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A SOCIO-ECONOMIC PERSPECTIVE ON AGRICULTURAL COOPERATION IN ROMANIA

ABSTRACT

In the context of Romanian agriculture restructuring, association and cooperation have been viewed as ways of solving problems faced by small farmers. Although the need for association as a solution to structural problems of Romanian agriculture has been highly debated over the past years, its development is less positive.

This article aims to assess potential causes (social, cultural, economic, gender, political, etc.) of the recent weak evolution of Romanian agricultural cooperatives. For this purpose, the authors analyzed recently conducted specialized studies on the evolution of cooperative movements in the world. They also processed data on the evolution of associative structures in the North-Eastern development region of Romania.

Key words: agricultural cooperative, cooperative principles, cultural values, gender equality.

JEL Classification: Q13, M14, J16.

1. INTRODUCTION

This paper aims to analyze on a comparative basis the recent developments of agricultural cooperatives in the EU member countries, to identify possible explanations for the weak evolution of cooperatives by investigating, in Romania's case, the different causes: social, cultural, economic, political, etc. We also aim to investigate if regional cooperative evolutions may be explained by regional cultural factors (attitudes, motivations, values, etc.) So, we will attempt to investigate if the low interest of Romanian farmers for setting up associations and cooperatives may be explained within the context of organizational cultural values, by relating to cultural values linked to the economic behaviour of the society members: trust, social capital, entrepreneurial culture, attitude towards work, etc.

2. STATE OF KNOWLEDGE

The process of putting Romanian agriculture back on track on the basis of capitalism started in 1990, when the entire legislation in agriculture and food processing went through a radical reviewing, which determined deep structural changes in land property and in the types and forms of agricultural units. So, private property of agricultural land was re-established and small farms soon replaced large agricultural enterprises typical for the socialist times (the so-called agricultural production cooperatives and state agricultural enterprises). In this context, associations were viewed as the type of business able to solve multiple problems faced by small farms: increased fragmentation of properties, divestment, lack of agronomic knowledge or experience in farm management, difficulties in the efficient use of production, etc.

The need to set up market-oriented viable farms using associations and cooperatives has been largely debated and emphasized by academic, political, business, legal, social and other environments. Nevertheless, the measures encouraging small farmers by setting up agricultural associations turned up to be ineffective. So, most agricultural companies and associations established on the basis of Law 36/1991 (on agricultural companies and other forms of association in agriculture) have been dissolved out of various reasons: poor management, unfavourable weather conditions (drought, hail, heavy rain with floods), legal issues (related to labour legislation), etc. Even the adoption of the legal framework for agricultural cooperatives (Law 566/2004 on Agricultural Cooperation and Law 1/2005 on Cooperation) did not result in stirring the setting up of new cooperatives. A positive evolution of new agricultural associations and cooperatives was noticed after the country's accession to the European Union, in the period 2009–2012 (Cristina Barna, 2014), yet without managing to become a large-scale phenomenon (compared to the agricultural cooperation in the developed countries of the EU).

Although the integration of small farms into associations and cooperatives could bring them clear economic and market benefits, the interest for such business units is very low. The reserved attitude of landowners towards the idea of association and cooperation may have several explanations (Talmaciu, 2004): strong sense of land ownership and justified fear that by association this right may be altered, low effectiveness being recorded in companies set up after 1990 (due to poor management), the reserves of mental nature being caused by the bad experience of forced labour and collectivization in former agricultural cooperatives.

The cooperative defined as autonomous and voluntary association made up of several individuals sharing economic, social and cultural goals is a type of company having a double social and economic goal. The cooperative's activity is governed by cooperative principles: free and voluntary association, economic democracy (control and management), autonomy, transparency, solidarity (self-help), cooperation among cooperatives, and concern for the community (ILO, 2013).

According to a survey-based empirical study conducted on members of several types of agricultural cooperatives in Sweden aimed to identify factors that influence the trust in cooperative management and the commitment of cooperative members, these view cooperatives as social rather than economic organizations (Osterberg and Nilsson, 2009). This is due to the fact that it is very important for members to get involved in the democratic system of cooperative governance and they believe that cooperative organization should allocate more resources for ensuring the well-functioning of democratic participation of its members. So, the trust and support of members are very important for cooperative viability. The cooperative management should implement information communication systems through which members could understand that managers' decisions are in line with their interests. To reach this goal, they should be given the opportunity to express their opinions and be given credible explanations to support the decisions that are not in line with their desires (Osterberg and Nilsson, 2009). In this context, the aspects tightly linked to the cultural matrix of a country/region (attitudes, skills, abilities and moral values specific to the economic behaviour of the human factor) are more important for the viability and well-functioning of cooperatives compared to other types of companies.

