary institution of social integration. However, both of these basic integrative institutions have been local in scope, usually not extending far beyond one's local village or town. This fact, along with the others noted above, has meant that the Cooperative has had relatively little natural basis, or structure, on which to build a regionally integrated membership organization.

We were struck in the course of the field work with what appeared to be a general lack of recognition of these problems of weak indigenous community. This lack of recognition seemed to stem from the optimistic

and militant perspectives of many of the Coop's organizers. Imbued with a democratic ethos of active citizen self-help and participation, they seemed to assume that being both black and poor was an adequate basis for a population to organize for change.<sup>47</sup> However, as suggested by such theorists as Olson (1965), the existence of a pressing need among a population is not an adequate basis, by itself, for the founding of organizations to serve those needs. Part of the problem may also have stemmed from the assumption by these original community organizers that the Coop would make use of the integrated health association structure as a primary basis of member integration. But as has been noted, this hope was not realized.

How this difficulty of weak indigenous community could have been overcome is not clear. It may be appropriate, but it is hardly constructive, to suggest that organizers should be on guard against false assumptions generated by their own optimistic and activist perspectives. It is also tempting to toy with the ambitious possibility of building community out of whole cloth in the form, for instance, of a collective agricultural settlement, such as the Kibbutzim or Moshavim in Israel. But circumstances were infinitely more favorable in Israel than they are in the American South for such developments,<sup>48</sup> and the enormous barriers to the successful operation of such collective settlements on the American scene have already been noted by several studies.<sup>49</sup> These observations have led us, instead, to the recommendation of two much more modest possibilities which were (and still may be) available to the Cooperative. The first of these is that the Coop might have

maintained a much closer relationship with the Health Council and its health associations, perhaps even to the point of aspiring only to be a large nutrition project permanently subsidized by the Health Center. The second possibility is for the Coop to have drawn its membership primarily from Hilltown, which seemed to be the most viable of the coop clubs. In the absence of effective association with the regional structure of the health associations, a more limited geographical design might have reduced many of the integrative problems which have dogged the Coop from its start.

## 2. Weakness of Values of Organizational and Economic Rationality

Just as has been observed (e.g., Hoselitz, 1963) of many "tradition" oriented underdeveloped areas of the world, norms embodying "modern" values of universalism, specificity, and achievement appeared to be relatively undeveloped among the poor population of Cotton County. Adherence to Gemeinschaft values in interpersonal relationships seemed much more prominent than in most urbanized and middle-class communities. Compared with such middle-class settings, there was a reluctance to evaluate acquaintances on the basis of universal norms of performance; a tendency to regard public evaluations of others as poor taste;<sup>50</sup> a tendency for personal relations to be comprehensive rather than segmented and friendly rather than impersonal; a preference for basing group decisions on consensus and status rather than on more "rational" criteria such as formal voting; and a pervasiveness of a communal and democratic "ethos" in social interactions generally.



While these values impart a friendly and relaxed quality to social relations in the community and undoubtedly contribute to cultural stability, they may have had a less salutary effect upon the operations of the Coop, particularly with regard to the policy-making functions of the board of directors. We were struck by a general absence, in board meetings, of critical evaluations of staff actions and reports. Board proceedings seemed highly ritualistic. Instead of being punctuated by the habitual inquiries, suggestions, and criticisms usually associated with middle-class board meetings, the Coop meetings were more conspicuous for their frequent expressions and reaffirmations of consensus and agreement.<sup>51</sup> In several instances, it appeared that staff members were judged more on the basis of their skill in personal relations than on their organizational performance. On the basis of such observations we are inclined to conclude that staff decisions and performance did not receive the kind of critical evaluation and control required for efficient business operation.

Once again, it is not easy to know just how these problems might have been avoided or reduced, especially since the organization had consciously been designed to provide local poor people with decision-making experience. The Coop did conduct a number of board training sessions, possibly with some success, judging from the good performance of board members on a series of questions about cooperative principles in our second wave interview schedule. Much more intensive training would probably have helped even more. Another helpful tactic might have been reliance by the board on an executive committee which worked

closely and more frequently with professional consultants from the Health Center or elsewhere. A third tactic, which has been employed successfully in various forms in some other poor-peoples' cooperatives, might have been to insulate the Coop from direct "popular" control by making it a purely technical non-profit business venture run by a professional business manager hired by (and accountable to) the democratically controlled Health Council.

### 3. Low Levels of Education and Technical Experience in the Community

We have in mind here not merely the general lack of knowledge and skill which Michels (1962) attributed to the memberships of all democratic organizations, but the much more extreme problems of functional illiteracy, technical ignorance, and lack of organizational experience which have been recognized as fundamental problems by most organizers among populations of poor people. These problems manifested themselves in numerous ways and at all levels of Coop operations. Regarding Coop management, the lack of training and experience contributed to such problems as poor record-keeping, financial reporting, and methods of cost accounting; reluctance to appropriately sanction the incompetence of some staff to whom specific responsibilities had been delegated; a tendency on the part of all the project directors to diffuse their energies through work-time involvement in projects only peripherally related (or unrelated) to the Coop; failure to utilize available technical information from agricultural experiment stations and other sources; and failure to execute routine farming operations (planting, harvesting,

etc.) according to desired schedules. Some of the Coop's difficulties in the operation of its board of directors could be traced quite directly to low levels of education and training, as reflected in poor minutes of meetings, reluctance to make intensive use of written materials and documents, and ignorance of sound business procedures. Low levels of education and organizational experience among the general membership also had an impact on Coop operations. Problems here included unresponsiveness (due to illiteracy) to written instructions, notices, and reports from the central Coop; lack of field skills in vegetable production (which was new to the area, and thus affected the staff as well); reluctance to participate actively even in Coop meetings they may have attended;<sup>53</sup> and widespread ignorance regarding the nature of both the Coop and the Health Center programs.<sup>54</sup>

Although utilization by the Coop of relatively uneducated, unskilled, and organizationally inexperienced participants has undoubtedly provided them, as intended, with valuable experience, it has also entailed a two-sided cost for the Coop. On the one hand, it has made the Coop's "intended solution" more difficult because of the barriers to participation which such low levels of training and experience entail; and on the other hand, it has interfered with the attainment of the high levels of operating efficiency which are required if the Coop is to become a viable and self-sufficient business enterprise.

To the extent that the objectives of such an enterprise include both direct popular control by the community and provision of experience to local participants and employees, one method of alleviating these

problems must obviously consist of intensive board and staff education. It might be well, too, if such education included not only formal classes for potential board members, but also, some form of apprentice-like practical experience, such as often provided by service on various specialized advisory committees. Although it is too late in Cotton County, a second improvement can be made elsewhere in dealing with the problem of low levels of training and education among the membership by changing two OEO practices which, we believe, caused great harm to the Coop. The first of these was OEO's requirement that only people below the "poverty line" could be members, and the second was the failure of OEO to provide the Coop with regular and competent technical consultants until its third year of funding. Although the first rule had the laudable intention of concentrating benefits where they were needed most, it also prevented the Coop from drawing on those segments of the black community whose higher levels of education and training might have reduced some of the problems described above. Regarding the late provision of technical support, one can only wonder how much better off the Coop would now be if it had benefited from regular, competent consulting from the very beginning.

In any case, community organizers might bear in mind that, although the victims of extreme poverty may well be the best candidates for certain kinds of community development jobs (Brager, 1963), the costs of their involvement in technically more demanding roles may be high (Delbecq and Kaplan, 1968) and should at least be taken seriously into account.

