

TRANSFER OF KNOWLEDGE THROUGH THE COOPERATIVE SYSTEM

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Abstract

The cooperative system must be neutral from the point of view of own's interests. Its subject-matter must fall within the fields of knowledge transfer, agri-food and financial markets. The role of cooperation must receive special attention as support, in order to promote the transfer of knowledge. It must create relations, where there are none, between the producer and the consumer of information, respectively between the agricultural researcher and the farmer who, although they have a major role to play in increasing the performance of the actors in the sector, are missing.

The purpose of this paper is to present how associative and cooperative structures can support small subsistence and semi-subsistence farms. The idea is that by expanding cooperation, it is possible to ensure the transfer of knowledge for the economic benefits of all the members of the cooperatives in order to ensure the processing of agricultural products of plant, animal and fish origin and not least for the economic and social development of rural areas.

Keywords: knowledge transfer, rural development, cooperation, association, agricultural research.

Introduction

The contemporary cooperative movement is deeply rooted in the past in the socio-philosophical concepts that emerged in the nineteenth century, but which have survived to this day, obviously after a long evolution.

In Romania, although 1250 agricultural cooperatives are registered, yet there are no more than 200 such cooperatives functioning. The phenomenon is explained by the fact that at the time of drafting the NRDP 2014-2020 the membership requirements for cooperative structures were included in the requirements for accessing the funds. In this way, "forms without substance" appeared.

The Romanian farmers' refusal to cooperate is a difficult matter to change. As a direct result, Romania suffers from an economic point of view due to farmers' reluctance to enter agricultural cooperatives because most rural residents, implicitly farmers, are under the influence of past mentalities imprinted by former Agricultural Production Cooperatives („CAP”). The difference is that 30 years ago, those CAPs were under the control of the public authorities, while the current ones based on authentic world-wide principles are democratic structures based on the majority decision, each member having a single vote. Agricultural cooperatives in Romania are still at an early stage of development, compared to those existing on a European level, operating on the same principles for decades. The resumption of the cooperative system of Romanian agriculture, in the matrix of sustainability, it is based above

all on the following of the modern cooperative principles, as they are accepted and promoted in the democratic world.

In this context, in Romania today the advantages of establishing an agricultural cooperative are: the possibility of establishing cooperatives by persons with small capital (for example, 500 lei); access to tax incentives granted by the state (exemption from payment of agricultural tax for agricultural cooperatives in the first 5 years since their constitution; exemption from customs duties for imports of tractors, agricultural machinery and equipment, irrigation equipment and other such equipment used by agricultural cooperatives); access to subsidies and public funds, as well as to external funds provided in Romania's support program for agriculture; recognition and assimilation of agricultural cooperatives by the Ministry of Agriculture and Rural Development as producer groups in order to benefit from all the rights provided by the legislation in force; the contribution it brings to rural areas through the creation of new jobs; engaging young people in a form of organized activity.

Co-operation can become an instrument for the transfer of knowledge to its members in this way, providing premises for: obtaining economic benefits from all cooperating members; satisfying the requirements of the cooperative members for the supply of the necessary means of agricultural production; the acquisition of agricultural, vegetable, animal and fishery goods according to market standards; creating conditions for the processing of agricultural products of plant, animal and fish origin and obtaining finished food products to the quality of market and consumer standards; valorisation of the produced output; economic and social development of rural space. The large number of agricultural holdings without legal personality – 3.4 million as per ASA 2016 – make them considered significant inputs for a large mass of different vendors. The diversity of farmers demands not only generates discontinuous messages related to their intellectual / professional training, nor does it make possible a relative and realistically oriented education systems to be developed. In addition, novelty items in the field in developed markets not only can not be monitored, but they are relatively harder or less penetrating in small farms.

The gap between the large number of agricultural holdings without legal personality and the state of the organizational structures of the associative or cooperative type – which should become instruments for the transfer of knowledge – we could say, without exaggeration, is also an explanation for the poor insight of technical progress.

We appreciate that increasing the number of cooperatives - in order to improve the transfer of knowledge in rural areas - requires a thorough knowledge of the place and role of indigenous producers in order to be transformed into factors absorbed by technical progress.