In the last decades, several studies attempted to assess the importance of certain socio-economic and psychological features of cooperative members for the assessment of the success/failure of cooperatives to which they belong. Such behaviour features (Osterberg and Nilsson, 2009) are: farmers' decision to become members of a cooperative or to invest in another type of private company based on partnership, the way in which various cooperative practices (policies related to dividends, price paid to members for delivered raw products, size of activity of farms and their specialization, etc.) influence the members' opinions and attitudes, the importance of economic factors affecting the profitability of the cooperative members' farms on the way in which they express their satisfaction (commitment towards the cooperative, loyalty, etc.). Other studies showed the link between the farm size or the farmers' age and their attitude or behaviour in their relations with the cooperative to which they belong. Finally, some studies found that the development of cooperatives is slowed down by certain socio-psychological variables: lack of cohesion and understanding (Robinson and Lifton, 1993), conservative and individualist attitude (Siebert, 1994), traditional ideologies of their members that explain their preference for not investing their own capital into a cooperative (Fahlbeck, 2007).

Many studies confirm that trust is essential in a cooperative environment, both the trust among members and the trust in the cooperative management (James and Sykuta, 2005, 2006). Trust is a multidimensional concept incorporating both the cognitive and affective dimensions (Hansen, Morrow, Batista, 2002). Cognitive trust in the management of the cooperative is more important than the affective trust, especially in the case of cooperatives with complex activity (Hansen *et al.*, 2002; Osterberg and Nilsson, 2009). The more farmers have the impression that their opinions, views or contribution are taken into consideration by the cooperative

managers, the more they will identify themselves with the organization, manifest higher trust towards the cooperative, and have less tendency to abandon the cooperative (Borgen, 2001; Osterberg and Nilsson, 2009).

Farmers' interest in setting up cooperatives and getting involved in developing the organizations to which they belong may be analyzed from the perspective of influence of such cultural variables such as: trust, social capital, entrepreneurial culture, attitude towards intense labour and new ideas adopted from outside and also by means of the so-called "Asian values": dignity, self-respect, patience, perseverance, moderation, virtuous behaviour (Weil, 2007; Hofstede 2010).

In the business literature, certain concepts emerge, like managerial culture, leadership and organizational culture, which are tightly linked and influenced by national cultures and their dimensions. The culture resulting from values, beliefs, symbols, social ideals or moral values shared by the members of a community or social group, is developed early in life (Hofstede, 1980) and it is influenced by the institutional context, leading to the formation of behavioural models manifesting a relative stability and continuity in time (Hofstede, 1980; Mueller and Thomas, 2001). The model developed by Hofstede includes 6 *national cultural dimensions* that put a mark on the organizational culture (Hofstede, 2010):

1) *Distance to power* (more equal than others) that starts from the premise that power is distributed unequally in all societies, therefore those having more power may determine the behaviour of others. Therefore, a few features of societies with low distance to power distance are the following: high importance attributed to social relations (not to social status), interdependence between the most and the least powerful people, decentralization of professional relations, relatively low payment gaps between the top and the bottom of the hierarchy, democratic nature of management (not autocratic), subordinates expect to be consulted (do not expect to be told what to do), equal rights for all, high focus on dialogue (not on violence/force).

2) *Collectivism versus individualism* (I, we, and they) refers to the prevalence of group or individual interest. A few characteristics of individualist societies are: prevalence of core or individual family (not of extended family) interests, focus on the formation of personal identity (the ego) in the education of children, the same standards applied to all (no distinction is made between standards applied to members of internal and external groups), to say what you think is a feature of the honest person, communication with a rich context, employment decisions based on skills and rules, management of individuals (not of groups), clients benefit from the same treatment (universalism), open sharing of feelings is recommended, the main goal prevails over relation.

3) *Masculinity versus femininity* (he/she, she/he) refers to valuing a bold (masculine) behaviour oriented towards: gain, recognition, promotion or activities involving challenges; or modest (feminine) behaviour oriented towards: promoting good work relations with the direct superior, cooperation and collaboration, safety of employment, ensuring a pleasant work environment for yourself and the family; and to the roles played by men and women in society. Therefore, a few features of

feminine societies are: high importance attributed to relations and quality of life (not to challenge, recognition and gain), both men and women tend to be modest, in families both parents have similar roles and responsibilities, single standard – both men and women are subjects (not the man a subject and the woman an object), management based on intuition and consensus (not on brutality and aggressiveness), conflicts solved by compromise and negotiations, preference for small organizations, you work to live (not live to work), career is optional for both genders, more women in highly specialized jobs, humanization of work through contact and cooperation, competitiveness in agriculture and services.

4) *Uncertainty avoidance* (what is different is dangerous) refers to the degree to which members of a culture feel threatened by ambiguous, uncertain or unknown situations. In societies characterized by low propensity to uncertainty avoidance, it is viewed as a normal feature of life, stress and anxiety are low, what is different is viewed as strange (not dangerous), you have to work hard only when it is needed. So, people tend to change jobs often, managers focus more on strategy (not on current activity), they focus on decision-making (not on the content of decisions), there is a higher propensity to innovation (not to applications), etc.

5) *Short-term versus long-term orientation* (yesterday, now, later) refers to the cultivation of virtues oriented towards future reward (persistence and moderation), in case of long-term orientation, or virtues linked to the past and present (respect for tradition, face-saving, fulfilment of social obligations) in case of short-term orientation.

6) *Indulgence versus restraint* (light or darkness) refers to happiness or subjective state of well-being and a tendency allowing a relatively free satisfaction of basic human desires related to joy of living and entertainment (indulgence), or belief that the above-mentioned tendency should be limited and regulated through strict social norms (restraint). So, indulgent societies have the following features: positive attitude (not cynicism), optimism, high importance given to leisure and friends, a more satisfactory family life, freedom of speech is viewed as being very important, relaxed gender roles, extroverted personalities, temperance is less important, etc.