#### 4. Extreme Economic Scarcity and Hardship

The fact of economic scarcity and hardship, for both the members as individuals and for the Coop as an organization, is so obvious as to require no further documentation. The consequences of this scarcity for the Coop's "intended solution" and its plans for self-sufficiency, however, deserve a brief review. Regarding the members, these consequences can be summarized quite simply: the rigors and hardships of poverty made the membership much less available, in numerous ways, for participation in the Cooperative as workers, consumers, and volunteers than they would otherwise have been. Those whose poverty made them dependent upon plantation employment (34 percent of our sample in 1971) were often obliged to work there just at the times when the Coop needed labor the most. Many could not get to the Coop to work or pick up vegetables because they owned no car, a factor cited by 19 percent of the respondents in 1971 as the reason why they could not get Coop vegetables they wanted. Others reported being unable to work or get to the Coop because of irregular employment, sickness, or chronic ill health. But perhaps the most direct barrier to participation and the development of loyalty was simply lack of money. Because of this, the Coop's only requirement for membership was the payment of an annual two dollar membership fee. That this is probably all they could afford is indicated by 43 percent of the respondents who reported that they would be willing to pay four instead of two dollars per year, but that they did not have enough money to do so. For some, low incomes undoubtedly prevented the purchase of desired food from the Coop. But of more profound significance, the

inability of members to invest more substantially in their organization both eliminated a significant source of capital enjoyed by more established cooperatives, and probably also greatly reduced the loyalty and commitment that members would have felt if they had been able (and required) to invest more.

The major effects on Cooperative operations of scarce capital included such obvious things as abandonment of plans for the cannery which might have solved some of their marketing problems; the necessity of renting permanently needed agricultural machinery; difficulty in paying off the Ford Foundation loan on schedule; foregoing the benefits of expensive agricultural services, such as crop dusting and technical consulting; reductions in the number of staff; discontinuance of the peripheral "welfare" projects noted earlier; and inability to offer competitive salaries to the project directors. The last problem is especially important, for as numerous experts have noted, the commitment of the executive talent that is vital to organizational success is dependent upon the inducements (including salaries) which the organization can offer to such talent.<sup>55</sup> This has been a particular problem for the Coop, for the first two of its project directors have moved away to greener pastures, and the third speaks softly of such desires.

Basically, it is probably true that such problems of extreme economic scarcity can be solved in the long run only by major changes in the policies of the federal government and other national institutions involved in cooperative development, such as national federations representing large established cooperatives. We shall note what some

of these changes might be in our concluding discussion. If attention is limited to the Cooperative's immediate circumstances, however, only a few possibilities come to mind which might have ameliorated the Coop's problems of extremely scarce funds. One of these would have been the desirability of relaxing (if not completely abandoning) the OEO's "poverty line" rule for membership. A separate category of membership for nonpoor (or less poor) residents which required some equity investment (paying limited returns) might have provided the organization with at least some additional capital.<sup>56</sup> Also, if the Coop had been able (and willing) to maintain closer ties with the Health Council and the Health Center, these might have provided a second source of continuing capital support. Finally, had Coop leaders been more inclined to pursue the possibility, a third temporary (and unreliable) source of funds might have been the Walks for Development which were taking place throughout the Country and which had been a source of considerable support for a similar cooperative in a neighboring county.

##### 5. Problems of Structural Definition and Design of the Coop

We are aware that community organizers, such as those who founded the Coop, must operate without the benefit of any scientifically proven guidelines, rules, or principles, and that it is always much easier to recognize mistakes in emergent situations after they have been made than beforehand. Furthermore, admittedly there is no way of knowing with certainty that our suggestions would definitely have produced better results than those which were put into practice. Nonetheless, it appears

that the Health Center's original rational design of the Coop did contain some important defects. Since they have been described already, only a summary will be presented here.

The most serious of these was failure to integrate the Coop's club and executive structure much more closely into that of the Health Council and the health associations. This might have involved a common membership, free use of the contact centers, use of the Health Center bus system, permanent sharing of Health Center technical personnel and facilities and of Health Council organizers, some degree of formal integration or overlap of the two governing boards, possible ownership of Coop lands by the Council; and structural guarantees (in addition to a common membership) that coop benefits would be channeled in such a way as to support the objectives of both the Health Center and the Health Council even more than they did. Such a major modification of design would probably have placed the Coop in a much more dependent position, organizationally, although the structural form of such dependency would depend, as J. Thompson (1967:30ff) has suggested, on the degree of dependency. The Health Council and its associations are an essential component in that social territory that the Coop claimed as its "domain," a component whose support was probably necessary for success of the Coop's "intended solution." If this is correct, then the following passage from J. Thompson (1967:28) can be read as having been appropriate advice for the Coop:

The establishment of domain cannot be an arbitrary, unilateral action. Only if the organization's claims to domain are recognized by those who can provide the necessary support,



by the task environment, can a domain be operational. The relationship between an organization and its task environment is essentially one of exchange, and unless the organization is judged by those in contact with it as offering something desirable, it will not receive the inputs necessary for survival.

But as has been seen, instead of establishing a close working relationship of mutual exchange with the Health Center infrastructure, the Coop, starting as an independent legal structure unto itself, became progressively separated from this infrastructure to the point where it came to benefit from it relatively little.

The other major problem in Coop structural design was that inadequate provision was made for integrating both local members and the local clubs as units into the functioning of the central Coop, and also, for integrating the board of directors more adequately into the process of cooperative management. This was a difficult but vital requirement, given the geographic dispersion of the membership. Regarding the integration of individual members, OEO, because of its poverty-line rule, in effect required the Coop to sign up members anew each year to ensure adherence to the rule. The resulting high membership turnover has already been noted. This turnover, in other words, may not primarily have reflected member dissatisfaction, but rather, the simple fact that each membership drive involved contacting and signing up a changing group of people. In short, because of the OEO requirement, membership in the Cooperative has not been very well defined. In the 1971 survey, a number of respondents were not aware that they had been members, and a rather substantial number of others felt they had been for years when, in fact, their

names did not appear on the current official list. Indeed, five members of the board in 1971 were not on the membership list that year.

The problem of integrating the clubs into the central Coop lay mainly in the fact that only two representatives from the club sat on any kind of central Coop group (the board), and this met only once a month. As for the problem of integrating the board more meaningfully into the functioning of the Coop, we have already noted that this was due partly to the general lack of training and experience of board members. But part of the problem lay, too, in the relatively infrequent scheduling of board meetings, as well as the functionally diffuse nature of the business conducted there.

Beginnings of a solution to these problems could certainly have been made had OEO been persuaded, once again, to relax their poverty-line rule for membership. In addition, integration of the clubs into central Coop operations might have been enhanced by means of central functional advisory committees made up of local club representatives. And finally, as suggested earlier, the board itself might have functioned better if it had elected an executive committee of particularly qualified people to serve the dual purpose of insulating management from some of the less well deliberated decisions of the board and of keeping the board more continuously in touch with daily operations.<sup>57</sup> As things stood, the problem of internal organizational integration was surely one of the factors impeding successful implementation of the Cooperative's intended local solution to its problem of extreme resource scarcity.

## 6. Over-Extension of Welfare Projects

It has already been seen how the Coop, responding to its own strong original "welfare" mission, initiated a substantial number of projects which were peripheral to agricultural production, but which were thought to be needed by the members. As shown by the fact that most of these programs have been discontinued, however, they caused the Coop persistent problems. The most important and obvious of these was simply that they were costly in terms of both staff energies and money, and that none of them were self-supporting: These were costs that, given the Coop's other problems, it was realized could not be carried if economic self-sufficiency was to be achieved. But in addition, the termination of these projects may have contributed a little to the Coop's difficulties in mobilizing community loyalty and involvement. The reason for this was that termination of the projects occasioned some bitterness and disappointment among both members and Health Center personnel; whose primary conception of the Coop's purpose was that it should commit its resources to producing such benefits. It is possible, of course, if the Coop's "intended solution" had worked out more successfully, that the Coop might have been able to continue supporting the projects. On the other hand, the fact that such over-extension has been a cause of trouble in other farmer cooperatives (Miller and Jensen, 1957) suggests that Cotton County Cooperative Farm would probably have been well advised to be a little less ambitious in this regard.