1. Literature review

As the process of globalization intensifies, the demand for agri-food products is growing and much technical progress is needed. In the process of manufacturing agri-food products, a special role is played by the knowledge transfer market. At the same time, its functionality is given by the size, quality, and structure of the main components: supply and demand of information and knowledge, linkages between the two components. Linkage vectors between the two components coordinate the process of knowledge and information transfer from the producers (research entities, universities, and the business sector) to the beneficiaries (the agricultural producers) (Popescu et al, 2018).

The level of socio-economic development, the types of relations, and the existing legislation at some point in society represent basic elements in the operation of public-private partnership. In the post-revolution period, a series of difficulties and discontinuities in

agricultural policies are manifested in the Romanian society, even after 27 years. It has affected the configuration and development of associative structures, including public-private partnerships from rural areas. Currently, the evolution of the representative associative structures in public-private partnership and the diversification of operation record more than the progressive process, a correlation with the local development plans. Also, concerns on behalf of the central public administration are recorded regarding the update of the legislative and institutional set-up of associative type, because it is one of the main tools for operating the common agricultural policy in accordance with the rules of the European Union (Popescu, 2018).

As a concept, at European level, cooperation was found in different activity sectors as an element of social economy, starting from the 18th century and with a significant development in the 19th century, mostly on the bases of association or mutual societies (Rebega, 2018).

In 2002, the International Labour Organisation adopted the recommendation no. 193 on the promotion of cooperatives considering the cooperative as an autonomous association of persons constituted on a voluntary basis for economic, social and cultural purposes, collectively owned and democratically controlled (Rebega, 2018).

2. The state of agricultural cooperatives in Romania

The difficulties in capitalizing on agricultural products have increased the perception of villagers about the idea of associating in a cooperative. In 2015, there were 743 agricultural cooperatives in Romania, most of them being found in the North-East region of the country. Botosani is the county with most agricultural cooperatives set up so far (104), according to data from the National Trade Register Office in early 2015.

Table 1. Structure of the number of agricultural cooperatives by number of members and grade. Year 2015

	Grade 1 cooperatives	Grade 2 cooperatives
Total	65,02	34,98
1-10 members	53,99	24,38
11-20 members	5,08	4,93
21-50 members	4,06	3,63
51-100 members	0,73	1,45
Over 100 members	1,16	0,58

Source: Processing by: <https://www.stiriagricole.ro/topul-judetelor-cu-cele-mai-multe-cooperative-37231.html>

Most cooperatives are Constanta (34), Brasov (32), Cluj (30), Teleorman (30), Vrancea (28), Călărași (27), Dâmbovița (27), Suceava (27). The lowest agricultural cooperatives are found in Mehedinți, Hunedoara (6), Giurgiu, Covasna, Arges (7), Galati, Neamt (8) and Valcea, Iasi, Brăila and Bacau (9) counties.

Table 2. Distribution of agricultural cooperatives by counties. Year 2015

County	No.	%	County	No.	%	County	No.	%
Total	743	100	Bistrita-Nasaud	18	2,42	Valcea	9	1,21
Botosani	104	14,00	Olt	18	2,42	Galati	8	1,08
Constanta	34	4,58	Caras-Severin	16	2,15	Neamt	8	1,08
Brasov	32	4,31	Timis	16	2,15	Arges	7	0,94
Cluj	30	4,04	Alba	15	2,02	Covasna	7	0,94
Teleorman	30	4,04	Buzau	15	2,02	Giurgiu	7	0,94
Vrancea	28	3,77	Ilfov	14	1,88	Hunedoara	6	0,81
Calarasi	27	3,63	Prahova	14	1,88	Mehedinti	6	0,81
Dâmbovita	27	3,63	Vaslui	14	1,88	Sibiu	4	0,54
Suceava	27	3,63	Salaj	13	1,75	Gorj	3	0,40
Satu-Mare	25	3,36	Maramures	12	1,62	Tulcea	3	0,40
Dolj	21	2,83	Bucuresti	11	1,48			
Harghita	20	2,69	Mures	10	1,35			
Arad	19	2,56	Bacau	9	1,21			
Bihor	19	2,56	Braila	9	1,21			
Ialomita	19	2,56	Iasi	9	1,21			

Source: Processing by: <https://www.stiriagricole.ro/topul-judetelor-cu-cele-mai-multe-cooperative-37231.html>, 2018

Another indicator that is likely to give information about cooperatives in Romania is the number of employees working within these structures. The data from the ONRC indicates that in 2013 over 84% of the cooperatives had no employees, and 15% had between 1 and 10 employees. It results that in the co-operatives in Romania there was a low level of professionalism.