Some authors define culture (Triandis, 1995) as a process of “setting mentalities” or a mental framework resulting from values, beliefs, symbols and social ideals shared by members of a community or social group.

3. MATERIAL AND METHOD

The authors reviewed the rich literature on culture (organizational culture, cultural dimensions, cultural values, cultural matrix), as well as the studies on the implications of cultural variables on the management/cooperative members relation (Hofstede, Triandis, Weil, Osterberg, Nilsson, Hansen, Siebert).

In this study, we applied Hofstede’s model based on the 6 national cultural dimensions, analysing data in order to identify the influence of cultural values on the development of cooperatives in different countries. To analyze the influence of

specific cultural variables on the development of cooperation in Romania, the *World Values Survey Wave 6: 2010–2014* database was used. We used statistical data on global and local cooperation from different sources: *Global Census on Cooperatives 2013–2014*, *The Power of Cooperation. Cooperatives Europe Key Figures 2015* and *The Atlas of Social Economy* (2014). These analyses were completed by qualitative assessments from reports, studies and other academic studies in the field.

4. RESULTS AND DISCUSSIONS

4.1. GLOBAL COOPERATION – A GENERAL VIEW

The study of economic and social incidence and impact of cooperatives on global economy is difficult to conduct, as there are no homogenous data on: the global number of cooperatives and their distribution by regions and countries, the number of members, clients and employees of cooperatives, their turnover and total value of assets.

According to the Global Census on Cooperatives conducted by the United Nations Department of Economic and Social Affairs, it was found that there were around 2.6 million cooperatives with over 1 billion members and clients in 145 countries in the period 2013–2014 (Tables 1 and 2).

Table 1

Global cooperation, absolute value

Region	No. (thousands)	Members/ clients (thousands)	Employees (thousands)	Gross added values (million USD)
Sub-Saharan Africa	85.3	18,509.6	10.9	851.6
Asia	1,933.3	484,105.7	4,306.5	653,629.2
Caribbean	1.1	3,584.5	54.6	182.7
Europe	356.4	388,006.5	5,248.9	1,482,481.6
Latin America	42.8	44,179.1	816.1	18,360.2
MENA (Middle East and North Africa)	162.8	4,537.1	37.7	3,619.4
North America	31.1	134,725.9	1,675.8	744,228.1
Oceania	2.0	14,142.8	460.3	59,543.3

Source: Processed data based on the Global Census on Cooperatives 2013–2014, United Nations Department of Economic and Social Affairs

From this table, we found out the following:

– 12.6 million employees work in about 770,000 cooperatives (0.2% out of global population, data do not include the employees of the 982,400 agricultural cooperatives of China);

– in countries with developed cooperation, the economic contribution of cooperatives exceeds 10% of GDP (New Zealand – 20%, the Netherlands – 18%, France – 15%, Finland – 14%);

- 50% out of total number of members and clients of cooperatives at global level are found in European countries, i.e. 42% of total employees;
- cooperatives in Europe contribute by 50% to the gross global revenue, while together the cooperatives from Europe, North America and Asia amount to 97%;
- three quarters of cooperatives are concentrated in Asian countries, but their size is lower compared to those from Europe and America.

Table 2

Development of cooperatives by global regions, %

Region	No. of coop.	Members/ clients	Employment	Share in GDP
Sub-Saharan Africa	3.26	1.70	0.09	0.08
Asia	73.94	44.34	34.15	3.25
Caribbean	0.04	0.33	0.43	0.13
Europe	13.63	35.54	41.62	7.08
Latin America	1.64	4.05	6.47	0.33
MENA (Middle East and North Africa)	6.23	0.42	0.30	0.27
North America	1.19	12.34	13.29	7.14
Oceania	0.08	1.30	3.65	3.46

Source: Processed data based on the Global Census on Cooperatives 2013–2014, United Nations Department of Economic and Social Affairs

There are countries where a person may belong to several cooperatives, like in France, with a population of around 65 million inhabitants and 147 million members and clients of cooperatives, one person belonging to 2.26 cooperatives on the average.

Concerning *the development of agricultural cooperatives*, the following data are relevant (Global Census on Cooperatives 2013–2014):

- agricultural cooperatives account for 48.7% of total number of cooperatives (1,224,650 out of total 2,514,590);
- agricultural cooperatives hold 11.4% of total members and clients (122,120,167 out of total 1,071,790,167);
- 9.4% of total employees belong to agricultural cooperatives;
- agricultural cooperatives hold only 0.68 % of total assets;
- 11.4% of total gross revenue comes from agricultural cooperatives.