### 7. Concurrent Increases in Welfare and Emergency Foods

Although this last source of difficulty in achievement of the Coop's "intended solution" is less consistently supported by the data, there is a possibility that members' need for emergency food may have become less critical between 1967 and 1972, and hence, that their need for the Coop declined. For instance, the proportion of respondents who said they had received free food from some source other than the Coop rose from 4 percent in 1967 to 44 percent in 1971. During this period the food stamp program requirements became more liberal, and the level of welfare support increased substantially.<sup>58</sup> These improvements have been of sufficient scope that the second project director at one point attributed some of the Coop's labor problems to them.

Nevertheless, considering how extreme were the needs of the target population to begin with, such improvements do not necessarily indicate that the benefits of Coop participation have declined substantially in value. Some 22 percent of the respondents said that getting enough good food was still a big problem for their families in 1971, and 50 percent said that there was someone in their family who wanted to work at the Coop. Underemployment remains a major problem in the county, furthermore, as indicated by 59 percent of our sample who said this was the case for their families. If these figures hold any lesson for the Coop, it is that its members can probably now be better served primarily by providing employment and secondarily by providing food.

Discussion

Throughout the preceding pages it has been suggested, both directly and by implication, that the Coop would have been better off if had either been better able (perhaps by the various means we have discussed) to achieve its local "intended solution" to problems of resource scarcity, or if it had concentrated all of its very limited resources from the very beginning on achieving a state of modest but real economic self-sufficiency as a competitive business enterprise. In spite of our tendency to speak in terms of such dual alternatives, however, we are not suggesting either that no other "intermediate" alternatives were (are) possible or that the Coop was (is) being torn by contradictory pressures to conform to any kind of pure, "ideal-typical" organizational models. We see no reason to suppose that there may not be numerous viable compromises between the kind of local integration the Coop sought to achieve and attainment of business self-sufficiency, each of which alternatives may, depending on the situation, involve different degrees of organizational self-support. Even solutions leaning more or less completely in one direction may involve a wide variety of differences in organizational character and structure.

On the other hand, at a more general level, there in fact do seem to be very strong social pressures in American society encouraging small, economic self-help enterprises, such as the Coop, to lean heavily in one direction or the other--either toward heavy dependency upon local sponsorship and support, or toward gambling on risking survival in the competitive business world. The pressures for the "local" sponsorship option include those we cited at the beginning--extreme shortage of capital and other

resources and a commitment to serve the needs of poor people in local settings. To these should be added the virtual absence of long-term sources of funds from federal or other national agencies and the extreme popularity during the 1960s of the belief in citizen participation and "maximum feasible participation of the poor." On the other hand, for enterprises which choose not to take this route, such as most conventional small businesses, there are equally strong pressures justifying the gamble of successful competition in the economic marketplace. These are familiar to everyone, in one form or another, as the romantic American belief in competitive free-enterprise capitalism. In between these two "alternatives" lies largely terra incognita, for in the U.S. (in contrast to many developing countries--both socialist and capitalist) very few other sources of sponsorship and support are available. Thus, while the two horns of the dilemma with which the Coop has wrestled may not have represented any theoretical or ideal-typical contradictions, they did clearly reflect the social and economic realities of its American situation. It is for this reason we have argued that if the Coop's "intended solution" did not succeed, then it "had no other choice," if it wished to survive, than to try to support itself in the economic marketplace as a competitive business enterprise.

It may be asked, however, whether it was so much the "failure" of the Coop's efforts at local integration as it was anticipation that OEO was to abruptly stop funding the enterprise that was responsible for the Coop's progressive displacement of "welfare" goals in favor of commercial production. There can certainly be no question, given the

unsuccessfulness of the Coop's "intended solution," that the impending reality of abrupt OEO termination was a primary source of pressure upon the Coop to drop unprofitable operations and to vigorously seek out alternative means of survival. But it is nevertheless entirely conceivable that the Coop's efforts at local integration and resource mobilization might have worked out much better than they did. Had this been the case, even in some degree, then OEO termination might well have created much less pressure for goal displacement. It is our belief, based on observations of other successful low-income cooperatives, that the Coop's "intended solution" was by no means an impossibility, and we have tried to suggest ways in which the chances for its attainment might have been improved. Very possibly, such improvements might not have been adequate to completely eliminate the shock of OEO termination, but there is no reason to believe that they would not have greatly reduced its force. Such an argument must remain speculative, admittedly, for the Coop simply wasn't given time to try out new and alternative methods (or to improve originally intended ones) of achieving local integration. The total term of OEO funding, it must be remembered, was only three years. Compared to the seven year maturation period provided to the much better supported collective Moshavim in Israel (Weintraub and Associates, 1971:19-20), such a short period indeed appears inadequate.

In any case, the upshot of OEO's withdrawal and the unsuccessfulness of the Coop's efforts at local integration is that the enterprise now functions largely without substantial support from outside sponsors. <sup>59</sup>

Thus, as a cooperative, it is institutionally isolated, a situation which, in developing countries, has more often than not led to cooperative failure.<sup>60</sup>

Is it not true, however (an optimist might ask), that the business practices of the Coop have improved and that its attempt at efficient production for commercial markets represents a "healthy" development which may increase the Coop's chances of survival? It is indeed true that the Coop has improved its business procedures in numerous ways, including improvements in record-keeping and budget projections, abandonment of nonproductive operations, gearing production for market contracts signed prior to planting, improved adherence to agricultural schedules, improved quality control and grading, use of more reliable sources of field labor, and use of agricultural aids, such as crop dusting. It would be unwarranted and premature, however, to assume from this that the Coop's chances of survival have been thereby substantially increased; for as the Coop moves further into the impersonal and competitive winds of the agricultural marketplace, it becomes increasingly exposed to the enormously high risks of small business failure which result from its storms. Credit and skilled manpower remain scarce for the Coop. Competition against large mechanized producers is stiff. Reliable market outlets are few, and profit margins are small, as reflected indirectly by the decline in income from all crops in Cotton County from \$45 million in 1964 to \$29 million in 1969.<sup>61</sup>

The four-decade failure rate of 85 percent for all private enterprises in the U.S. during the first half of the century hides an even higher



rate of failure among those that are particularly small, a fact that does not encourage optimism.<sup>62</sup> Furthermore, the Coop is entering this stormy marketplace with encumbrances from its past which will make its efforts to operate at peak efficiency particularly difficult.<sup>63</sup> It is too early, of course, to predict the outcome; the Coop may yet succeed in spite of its problems. But the choice it has been forced to make is a cruel one, for on the one hand, it has had to greatly dilute its original mission of maximal service to the poor, and on the other hand, it has had to undertake a course whose outcome is, at best, uncertain.

### Conclusions

#### 1. Theoretical Implications

Although the preceding case study was not designed primarily to "test" any hypotheses derived from the theoretical literature on complex organizations, we believe that its theoretical implications are important and should therefore be briefly identified. At a very general level, our analysis provides some evidence, in addition to that accumulated by a growing number of students in the field of complex organizations, that an environmental approach to the study of organizational change and development is indeed a fruitful one.<sup>64</sup> Just as it was found necessary for understanding changes in the Coop, this approach places particular emphasis upon the means of mobilizing and controlling scarce environmental resources and upon the consequences which result from this process. Such an approach provides essential

additional leverage for understanding the internal organizational processes that, until recently, have been the primary focus of most previous research.<sup>65</sup> Although such understanding will ultimately benefit most from comparative organizational studies, we believe that detailed case studies, such as the present one, can also contribute their share.<sup>66</sup>

More specifically, the present study is of some theoretical interest because of the evidence it provides that the process of goal displacement can, for some organizations at least, be better understood as a reordering of priorities attached to multiple organizational objectives in response to environmental change and uncertainty, rather than primarily as a consequence of internal bureaucratic rigidification. More generally, Thompson and McEwan (1958:196;188) have suggested that "goals appear to grow out of interaction, both within the organization and between the organization and its environment," and that "because the setting of goals is essentially a problem of defining desired relationships between an organization and its environment, change in either requires review and perhaps alteration of goals."