If we add this indicator to the fact that approx. 73% of the cooperatives with no economic activity clearly shows the poor development of the Romanian cooperative agricultural sector.

In terms of the declared CAEN code, most cooperatives operate in the field of animal husbandry (179 cooperatives, respectively 30.3%), retail (157 cooperatives, respectively 26.6%), mixed farms (119 cooperatives, respectively 20.1%), cereals (72 cooperatives and 12.2% respectively), vegetables (35 cooperatives and 5.9% respectively), agricultural commodities, live animals (29 and 4.9% respectively).

However, it is worth mentioning that in 2018 the agricultural cooperatives in Romania recorded a revival. Thus, according to the National Trade Register Office (ONRC), the affairs of the top 10 cooperatives in Romania increased by 63% - the cumulated turnover was 652 million lei (143 million euros) in 2017, 63% much more than in 2016. It is worth mentioning that five years ago, three of the top 10 largest agricultural cooperatives in Romania did not exist, namely the country, Transylvania Pig and Banat Agro Vest, according to ONRC data (<https://www.zf.ro/companii/cooperativele-agricole-s-au-trezit-la-viata-afacerile-celor-mai-mari-10-cooperative-din-romania-au-crescut-cu-63-in-ultimul-an-17301097>, 2018).

In fact, the presence of small and medium-sized farmers on the market, which has been reported to foreign input companies since the early 90's, and they - the great mass of domestic actors - have constantly become losers. From that time on, the production infrastructure has hardly faced the foreign offensive, dare to say, thought out and planned, based on the most cynical rules of competitive management and marketing, as well as the long and constant experience accumulated by foreign firms entering our market. In addition, the under-financing status of small and medium-sized farmers demonstrates the crisis that this sector is facing. It's a deep crisis that lasts for over a quarter of a century ... and it seems like there is no solution!

Despite all the shortcomings, small and medium-sized farmers continued their activity. The fact that these people continued to work, despite the minimum income and production conditions, the general feeling of disbelief left by the system, the diminishing of the public support and others, supports many interpretations which can be motivated by various arguments, which are more of personal ones, and less of a general, social, political or even economic nature.

The persuasion of the small and medium-sized farmers to continue working, although in many respects the results of their work bear critical interpretations, is of special value. Through them the flame of the power of this nation has survived!
We are in the period when the agricultural production of small and medium-sized farmers reached the point of maximum supportability.

Conclusion

The key to returning to the functional parameters of this part of Romanian agriculture and not only of some sequences may result from:

- 1) Connecting the activity of small and medium-sized farmers with priority, market and very specially to the knowledge market and, only in secondary, to increase public efforts to increase budgetary allocations, a solution which, in the current economic and social context, in the near future and the environment, is not able to offer an optimistic and realistic range.
- 2) Supporting the growing demand for agriculture by small and medium-sized farmers for progress factors, where research results will have to occupy a central place amid the development of industrial farms at a steady pace.
However, yield increases per hectare or per head of animal require first and foremost technical progress, so resources - of all categories, including organizational ones. From this point of view, we can say that there is real demand for the scientific product as the main factor of progress, but this demand is still not aware of its real parameters by the large mass of small and medium-sized farmers.
- 3) Taking over the example of major cooperatives from countries with tradition, large suppliers of influence in the use of progress factors. While these cooperatives intensify their contacts, in various forms with their farmers, through symposiums, seminars, round tables, work visits and others, the large mass of small and medium-sized farmers in Romania is becoming more and more isolated. Because of this, the danger of a gradual compression of the transfer of knowledge into the native environment is not a false alarm or a metaphor, it is the reality!
- 4) At the level of performing agricultural cooperatives, there is a continuous concern for studying, evaluating and intensifying the operationalization of some elements of knowledge and their adaptation to the requirements / interest of their members, thus

achieving in concrete form the connection between producers and consumers of information, respectively of research results and farmers because:

- a. Cooperatives through education, counseling, attracting and selecting specific information in the media are manifested / act in the interests of their members.
 - b. Many of the vectors attracted by cooperatives are, in fact, in line with the particularities of the productive sector in which they operate and, ultimately, with the national strategic interests. These are not great talks, but the need to develop economic patriotism is a demand that has been more and more pronounced in recent years by even the developed and benchmarked economies. Thus, "America First!" Is not just a slogan it is a necessity to adapt a large nation to some of the effects of globalization.
- 5) The dynamic energies in the knowledge market must come from associative and cooperative structures to the level of small and medium-sized farmers, as the research goes from top to bottom, addresses people with some degree of professional training and, in this context, the dissemination of the result to the farmer, as a consumer of information, needs specialized organizational structures appropriate to the cultured grain and the interests of their members.

It is a relationship that is demanded by both parties, but with an active initiative, especially from the offer. Without the effort of the organizational and cooperative organizational structures, the farmer either uses experience that is much easier, but traditional and poorly productive, or uses the market for foreign inputs of technological progress, but much more expensive than indigenous ones and even risky - through commercial conditions.

- 6) Accepting that in the knowledge market, the highest costs are in the sphere of information consumers, nor is it in the case of producers and research, it is imperative that by initiating the establishment of associative or cooperative organizational structures, the knowledge transfer market will expand. It is clear that efforts at the level of knowledge require significant aggregations of interests to create critical mass of transfer agents to beneficiaries with undeniable effects in the productive plan.

This phenomenon leads to the conclusion that efforts to support cooperation and association at the level of small and medium-sized consumers of agriculture must be combined with those aimed at encouraging the increase of production and the adequacy to the requirements of the local markets. The neglect of these aspects of the market explains the separation of the present situation of cooperatives in the environment of small and medium farms in agriculture (on average, a cooperative of about 2,700 small and medium-sized farms in agriculture).

- 7) Closeness of production co-operation and cooperation, by exploiting all possibilities, which can form an effective link with the knowledge market, will indirectly contribute to the revival of national agricultural research. The finality of such a proposal - which would also support the current agricultural research - will allow access to high performance and high-quality inputs.
- 8) In the civilized world, agricultural producers that are organized - mostly - in associative or cooperative structures through which they have access to retrieve and disseminate information from the territorial transfer centers of knowledge. Thus, it is ensured the functioning of a market, public and private, functional partnership, between structures of different dimensions, with flexible activities, in which the objectives are compatible and adapted to the local interests.
- 9) Knowledge, as a factor of production, will surely and not over a long time go out of the scope of the abstract and acquire concrete valences, when it will be found as an expense element in the cost of all products. Under these circumstances, the center of gravity in funding research will move from the public budget to the private sector, and the

responsibility of the research will come mainly to the economic agents. Under these circumstances, it is not difficult to observe the role and importance of public and private partnership between different organizational structures. In this context, it is to be expected that, in the future, only agricultural producers organized in associative or cooperative structures will be able to afford the development of research of their own interest.

- 10) Scientific knowledge - as a direct product of research - has a dual representation in the economy: first, it is an intangible asset, and secondly it is a production factor. As intangible asset has some essential characteristics, namely: it is the part of the patrimony with the highest dynamism; has a high degree of volatility when it has the quality of public good because it escapes the control of the national authority; has a high speed of movement under current technical-scientific conditions. The direct consequence of these characteristics is that, as the globalization process intensifies, knowledge migrates from poor economies to developed countries. In other words, scientific knowledge is naturally polarized by the rich world, which facilitates the escape of brains and ideas in countries of origin, most often in formulas that surpass the boundaries of morals or value-equivalents.

In the case of agricultural producers organized in associative or cooperative structures, which have access to the take-over and dissemination of information from territorial transfer centers of knowledge and which sometimes become adapted to local interests, they become / become the intangible assets of the respective partnerships. Thus, by personalizing certain elements of knowledge, it is ensured not only the intrinsic economic growth of the existing associative or cooperative structures, but also the consolidation of their role in society.

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