4.2. THE DEVELOPMENT OF COOPERATIVES AND THE NATIONAL CULTURAL DIMENSIONS

According to the *Global Census on Cooperatives*, conducted at the initiative of the United Nations Department of Economic and Social Affairs, 9 out of the most cooperatized 10 economies in the world are found in Europe (ranking based on the Cooperative Economy Index). An explanation for the development of cooperative

economy in these countries may be related to the national cultural dimensions (Hofstede's model). Cooperative organizations have mainly a social nature, also revealed by the fact that two-thirds of the countries with developed cooperation are found among the 20 top countries by the Social Progress Index (*Global Census on Cooperatives*, 2014). In this context, the organizational cultural dimensions could explain, to a certain extent, the uneven development of cooperation by global regions and countries. To identify the cultural features of countries with developed cooperation, Table 3 presents the tendencies regarding the national cultural dimensions manifested in these countries based on Hofstede's model.

Table 3

Cultural dimensions of countries with developed cooperation movement

Country	CEI* Position	Cultural dimension					
		Power distance	Collectivism vs. Individualism	Masculinity. vs. Femininity	Uncertainty avoidance	Indulgence vs. Restraint	STO vs LTO
New Zealand	1	Low	Individ.	Masculine	Weak	Indulgence	STO
France	2	Medium	Individ.	Feminine	Strong	Indulgence	LTO
Switzerland	3	Low	Individ.	Masculine	Strong	Indulgence	LTO
Finland	4	Low	Individ.	Feminine	Strong	Indulgence	STO
Italy	5	Medium	Individ.	Masculine	Strong	Restraint	LTO
Netherlands	6	Low	Individ.	Feminine	Weak	Indulgence	LTO
Germany	7	Low	Individ.	Masculine	Strong	Restraint	LTO
Austria	8	Low	Individ.	Masculine	Strong	Indulgence	LTO
Denmark	9	Low	Individ.	Feminine	Weak	Indulgence	STO
Norway	10	Low	Individ.	Feminine	Weak	Indulgence	STO

*Ranking by Cooperative Economy Index

STO – short term orientation, LTO – long-term orientation

Source: adapted from Hofstede (2010) and *Global Census on Cooperatives* (2014)

From Table 3, we may reach the following conclusions related to the cultural features of countries with developed cooperation:

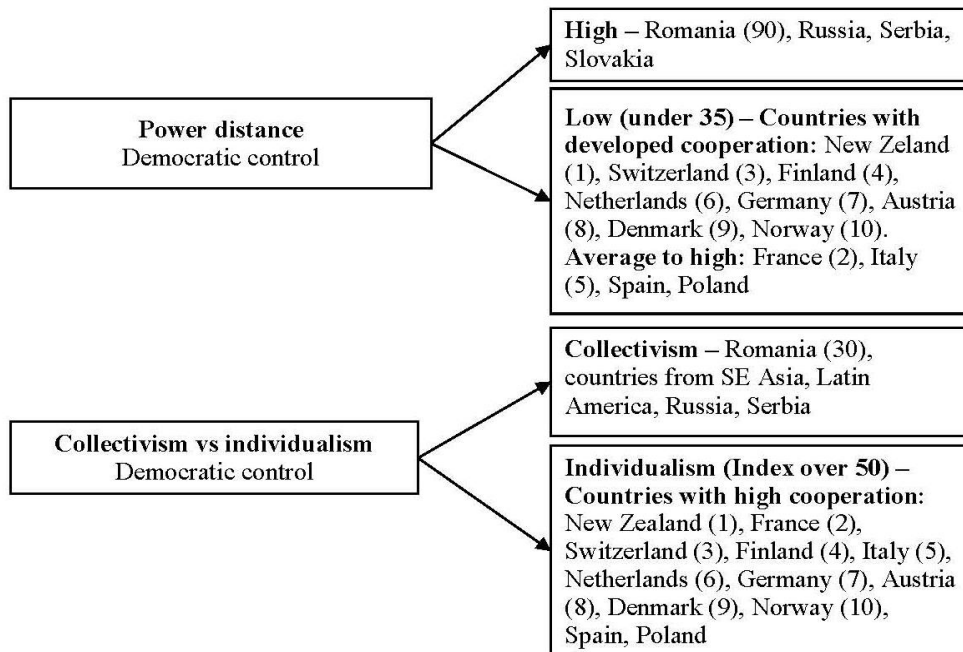
– most countries have low power distance (except for Italy and France that have medium power distance), which leads us to the idea that the cooperative principle of democratic control and management applies, operates properly and the members take active part in the management and daily operations of cooperatives they belong to;