However, while previous studies of goal succession have recognized the importance of changes in organizational task environment,<sup>67</sup> efforts to analyze the process of goal displacement have tended, following Michels' example, to emphasize factors conceived as internal to the organization. In this vein, Merton (1957:195-207) emphasizes the role of "bureaucratic personality," and Blau gives primary stress to internal pressures for administrative innovation.<sup>68</sup> As Lipset has summarized

(1962:24-25), "the student of organizations begins with the assumption derived from Michels that there will be 'deviations from . . . avowed goals,' and that such seeming betrayals of institutional commitments . . . can be explained by reference to the assumption that bureaucrats are officials who concentrate power in their own hands."

On the other hand, in contrast to this "internal" search for the origins of goal displacement, a number of other researchers, like Selznick (1966), Clark (1956), and J. Thompson (1967), have sought to understand change and displacement of organizational goals in various settings as an adaptive response to changes and uncertainties of task environment. Noting that "organizations are interdependent with task environment elements" (p. 132), Thompson (1967) hypothesizes that "the more dynamic the . . . task environment, the more rapid the political processes in the organization and the more frequent the changes in organizational goals."

Regarding the goal displacement of the Cotton County Cooperative Farm, the dynamism of its task environment consisted of the highly uncertain and unreliable nature of the resources it could provide to the Coop, including the changes occurring within it which aggravated those uncertainties.<sup>69</sup> The main point is that the displacement of Coop goals from welfare-oriented service to an emphasis upon the internal organizational efficiency necessary for marketplace survival was mainly a problem-solving attempt to cope with these uncertainties, rather than a reflection of the development of internal oligarchy, administrative retrenchment, or bureaucratic mentality.<sup>70</sup> This process

of change was facilitated by the fact that the means for achieving the Coop's service objectives had been present from the start as secondary organizational goals. Thus, the Coop's shift from "ends" to "means" (the usual way of conceiving goal displacement) is more clearly conceived as a realignment of priorities attached to multiple organizational goals, rather than as a more perverse growth in pre-occupation with mere procedures.<sup>71</sup>

## 2. Policy Implications

Whatever practical lessons may be learned from the experience of the Cotton County Cooperative Farm are of particular relevance because of its similarity with the many other locally oriented and controlled cooperatives and nonprofit economic enterprises that have been founded as part of the past decade's War on Poverty. Some of these similarities may be described in terms of Weintraub's (1970) typology of "center-periphery" relations in developing nations. According to this typology, what is distinctive about these War-on-Poverty coops is that a) the central government has been only weakly committed to rural reconstruction in poor areas; b) the power of the "center" (i.e., the federal government) as a sponsor is very strong; c) the poor rural sector is socially dispersed and relatively unorganized; as well as d) "withdrawn" (powerless, unaggregated); and e) the poor rural sector is relatively "undifferentiated" or "self-centered" (i.e., not possessing a "differentiated collective consciousness"). Such a profile, Weintraub suggests, is not promising for its development potential. More specifically, these coops tend to have been funded by means of short-term grants, to have

met resistance (variable) from local centers of power, to be very small, to be dependent in various ways upon specific local sponsors or agencies, to have laid heavy emphasis on the delivery of service benefits to their target populations, and to have emphasized democratic control by the poor populations being served.<sup>72</sup> For all of these reasons, the practical implications of the present case study are probably of quite general relevance.

Turning to specifics, there seem to be two primary sources of difficulty in the way OEO handled its sponsorship of the Farm. The first of these had to do with the problems that were associated, in one way or another, with grant-funding as a means of capitalization. Part of the difficulty here was simply the very short term and the abrupt termination of the funding. As suggested earlier, a considerably longer term of support is probably required for the sponsored enterprise to achieve self-sufficiency through normal processes of growth and consolidation. There must be adequate time to learn from mistakes, as well as to accumulate earnings. And whatever the term of support, termination should be phased so as to maximize the capabilities of the enterprise to adapt to new requirements, the consequences of which can probably never be fully appreciated in advance.

More fundamentally, however, grant-funding as a form of sponsorship has another more serious drawback. It tends not to encourage an early and serious concern, on the part of the recipient, with the maximization of internal efficiency and organizational productivity that does seem to occur when loaned capital must be repaid (at least

in part) on a regular schedule.<sup>73</sup> Beneficial side-effects of such a forced concern with efficiency and productivity would also presumably be a concern with effective record-keeping and financial monitoring of organizational operations--concerns that were weakly developed, until recently, in the Cotton County Coop. Another difficulty that seemed to accompany OEO's method of grant-funding was the generally insufficient (and tardy) provision of technical consulting support.<sup>74</sup> For these reasons, we find ourselves in agreement with Marshall and Godwin's (1971) recommendation, in their study of low-income cooperatives in the South, that a long-term, supervised credit approach be adopted in supporting such enterprises. Such support might well take the form, for example, of ten-to-twenty year low interest loans whose repayment would follow a set schedule and whose administration would be coupled with intensive technical counselling and education.

A second more subtle problem with OEO's sponsorship of the Coop stemmed from what appeared to be a dualism, or mixing, of incompatible development objectives on OEO's part, with the result that neither objective has yet been successfully achieved. On the one hand, as was noted earlier, OEO endorsed the welfare objectives of the Coop, an endorsement that evidently is not limited merely to this particular Coop.<sup>75</sup> Unfortunately, however, this encouragement was not accompanied by the sort of permanent or long-term commitment to subsidization that might well have been required to provide the kind of services to its members which the Coop initially desired. This is all the more ironic considering that such a form of "welfare" from the government might

well turn out to be cheaper and of more enduring consequence than what it now distributes through the welfare rolls.

On the other hand, OEO expected the Coop, from the beginning, to become, as has been often noted, a self-sufficient competitive business enterprise. And yet, perhaps partly because of the other side of its dualism, it did not insist on the kind of initial definition, nor provide the scale of capitalization and technical support which would be necessary to achieve this difficult goal. From all of this, we are led to suggest that a fundamental choice must be made in the design of such enterprises in the War on Poverty: either to provide the kind of continuing sponsorship and subsidization that is recognized as necessary in most other welfare programs (such as AFDC),<sup>76</sup> or to design and sponsor the enterprise from the very beginning in such a way as to maximize its chances of eventual survival as a competitive business enterprise.<sup>77</sup> Given either choice, the extreme shortage of resources faced by the Coop would probably have required considerably greater investment by OEO than it actually gave.

In closing, attention should be called to two more general requirements for the widespread success of such development projects as represented by the Coop. The first of these is the need for organizational "empowerment." Unfortunately, such empowerment is a slow and difficult achievement; its most successful forms seem to involve the gradual historical integration of local interest groups into broader and progressively more comprehensive organizations at community, regional, and national levels.<sup>78</sup> Nevertheless, there is much that federal agencies

could do to facilitate this process, if only its importance were more widely recognized. A first step, for example, could well be the massive funding of the Federation of Southern Cooperatives.

The second of these general requirements is that federal "welfare" policies recognize the importance of allocating monies not merely to individuals in need, as is the case now in the United States, but also to the development (and empowerment) of independent productive enterprises among the poor that might contribute to eventually building the social and economic infrastructure necessary to eliminate poverty.<sup>79</sup> Given the extremes of scarcity seen in such areas as Cotton County, and given the rational barriers to organizational participation noted by Olsen (1965), it is probably unrealistic to assume, as now seems to be the case, that slight improvement in individual "welfare" will somehow automatically lead to the development of such infrastructural institutions. What is needed, in short, is a recognition by policy makers that the elimination of poverty in the U.S. requires programs of institutional and regional development, as well as stop-gap programs of individual welfare.

However, the sine qua non of such a national achievement must be the recognition that a much greater share of the national wealth must be committed to it. The level of commitment is not adequate, as the poor themselves recognize. In the words of the current Coop project director, "the white man gives us just enough to make sure we fail, without giving us enough to ensure success."



## FOOTNOTES

<sup>1</sup>This research was made possible by support from the OEO-funded Institute for Research on Poverty at the University of Wisconsin at Madison. Equally indispensable was the patient cooperation of the second and third project directors of the Coop, the Coop's board of directors and paid staff, numerous informants at the nearby health center, which was instrumental in founding the Coop, and perhaps most of all, the many Coop members who gave their time to be interviewed. To all of these parties the authors convey their thanks.

<sup>2</sup>Exceptions are Marshall and Godwin's descriptive survey (1971) of Southern poor peoples' cooperatives and Zimmerman's interesting history of the Southeast Alabama Farmers' Cooperative Association (1971).

<sup>3</sup>By agreement with the board of directors of Cotton County Cooperative, all proper names which might reveal the identity of the Coop have been changed and fictitious ones used in their stead.

<sup>4</sup>Thus, the Coop is both a consumers' cooperative and a producers' cooperative to its membership. Using Shaars' three "hard core" principles (1957:191-193) for defining a coop, the Cotton County Cooperative Farm clearly qualifies as such an enterprise, for (1) it provides service at cost, (2) it is democratically controlled, and (3) it pays limited returns upon equity capital. The Coop's only minor deviation from these definitional requirements lies in the fact that its members' only monetary investment consists of an annual two-dollar membership "fee" upon which no returns are paid at all. The Coop's most distinctive cooperative traits are that it is collectively owned and democratically controlled according to the principle of one man (family) one vote.

<sup>5</sup>In addition to the obvious poverty, low education, and lack of organizational and business experience, etc. of the target population itself, other important local dimensions of resource scarcity were a virtual absence of vegetable marketing outlets in the County (due to the predominance of commercial cotton production) and a scarcity of local sources of credit (which Coop leaders felt was more a reflection of discrimination by the surrounding white community than of actual shortages of loan capital in the area).

<sup>6</sup>"Public goods" produced by the cooperative have included free food to any family in need of it, the distribution of free used clothing to those needing it, the creation of jobs where none had

existed before, and provision of a "center" for community activities and organizing efforts. The Coop qualifies as a "public goods" organization because, although nominally its benefits are enjoyed only by an official membership, in practice anybody who wishes may, so long as his income is low, be counted as a member. Thus, at least some of the Coop's benefits may (as required by the definition of "public goods") be enjoyed by individuals who are not "members" or participants of the organization in the sense that receipt of these benefits is contingent upon some quid pro quo exchange with it. Other Coop benefits which may have a public goods aspect, but which do not meet this definitional requirement, include food at prices considerably below those prevailing in local stores, the sale, for a time, of used clothing at extremely low prices, and somewhat higher wage rates than those prevailing nearby.

<sup>7</sup>Census interviews were completed in 2,420 of the 2,991 black households located in the northern section of Cotton County. Those households in which interviews were completed included a total of 10,835 individuals. Additional health interviews were administered to 730 of these households. In most (but not all) cases, respondents were the female heads of household. The purpose of both surveys was to determine the nature and extent of health needs among those people who would become the "target population" of the Eastern/Hilltown Health Center.

<sup>8</sup>The main Coop member sample in 1971 consisted of all heads of households who were officially listed as Coop members in either 1969 or 1970 and who had also responded to both the census and the health study four years before. There were 164 such individuals, with 145 of whom second-wave interviews were completed, thus producing a panel attrition rate of only 11.5 percent over four years. As a supplement to the main member sample, interviews were also completed with a group of 25 members of the Coop paid staff and board of directors. Because percentages in the text describing Coop members' attitudes and circumstances are largely based on percentages whose base includes both components of the 1971 sample, there is undoubtedly some bias due to the somewhat higher incomes and greater Coop involvement of the board-staff group. Interviewers were carefully trained and monitored during their first interviews, and not only were interviewers paid a competitive wage, but respondents were paid \$2.00 for their time as well. Explicit endorsement of the survey was granted by the Coop's board of directors, and permission was received (on the condition of confidentiality) from all respondents to match their 1971 responses with those they gave in 1967. No doubt for these reasons, as well as because of previous contact by the senior author with the Coop, rapport with staff and with interviewers was generally excellent.

<sup>9</sup>This longitudinal design has provided data for an ongoing analysis of a) conditions of voluntary participation among the poor, and b) the relationship between immediate benefit-participation in the cooperative and the longer-term impact of such participation. Some of the questions

asked in 1971 were included at the request of the second Coop director in exchange for assurance of access by the authors to the Cooperative.

<sup>10</sup>These situations included meetings of both the Coop and the Health Center boards of directors, monitoring of interviews in a few respondents' homes, focused interviews and numerous conversations with Coop members and staff and with Health Center staff, tours of several of the local health "contact centers," several parties and evening "socials," dinner conversations in local restaurants, and visits to the Coop's fields and grounds.

<sup>11</sup>From the Coop, these materials included board minutes and reports, annual Coop "progress reports," membership lists for 1968, 1969, 1970, and 1971, membership application forms for 1970 (which contained some household data), data on wages paid to workers for selected days in the summer of 1970, various audits and cash-flow projections prepared for the Coop by outside firms, as well as other miscellaneous documents. From various people connected in one way or another with the Eastern/Hilltown Health Center, we received such materials as Health Center grant-applications and supporting documents to OEO, descriptive "progress reports" of the Health Center and Coop published in professional journals, materials used in executing the 1967 preliminary "census," and various other internal memoranda. OEO made available for examination all of the materials that that Coop had submitted to that Agency in their application for grant support. These included budgetary projections, "house" progress reports, and year-end reports. We also profited from examination of selected internal and external correspondence contained in OEO files. The only other minor documents took the form, primarily, of newspaper clippings, various state documents, such as maps and rules regarding welfare, and the like.

As is always true of such documentary materials, caution has been necessary in their use. Just as can be expected generally of organizational "PR" materials, the Coop's public "progress reports" have leaned toward excessive optimism and self-service. Furthermore, our file of board minutes and reports is incomplete, in part because the Coop's file is also. Other documents, as noted in the text, were of dubious quality, such as Coop board minutes. Perhaps more important, however, was the unavailability of certain particular documents to outsiders, such as those describing the conditions of a large loan from the Ford Foundation, marketing contracts with commercial vegetable processors, the business correspondence of the Coop's project directors, and an early unfavorable audit from a local accounting firm (which was later superseded by a favorable audit by a major eastern firm). Finally, some potentially valuable documents, such as conventional year-end balance sheets and financial statements, were unavailable simply because the Cooperative had not yet realized the value of producing such documents regularly for their own use. However, while these omissions have undoubtedly handicapped the present analysis in some ways, we are of the impression that the diversity of other data available to us

has compensated for these omissions and at least roughly filled the gaps.

<sup>12</sup>A popular national weekly magazine, 1969, p. 73.