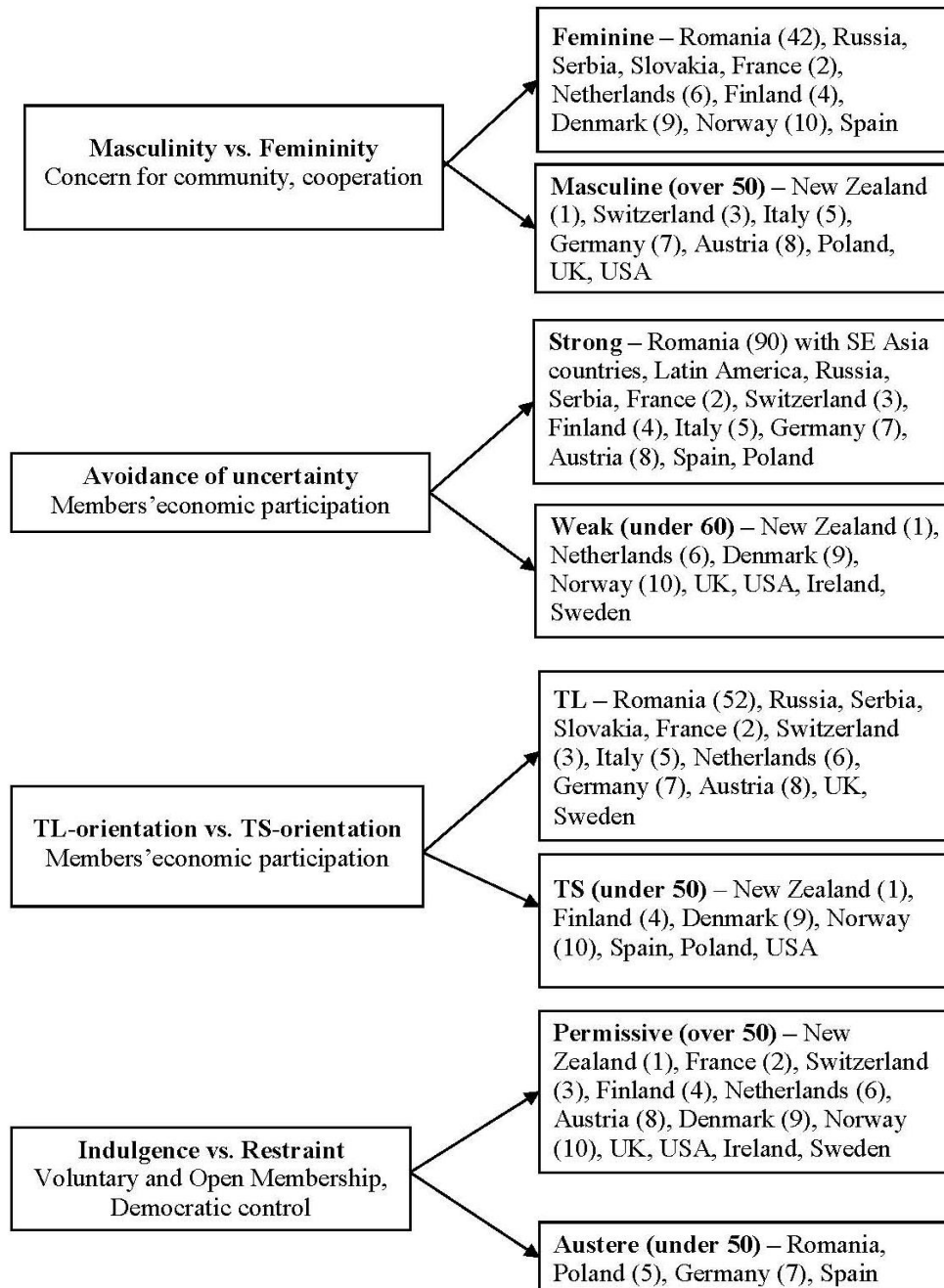
– all countries are characterized by individualism, which shows the preference of members for promoting the interests of the core family (not the extended family), applying the same standards to all, expressing freedom of thought, speech and decision-making. It may have implications on applying the principles of voluntary association, democratic control and management, autonomy and transparency.

– as regards the cultural dimension masculinity versus femininity and uncertainty avoidance, we may note that these are divided almost into masculine and feminine countries and countries with high and low uncertainty avoidance. This leads us to the conclusion that these dimensions have a relatively low influence on the development of cooperation.

– concerning the two last cultural dimensions (indulgence versus restraint, short or long-term orientation), we can notice that most countries are characterized by high indulgence (except for Germany and Italy where preference for restraint was found) and propensity to long-term orientation (with four exceptions: New Zealand, Finland, Denmark and Norway, where short-term orientation prevails). The propensity to indulgence (characterized by positive, open and optimistic attitude, or high importance given to freedom of speech, spending time with friends) leaves a mark on all cooperative principles due to increased trust among society members and on the development of cooperation implicitly.

Briefly, the link between the national/regional cultural dimensions and the development of cooperatives is shown in Figure 1. In Romania's case, the values in brackets represent the index for each cultural dimension and in case of other countries from Top 10, the ranking in the hierarchy based on the cooperative economy index (CEI) is mentioned.





Source: adapted from Hofstede (2010) and Global Census on Cooperatives (2014)

Figure 1. The role of national/regional organizational cultural dimensions in cooperative development

4.3. AGRICULTURAL COOPERATION DEVELOPMENT IN ROMANIA – AN APPROACH FROM THE CULTURAL DIMENSION PERSPECTIVE

If we analyze the development of cooperative economy in Romania in the European context, we can notice that this is extremely weak. So, according to the data provided by the report “*The power of cooperation. Cooperatives Europe key figures 2015*”, the cooperative economy in Romania has the following characteristics:

1. Romania ranks 19th, among the 27 European countries included in the study, by the number of cooperatives in one million inhabitants (with 84.62 organizations /1 million inhabitants);

2. the cooperative economy of Romania ranks 26th among the 27 countries, by turnover per member, with 449 Euro and ranks the last by turnover per employee, with only 20,563 Euro;

3. as regards the share of members of cooperatives in total population, the cooperation in Romania ranks 19th, with only 3.38% (compared to the Netherlands with 117.84%, or Finland with 85.54%);

4. Romania ranks 17th by the number of members per cooperative, with almost 400 members/cooperative;

5. as regards the share of employees of cooperatives in total employed population, Romania ranks 19th, with only 0.18% (compared to Italy 5.27%, or France 4.66%);

6. Romania ranks 26th by turnover reported by cooperatives against GDP with 0.2% (compared to 20.48% in Finland or 14.34 % in France).