<sup>13</sup>In addition, 71 percent of the families had no running water, 25 percent were undernourished, and 31 percent of the female respondents who were ever pregnant had had at least one child die. The "census" also provided noteworthy evidence of regional out-migration and family separations: only 23 percent of the total black population fell in the middle age category of 18 to 49 years; 39 percent of the households were headed by females; and the male/female sex ratio in the age group 21-44 was almost 2 to 3. Also, State sources showed that welfare allotments were extremely low, amounting only to an average 1966 figure of \$39 per recipient.

<sup>14</sup>Even as late as 1971, a full 10 percent of our sample of Coop participants indicated that they had eaten only one meal the day before they were interviewed.

<sup>15</sup>The interview returns, completed during the fourth year of Coop operations, in 1971, provide another form of documentation of these benefits. For instance, 32 percent of all the respondents indicated having gotten food in two or more years from the Coop, while another 38 percent had gotten some in one year only. For 1970, approximately 21 percent reported that nearly half (or more) of the vegetables consumed by their families that year had come from the Coop. Also, 36 percent of the respondents said that someone in their household had done paid work at the Coop in at least one (or more) of the first four years of operation.

<sup>16</sup>Although the anti-poverty mission of the Coop's founders was the most important and obvious source of the original primary emphasis on delivering welfare benefits to members, James Thompson's analysis of Organizations in Action (1967) suggests that other factors may have contributed to this orientation. Specifically, Thompson suggests that when understanding by executives of environmental and technical cause and effect relationships is "low," and when both organizational goals and standards of organizational evaluation are "ambiguous," executives will tend to rely on extrinsic and social standards of organizational assessment rather than upon standards of internal "efficiency."

<sup>17</sup>See Perrow (1970) for a general discussion of the importance of conceiving organizations in terms of multiple goals.

<sup>18</sup>As indicated by the results of the 1972 interviewing, Coop members generally shared their leaders' dualism and ambivalence. On four different

questions asking respondents to choose between the Coop's dual objectives of members welfare and business self-sufficiency, responses were quite equally divided. However, members were considerably more willing to sacrifice low food prices for the sake of Cooperative growth and efficiency than they were to sacrifice opportunities for wage employment at the Coop.

<sup>19</sup>The four "demonstration" features were to "begin commercial food production" as a means to "rise out of poverty"; to reduce the "incidence of malnutrition"; to provide experience for "more viable participation in other projects"; and to undertake a "self help venture with economic and developmental yield."

<sup>20</sup>Probably because the Coop was originally conceived as an emergency project to deal with malnutrition, no preliminary formal "feasibility study" was ever done.

<sup>21</sup>These budget figures may somewhat exaggerate the decline in the amount of money earned by field laborers, for as shown in the second column of Table 6, the total acreage devoted to hand-harvested crops increased substantially between 1968 and 1972. This ambiguity provides another reason for emphasizing that the displacement of Coop "welfare" goals has been only partial and incomplete.

<sup>22</sup>One advantage of using annual budgets prepared according to OEO specifications is that the Coop's usual bookkeeping does not distinguish between salaries and wages. It should be noted, also, that the salary for the specialist who took special charge of managing the acreage devoted to vegetable production for members was paid by the Health Center and is not included in Table 5. If it had been, the conclusions would not require any but trivial modification.

<sup>23</sup>Because pay slips from an earlier year were not available, quantitative documentation could not be provided to show the progressive concentration of wage benefits in these two towns (and to outsiders) at the expense of the other ten. However, both comments by Coop staff and complaints by other member-informants indicated that such a change had occurred.

<sup>24</sup>Whereas, earlier, food was distributed in each town by means of a series of formally organized distribution centers or outlets operating through the contact centers and the coop clubs, produce came later to be distributed much more informally, through members of the Coop board and staff.

<sup>25</sup>It is important to emphasize, even as shown in Tables 5 and 6, that the Coop still provides substantial benefits to its members and other poor

local residents. In addition to some (albeit reduced) amount of produce, salaries, and wages, the Coop continues to distribute clothing, serves as an important locus of community organizing activities, is a source of much pride in the black community, and will, if it succeeds economically, unquestionably make an important contribution to the development of a viable economic base for further progress of the black community in the area.

<sup>26</sup>The use of both these factors has increased as the Cooperative geared its production increasingly for sale to large commercial buyers.

<sup>27</sup>In 1968, the Coop paid approximately three dollars in cash and five dollars in scrip, producing a total of eight dollars a day. Even though this amount was more than could typically be earned for field labor on plantations, pressure from both workers and from OEO forced the Coop to pay the minimum wage of at least \$10.40 per day in 1969.

<sup>28</sup>These losses have also been attributed to quarrels among the Coop staff which would normally have been resolved by the project director who was, at the time (June and July), on a study-tour of Israel.

<sup>29</sup>Providing transportation to members, most of whom had no car of their own, was a persistent problem. For reasons that are not clear to us, the Coop never tried to make regular use of the bus system that had been set up to link the Health Center and the local HA's. All that would have been required to tie the Coop in was a shuttle service between the Center and the Coop two miles away.

<sup>30</sup>One of these refused to sign the crew-leader contract; another worked as crew leader for awhile, but soon became too pregnant to continue; a third sold his bus and therefore could no longer transport workers.

<sup>31</sup>This solution would also have placed responsibility for labor recruitment squarely on the shoulders of the individual coop clubs, and therefore would hopefully have alleviated that problem too.

<sup>32</sup>Only three other clubs were described as still "very active" by one-third or more of the board and staff respondents.

<sup>33</sup>This extensive employment of nonmembers was justified, perhaps rightly, on the grounds that Coop benefits should go to those in need, and that it was of only secondary importance whether or not such people were also members.

<sup>34</sup>Several of the coop clubs stopped using the HA contact centers out of resentment over being asked to pay rent to the Health Council for their use.

<sup>35</sup>From the beginning of its operation the frozen food locker was plagued by problems of poor preparation and packaging of foods and by low demand resulting, in part at least, from its inconvenient location in a town on the edge of the target area. These problems were never overcome, and by the end of 1970 it was clear that the locker was not supporting itself financially. On total meat and vegetable sales of \$42,000, the locker had lost nearly \$6,000. This, in conjunction with rumblings from local meat retailers and pressure from OEO, persuaded the Cooperative to close the locker in the spring of 1971.

<sup>36</sup>The adoption of a more sociological approach does not signify any basic disagreement with the principles often advanced for sound cooperative business procedure, although some of these principles (such as never to start an enterprise without adequate initial capital and member support) beg the question of just how cooperative projects are to be initiated among those needing them most. It goes without saying that business success requires operational respect for principles of sound business procedure. Perhaps it should be noted, however, that some experts in the area of development administration have questioned whether, in fact, currently accepted principles of management and administration really are the best (LaPalombara, 1967:20, and V. Thompson, 1970:517-518).

<sup>37</sup>A list of these would include, among many others, K. Marx (1963), Kerr and Siegel (1954), Lipset, et al. (1956), Lipset (1959), Olson (1965), G. Marx (1967), as well as much of the recent literature on the development of "class consciousness."

<sup>38</sup>The importance of such "common bond" has long been recognized in the credit union movement, where it is usually (though not always) based on common residence or place of work.

<sup>39</sup>Those present in some degree would include sharing of common values and culture, some isolation from assimilative influences (although outward geographical mobility has reduced this isolation), and interactive sharing of common deprivations in some work settings, such as the plantations.

<sup>40</sup>Such as fishermen, miners, and loggers (Kerr and Siegel, 1954).

<sup>41</sup>Such intimidation and harassment has begun to decline as poor people have moved off the plantations and as the general social climate of the entire region has gradually improved.

<sup>42</sup>While "black militant" perspectives are becoming more widespread, especially among young people, they are still embraced by only a minority of the black population that has remained in the area.