As regards the development of agricultural cooperatives in Romania, these are poorly developed, yet with a special dynamics in the recent years, reflected by the following indicators (Barna, 2014; the Romanian Centre for European Policies, 2016):

– accelerated growth of the assets of agricultural cooperatives with a growth rate of 114.8% in 2012 compared to 2011;

– the total revenue of cooperatives increased by 34.09% in 2012 compared to 2011 and the total profit by 34.41%;

– 24.1% of total cooperatives in 2011 and 31.5% in 2012 had no revenues, while the cooperatives with profit amounted to 49.8% in 2011 and 61% in 2012;

– the salaried personnel in the agricultural cooperatives grew slightly from 224 in 2011 to 247 in 2012, with under 1 salaried employee per cooperative on the average in 2012. As regards the distribution of the number of salaried employees, we found that 73.6% of total cooperatives in 2011 and 74.5% in 2012 had no salaried employee;

– growth of the number of agricultural cooperatives from 275 units in 2011 to 356 in 2012 and 743 at the beginning of 2015.

There is an uneven distribution of agricultural cooperatives by regions, as it results from Table 4.

We can notice that 23% (171), out of the 743 agricultural cooperatives that were operational in early 2015, were found in the North-East development region, in the conditions when the regional average was 92.88 cooperatives and the county average was 17.69 cooperatives.

To identify possible causes for these uneven distributions, we analyzed certain cultural variables with values at regional level (Tables 5, 6 and 7).

Table 4

Agricultural cooperatives in Romania, 2015

Region	Total number per region	County	Number of agricultural cooperatives
North-East	171	Bacău	9
		Botoșani	104
		Iași	9
		Neamț	8
		Suceava	27
		Vaslui	14
South-East	97	Brăila	9
		Buzău	15
		Constanța	34
		Galați	8
		Tulcea	3
		Vrancea	28
South-Muntenia	131	Argeș	7
		Călărași	27
		Dâmbovița	27
		Giurgiu	7
		Ialomița	19
		Prahova	14
		Teleorman	30
South-West Oltenia	57	Dolj	21
		Gorj	3
		Mehedinți	6
		Olt	18
		Vâlcea	9
West	57	Arad	19
		Caras-Severin	16
		Hunedoara	6
		Timiș	16
North-West	117	Bihor	19
		Bistrița-Năsăud	18
		Cluj	30
		Maramureș	12
		Satu Mare	25
		Sălaj	13

Center	88	Alba	15
		Braşov	32
		Covasna	7
		Harghita	20
		Mureş	10
		Sibiu	4
Bucharest-Ilfov	25	Bucharest	11
		Ilfov	14
Total Romania	743		743

Source: authors' processing on the basis of data from the Romanian Center for European Policies – Agricultural Cooperatives – secondary analysis, <http://www.crpe.ro/analiza-cantitativa-sectorului-asociativ-agricol-romanesc/>.

Table 5

Inclination/propensity to association, % active members in professional associations, self-help groups or mutual aid groups, church or religious organizations, other organizations

Region	Number of agricultural cooperatives	Professional associations	Self-help groups, mutual aid groups	Church or religious organization	Other organizations
North-East	171	0.3	3.5	12.8	0.4
South-Muntenia	131	2.7	0.8	12.8	1.2
North-West	117	2.4	0.0	15.1	0.0
South-East	97	1.4	2.9	7.3	0.9
Center	88	3.8	3.2	18.1	1.8
South-West Oltenia	57	2.2	0.7	3.2	0.6
West	57	3.9	4.1	13.8	5.4
Bucharest-Ilfov	25	2.9	3.9	4.1	1.2
Romania	743	2.3	2.5	10.7	1.3

Source: authors' processing based on World Values Survey Wave 6: 2010–2014 <http://www.worldvaluessurvey.org/WVSONline.jsp>

From the data in Table 5, we can notice that the tendency of citizens to get actively involved in associations is very low. On the average, at national level, 4.2% of total respondents are actively engaged in various types of associations. We can notice a high share of people actively involved in church or religious associations. Regarding the propensity to association at regional level, no significant differences were found. The North-East region, where the highest number of agricultural cooperatives (171 units of total 743 at national level) existed in 2015, has the lowest share, among all the development regions, of people actively engaged in professional associations (0.3%) and in other types of associations (0.4%). Values above national average are found in the case of involvement in self-help groups (3.5%) and in church or religious organizations (12.8%).

As a trend, the share of people showing a tendency to be actively engaged in various types of associations is higher (above the national average) in the regions

with a lower number of agricultural cooperatives. At the same time, in the regions with the highest number of cooperatives, the active engagement in associations is lower than the national average. This leads to the conclusion that the relation between the tendency of people to get engaged in associations and the development of agricultural cooperatives at regional level cannot be explained by the people's propensity to association in Romania.

From Table 6, which presents the scores for the 4 variables expressing personal values on a Likert scale ("*I think I am an autonomous person*"; "*It is important for me to be successful and acknowledged by others*"; "*It is important for me to be rich, have money and expensive clothes*"; "*It is important for me to do something for the benefit of the society*"), we can draw the following conclusions: in all the regions, the values show the people's propensity to autonomy in the investigated sample, while success and recognition are considered to be important; there is a clear openness towards getting engaged in actions for the benefit of society and low importance is attributed to accumulation of personal wealth.

Table 6

Individual/personal values

Region	Autonomous individual (-2 +2)	Importance attached to success (-3 +3)	Importance attached to personal wealth (-3 +3)	Actions for the good of society (-3 +3)
North-East	0.4	0.9	-0.7	1.2
South-Muntenia	0.6	1.0	-0.8	1.1
North-West	0.3	0.6	-1.1	0.7
South-East	0.8	0.8	-1.1	1.1
Center	0.7	0.5	-1.2	1.2
South-West Oltenia	0.8	0.9	-0.7	1.1
West	0.3	0.7	-1.3	1.0
Bucharest-Ilfov	0.3	1.1	-1.1	1.4
Romania	0.5	0.8	-1.0	1.1

Source: authors' processing based on World Values Survey Wave 6: 2010–2014
<http://www.worldvaluessurvey.org/WVSONline.jsp>

According to the data in Table 7, the level of trust is very low in all the development regions. As in the case of propensity to association or of individual/personal values, there are no significant regional differences in the degree of trust. The highest values were found in trusting neighbours, i.e. 0.96 (national average). The highest values in trusting neighbours were found in the regions Center (1.18), North-West (1.08), South-East (1.05) and South-West Oltenia (1.00). In these regions, we found the highest levels of trust in known and unknown people.

Table 7

Level of trust

Region	People you know personally (-2 +2)	Unknown persons (-2 +2)	Your neighbourhood (-2 +2)	Most people can be trusted (%)	Degree of suspicion (1-high, 10-low)
North-East	0.08	0.03	0.83	8.55	4.80
South-Muntenia	0.27	0.12	0.90	9.86	5.10
North-West	0.10	0.09	1.08	7.26	4.90
South-East	0.10	0.21	1.05	9.03	5.40
Center	0.28	0.23	1.18	6.80	5.20
South-West					
Oltenia	0.15	0.32	1.00	8.62	5.30
West	-0.14	0.07	0.88	1.62	3.90
Bucharest-Ilfov	0.05	0.03	0.89	7.01	4.60
Romania	0.12	0.13	0.96	7.70	5.02

Source: authors' processing based on World Values Survey Wave 6: 2010–2014

<http://www.worldvaluessurvey.org/WVSONline.jsp>

The North-East region is characterized by the lowest levels of trust in neighbours and unknown people (0.83 and 0.03 respectively) and among the lowest level of trust in known people (0.08). On the average, at national level, only 7.7% out of total respondents show trust in most people. From this perspective, the regions with the highest number of cooperatives have values above the national average: North-East 8.55% and South-Muntenia 9.86%. Values under national average are found in the regions with a low number of agricultural cooperatives: West (1.62%), Center (6.8%) and Bucharest Ilfov (7.01%).

Generally, the low level of trust and the high level of suspicion towards the honesty of people, at national level, can explain to some degree the poor development of agricultural cooperation in Romania. Yet, if we consider the development of agricultural cooperatives at regional level, there is no obvious relation between their development and the level of trust. This leads us to the conclusion that in the case of development regions in Romania, the development of cooperatives cannot be explained by regional cultural differences, but rather by other factors.

In the attempt to identify the reasons that lie at the basis of association in the North-East region, we analyzed the data available at county level. Thus, we built a database comprising information from official documents available online, on the web sites of public institutions, and thus obtained a nominal list of agricultural cooperatives from the 6 counties of the North-East region. Each entry from the list was checked afterwards on the basis of information from the website of the Ministry of Public Finance. The results are presented in Table 8.

Table 8

Agricultural cooperatives in the North-East Region of Romania, 2016

County	Number of agricultural cooperatives	Inactive	Active	% of active cooperatives
Bacău	8	3	5	62.50
Botoșani	105	55	50	47.62
Iași	14	4	10	71.43
Neamț	8	4	4	50.00
Suceava	34	11	23	67.65
Vaslui	12	5	7	58.34
Total North East Region	181	82	99	54.70

Source: authors' processing based on the County Agricultural Directorates' websites, on information from the agricultural public consultancy offices and on the official website of the Ministry of Public Finance

It resulted that half of the agricultural cooperatives registered at regional level were not active in 2016, i.e they failed to file a report in 2015, declared that they had no operations and issued decisions to dissolve the company or suspended their operations.

Out of the 50 active cooperatives in Botosani county, for instance, 38% have the mixed farms as main type of business operation (Table 9).

In the case of Suceava county (the second county by number of agricultural cooperatives in the regional ranking), half of the active agricultural cooperatives have sheep and goat raising or mixed farming as main business types (Table 10).