<sup>43</sup>As G. Marx (1967) and others have noted, however, deeply held religious convictions have also served as an important inspiration for many of the civil-rights movement's more active leaders.

<sup>44</sup>These negative attitudes may have been aggravated by the higher salaries paid to some of the office staff, and possibly also by the "calculative" rather than "idealistic" orientations (Etzioni, 1961) we observed on several occasions among some of the office workers (not the project directors). Attempts were made to deal with this conflict--for example, by having the office staff help with cotton chopping one day--but feelings still remain strong.

<sup>45</sup>From the 1971 interviews, supplemented by field notes.

<sup>46</sup>Other sources of hard feeling included several thefts from the bookstore and some pilfering, allegedly by staff, of Coop office supplies.

<sup>47</sup>Cast in more general terms, this is the same mistake of which sociologists of voluntary participation have been accused by Olson (1965).

<sup>48</sup>See Weintraub (1970), and Weintraub and Associates (1971).

<sup>49</sup>See, for example, Kanter (1968) and Banfield (1951).

<sup>50</sup>The first project director noted that selection of leaders and officers was often achieved through "consensus" rather than by formal voting, because with the latter method, "someone would lose face."

<sup>51</sup>It is obviously impossible to tell the extent to which this may have been due to our presence at these meetings; examination of other board minutes, however, suggested that this was not a decisive factor.

<sup>52</sup>With the exception of the project directors, members of the Coop staff had no formal education beyond high school, and some of the regular field staff did not have this. None of the staff, with the exception of an extension course taken by the bookkeeper, had any formal business training. Furthermore, due to the novelty of vegetable production in the area, few of them had substantial previous experience with this type of large-scale farming.

<sup>53</sup>Only 17 percent of our sample volunteered that they spoke up "often" or "very often" at Coop meetings they attended.

<sup>54</sup>Miller and Jensen (1957) found that, along with shortages of capital, member ignorance of the cooperative and poor record keeping were also frequently cited as causes of failure among the coops they studied.



<sup>55</sup> March and Simon (1958). Regarding the problem of retaining executive talent, Thompson has noted (1967:109) that the frustrations of being blocked in "early-ceiling" positions or occupations ". . . generate strong pressures on individuals to break out of these occupations into new ones with higher and later ceilings."

<sup>56</sup> Although few poor peoples' cooperatives appear to have tried it, some amount of capital might also be raised by the sale of shares to sympathetic outside individuals and organizations.

<sup>57</sup> It should be noted that a common problem in some low-income cooperatives is not one of achieving adequate local integration, but rather, of preserving organizational autonomy in the face of excessive involvement and interference by local sponsors and activists. Had the farm originally been designed as merely a nutrition "project" of the Health Council, this could possibly have been a serious problem for the Coop as well.

<sup>58</sup> Participation by our respondents in the food stamp program had risen from 27 percent in 1967 to 63 percent in 1971. In addition, of the 40 percent who said they had gotten welfare or social security in both of these years, the number reporting that they were getting more in 1971 (37 percent) was about twelve times the number (3 percent) who said they were getting less.

<sup>59</sup> The Coop's last vestiges of outside institutional support include its loan from the Ford Foundation, membership in the Federation of Southern Cooperatives, and its remaining contacts with the Eastern/Hilltown Health Center. However, the Ford Foundation has recently expressed its desire for faster and more certain repayment of its loan; membership in FSC is only a nominal benefit, for the Federation has many other member cooperatives to attend to, has been able to provide only very limited aid (a very small loan and some consulting), and has recently suffered a decline in OEO support itself; and finally, support from the Health Center pertains only to cultivation and management of the remaining 20 acres being devoted to vegetable production for members.

<sup>60</sup> See the studies by Fals Borda (1971) and the Advisory Committee on Overseas Cooperative Development (1971).

<sup>61</sup> U.S. Bureau of the Census (1964, 1969).

<sup>62</sup> Cited by Lundberg, 1969:94.

<sup>63</sup> These encumbrances include (1) a shortage of operating capital and capital investment (land, machinery, etc.) which is greater than would

otherwise have been the case if the Coop had not invested in projects that had to be closed down; (2) a continued ambivalent orientation toward the Coop's dual goals--member welfare and marketplace efficiency; (3) reliance on a democratic but relatively inefficient policy-making structure; and (4) continued reliance on an unstable solution to its past problems of labor supply. As Blau has pointed out (1956), the difficulties of combining economic efficiency and member control is an "encumbrance" suffered by many democratic organizations.

<sup>64</sup>A partial list of these "students" would include J. Thompson (1967), Thompson and McEwen (1958), Yuchtman and Seashore (1967), Galbraith (1967), Evan (1966), Katz and Kahn (1966); Perrow (1970:Ch. 4); and Olson (1965).

<sup>65</sup>Analytic summaries of much of this earlier work may be found in March and Simon (1958) and in Gouldner (1959).

<sup>66</sup>See, for example, Selznick's seminal case study of the TVA (1966).

<sup>67</sup>Sills (1958); Gusfield (1955); and Messinger (1955). As noted by Warner and Havens (1968), goal succession is the process by which ". . . goals are achieved and are followed by new ones. . .," goal diversion is the process by which "original objectives are supplemented by alternative ones," and goal displacement involves the ". . . neglect of claimed goals in favor of the means as ends in themselves" (p. 541). In these terms, the developments described involved an inextricable combination of goal diversion and goal displacement.

<sup>68</sup>Of these three authors, Michels and Thompson do also recognize that environmental factors play a significant role in organizational goal displacement, although this is not the major thrust of their arguments.

<sup>69</sup>These changes included the withdrawal of the Health Council from active organizing for the Coop, the progressive increases of welfare and emergency food between 1967 and 1971, and OEO termination.

<sup>70</sup>We found little evidence of such tendencies in the Coop.

<sup>71</sup>It is entirely possible, as Warner and Havens suggest (1968), that the displacement of the Coop's goals was facilitated by their "intangibility." It was never entirely clear how best to operationalize commitment to "improving the welfare of the members."

<sup>72</sup>Obviously, significant variations are found from one coop to the next.

<sup>73</sup>This judgment about the preferability of loan-funding to grant-funding is based partly on a conversation with Alex Sprudz, head of the Canadian Cooperative Services Office, Department of Indian Affairs. In part for the reasons cited in the text, the Canadian Government relies primarily upon loan-funding of most of its "low income" Coops, apparently with excellent results, according to Sprudz.

<sup>74</sup>Yet another problem about which Coop leaders complained was an OEO restriction against transferring funds from one budget category to another as the needs to do so became apparent during the year. Particularly irksome in this regard was the general OEO prohibition against using their funds for land purchases or mortgage payments. However, given the inadequate amount of technical consulting supplied to the Coop, we are reluctant to conclude that this was a bad rule in the Coop's case, although in general principle it would seem to be so.

<sup>75</sup>Judging from the third "Interim Report" by ABT Associates (1972), which is currently completing an evaluation for OEO of 18 rural, OEO-funded cooperatives, most rural coops funded by OEO are pursuing such general welfare and service-oriented goals. These include (p. 11) reducing "out-migration from the community," developing "member skills and abilities," and improving both "services available to members and community" and "membership group role in (the) overall community."

<sup>76</sup>Welfare support for organizations is nothing new, of course, but it seems, unjustly, to be reserved for those who need it least, such as the price supports which are of greatest benefit to the largest farms, and the natural resource "depletion" allowances which benefit some of the nation's largest industrial corporations.