Table 9

The agricultural cooperatives from Botoșani county by main economic activities

Main activity (NACE)	Number of cooperatives
Mixed farming (crop production combined with raising of animals)	19
Wholesale trade with cereals, seeds, fodder and unprocessed tobacco	11
Raising of cattle for milk production	5
Support activities for crop production	3
Support activities for animal production	3
Growing of cereals (except for rice), pulses and oilseeds	2
Growing of vegetables and melons, roots and tubers	2
Raising of sheep and goats	1
Processing and preservation of fruit and vegetables	1
Raising of other animals	1
Growing of pome fruits and stone fruits	1
Wholesale trade with milk products, eggs, oils and edible fats	1

Source: authors' processing based on data from the official website of the Ministry of Public Finance

Table 10

The agricultural cooperatives from Suceava county by main economic activities

Main activity (NACE)	Number of cooperatives
Raising of sheeps and goats	6
Mixed farming (crop production combined with raising of animals)	5
Raising of pigs	3
Raising of other animals	2
Raising of cattle for milk production	1
Growing of vegetables and melons, roots and tubers	1
Processing and preservation of fruit and vegetables	1
Operations in the trade with agricultural raw products, live animals, textile raw materials and semi-finished products	1
<i>Newly established in 2016</i>	3

Source: authors' processing of data from the official website of the Ministry of Public Finance

In 2016, at the level of the region, a new visible phenomenon emerged, favouring association, i.e. the setting up of agricultural cooperatives. Thus, according to the information from the Ministry of Public Finance website, 7 agricultural cooperatives were established in Iași County, 3 in Bacău county, 3 in Vaslui county, etc.

Out of the factors that could influence association and cooperation, we should mention the financial mechanisms by which the state, the European Union respectively, supports agricultural producers. So, the evolution of association forms in the livestock raising sector has been influenced by the legal provisions for accessing direct payments for pastures and meadows.

There are also market measures and market intervention measures referring to associative forms, such as: financial aid for vegetable and fruit producer groups and the National Apiculture Program that can be accessed only by associations. The aid for purchasing milk cooling tanks can be also accessed only through associations.

As we could notice more than 20 years ago (Dobay, 1996), the cooperative movement can be successful if the state does not get excessively involved in the activity of cooperatives, but it provides the proper legal framework, support to the professional training of managers and cooperative managers, respectively. Later on, the legislation was modified and supplemented so that presently it provides the opportunity to distribute funds accessed from the state budget or European funds (aimed for direct payment schemes, national transitory aids and compensatory measures for rural development applicable to agricultural land, provided under the National Rural Development Program 2014–2020) by the agricultural cooperatives, for the cooperative members. It also provides tax facilities (exemption from paying tax on profit, revenue, property, land rent and other types of aid from the state budget or European funds) awarded to agricultural cooperatives that have not fragmented their farmland and are also applied to producer groups/organizations.

5. CONCLUSIONS

From the perspective of national cultural dimensions, we can draw the profile of countries with developed cooperative movement. These are countries characterized by low power distance, focused on social relations and democratic management and great focus on communication between managers and their members. These are mainly individualist countries, where freedom of speech and thought prevails and the cooperative members are treated equally. At the same time, the long-term strategic orientation prevails, the focus is laid on the position acquired on the market and on long-term profit-making and there is a concern for promoting long-term personal relations, while managers, members and employees share the same aspirations and their behaviour is oriented towards moderation. These are indulgent societies that assign high importance to freedom of speech, flexible gender roles, the tasks being equally distributed among partners.

These cultural dimensions leave a mark on the way cooperative principles are put into practice: free and voluntary association, economic democracy, autonomy, transparency, self-help, cooperation among cooperatives and concern for the community.

From the analysis of cultural dimensions, in Romania's case, it results that there is a great power distance, with no real democratic control of members, the propensity to collectivism shows that people are more interested in the social rather than economic aspects of cooperation. Long-term orientation prevails, which favours cooperation development, but there are also aspects showing preference for restraint and tendency to establish interpersonal relations based on strict social norms. Gender roles are strict and the freedom of speech is not viewed as essential. From this perspective, the conditions of a socio-cultural environment favourable to cooperation development are not met.

By regions, there are no significant differentiations of the values of the analyzed cultural dimensions. Therefore, the active involvement in organizations of associative type is low; there is a slight tendency towards autonomy and availability to get involved in actions that benefit the society. The general level of trust is the only cultural dimension for which there are exact data regarding the existence of a direct link between the number of agricultural cooperatives at regional level and the general value of the indicator. The national cultural values are more significant for the development of agricultural cooperatives. Generally, the low level of trust and the high level of suspicion towards people's honesty at national level may partially explain the poor development of agricultural cooperation in Romania.

This leads us to the conclusion that in the case of the development regions in Romania, the development of cooperation cannot be explained by regional cultural differences but rather by other factors. In this regard, the study should be

completed by other factors that should reflect other cultural values specific to the economic behaviour: entrepreneurial culture, attitude towards work, openness to new ideas, innovative spirit, etc. At the same time, it is necessary to analyze certain indicators that better reflect the development of cooperation and association in the rural area.

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