<sup>77</sup>It would be a sad and unfortunate mistake if, in the face of what might be perceived as a "double failure," the federal government were to stop (as unfortunately may now be the trend) its funding of poor peoples' cooperatives. Although the contributions of any one enterprise to the elimination of poverty in a particular area are bound, from the broader perspective, to be very small, we believe that Marshall and Godwin (1971) are again correct in suggesting that such coops can make at least a modest contribution, especially by means of providing employment to the rising number of unemployed and underemployed rural nonfarm poor. Such a contribution could, of course, be quite substantial if the scale of the cooperative development program were greatly enlarged. It is interesting, incidentally, that provision of such employment is also urged as a primary objective of cooperative programs in developing nations (Advisory Committee on Overseas Cooperative Development, 1971; and Dandekar, 1971).

78. Examples of sociological studies of this process include Lipset's study (1959) of the Cooperative Commonwealth Federation in Canada, the study by Lipset, Trow, and Coleman (1956) of the International Typographical Union, and the study by Weintraub (1971) and his Associates of the Moshav movement in Israel.

79. In addition to contributing to building up the economic infrastructure of communities and thereby creating employment (the more so if labor-intensive enterprises are emphasized), such an approach probably has the advantage of cultivating the pride and self-respect that are necessary for effective self-help efforts, of contributing to the development of badly needed participation skills, and of providing a basis for interest-group representation of the poor in a polity where, according to American political values, every interest should have an effective voice.

## TABLES

TABLE 1

Number and Size of Farms in Cotton County, 1949-1969<sup>1</sup>

| <u>Farms</u>    | <u>Year</u> |      |      |      |      |
|-----------------|-------------|------|------|------|------|
|                 | 1949        | 1954 | 1959 | 1964 | 1969 |
| Number          | 9436        | 6739 | 2593 | 1657 | 1070 |
| Average Acreage | 52          | 68   | 181  | 290  | 460  |

<sup>1</sup>Source: U.S. Bureau of the Census, U.S. Census of Agriculture, Vol. 1, Part 33, 1954, 1959, 1964, and 1969.

TABLE 2

Grants from OEO to Cotton County Cooperative Farm<sup>1</sup>

| <u>Beginning Date of Grant</u> | <u>Duration</u>        | <u>Size of Grant</u> <sup>2</sup> |
|--------------------------------|------------------------|-----------------------------------|
| March, 1968                    | 12 months              | \$152,000                         |
| March, 1969                    | 12 months              | 166,200                           |
| June, 1969                     | 12 <sup>3</sup> months | 55,200                            |
| May, 1970                      | 18 months              | 215,252                           |
| Total Grants                   |                        | \$588,652                         |

<sup>1</sup>Source: OEO Grant documents.

<sup>2</sup>Includes 8 percent overhead to Eastern University as the administering agency.

<sup>3</sup>This grant was initially for the planning and designing of a cannery. About one half was spent on consultants before the decision was made not to build a cannery. The grant was extended for one year and used for the construction of a packing shed.

TABLE 3

Acreage and Uses of Cotton County Cooperative Farm Lands, December, 1971<sup>1</sup>

| <u>Tract</u> | <u>Size</u> | <u>Value</u>           | <u>Crop Land</u>              |                     | <u>Total</u> |
|--------------|-------------|------------------------|-------------------------------|---------------------|--------------|
|              |             |                        | <u>Irrigated or Irrigable</u> | <u>Nonirrigable</u> |              |
| Jones        | 305 acres   | \$161,000 <sup>2</sup> | 258 acres                     | 30 acres            | 288 acres    |
| Andrews      | 40          | 16,000                 | 0                             | 39                  | 39           |
| Roberts      | 200         | 100,000 <sup>3</sup>   | 75                            | 75                  | 150          |
| TOTAL        | 545 acres   | \$277,000              | 333 acres                     | 144 acres           | 477 acres    |

<sup>1</sup>Source: Checchi and Co., Financial Report to Cotton County Cooperative Farm, 1971.

<sup>2</sup>The Cooperative has a Southern Regional Conference (Ford Foundation) loan for the entire amount.

<sup>3</sup>The Cooperative does not own this land, but has an option to purchase.

TABLE 4

Fixed Assets of the Cotton County Cooperative Farm, December, 1971<sup>1</sup>

| <u>Type</u> | <u>Amount</u> |
|-------------|---------------|
| Land        | \$177,000     |
| Buildings   | 35,000        |
| Equipment   | 64,000        |
| <u>Well</u> | <u>16,000</u> |
| TOTAL       | \$292,000     |

<sup>1</sup>Sources: Checchi and Co., Financial Report to Cotton County Cooperative Farm, 1971, and Cooperative documents.

TABLE 5

Personnel Budgets of Cotton County Cooperative Farm, 1968-1972<sup>1</sup>

| Year                            | Direct Farm Operations |                     |                     | Food Locker &<br>Other Projects <sup>5</sup> | Total    |
|---------------------------------|------------------------|---------------------|---------------------|--|----------|
|                                 | Day-Labor <sup>2</sup> | Salary <sup>3</sup> | Office <sup>4</sup> |  |          |
| 1968                            | \$23,000               | \$11,420            | \$28,800            | \$34,630                                     | \$97,850 |
| 1969                            | 35,000                 | 17,300              | 23,700              | 14,200                                       | 90,200   |
| 1970-71<br>Average <sup>6</sup> | 25,170                 | 29,290              | 16,850              | 10,328                                       | 81,638   |
| 1972                            | 19,000                 | 30,110              | 10,000              | 0  | 59,110   |

<sup>1</sup>These are budget estimates from Cooperative and OEO documents.

<sup>2</sup>Hourly wages and piece rates to temporary field workers.

<sup>3</sup>Includes farm manager, bookkeeper, equipment operators, etc.

<sup>4</sup>Includes project director, clerks, secretaries, and cooperative education worker.

<sup>5</sup>Includes seasonal work for food locker, and local food distribution points and year-round work of food locker manager, butcher, bookstore manager, and sandwich shop manager.

<sup>6</sup>For each year.

TABLE 6

Crop Acreages in Production for Local and Member Distribution and  
for Outside Commercial Buyers<sup>1</sup>

| Year | Local<br>Distribution <sup>2</sup> | Commercial Buyers       |                          | Total |
|------|------------------------------------|-------------------------|--------------------------|-------|
|      |                                    | Vegetables <sup>3</sup> | Field Crops <sup>4</sup> |       |
| 1968 | 106                                | 0                       | 0                        | 106   |
| 1969 | 100                                | 55                      | 195                      | 350   |
| 1970 | 85                                 | 95                      | 176                      | 356   |
| 1971 | 20                                 | 180                     | 280                      | 480   |
| 1972 | 20                                 | 180                     | 280                      | 480   |

<sup>1</sup>Sources: Cooperative documents and interviews with Cooperative staff.

<sup>2</sup>Initially food was given free to needy members, picked by members for their own use, and sold to members and the community. At present, vegetables are either given away or picked, but no food is sold.

<sup>3</sup>These include cucumbers, sold to a local Heinz plant, and squash and peppers for a Tennessee marketing cooperative. These crops are hand-harvested.

<sup>4</sup>Field crops have been cotton, soybeans, and peas. All are machine harvested.



TABLE 7

Membership Size and Turnover, Cotton County Cooperative Farm, 1968-1971<sup>1</sup>

| <u>Year</u> | <u>Number of Members</u> | <u>Percent of Current Members Rejoining the Subsequent Year</u> | <u>Percent of Current Members Rejoining from Preceding Year</u> |
|-------------|--------------------------|---|---|
| 1968        | 698                      | 18%   | ---   |
| 1969        | 536                      | 36  | 23%   |
| 1970        | 909                      | 32  | 22  |
| 1971        | 571                      | ---   | 54  |

<sup>1</sup>Compiled from Coop membership lists. Members must rejoin each year. The local coop clubs conduct membership drives in the spring of each year.

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