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Building Co-operation in Farmer Collectives and across 'Value' Chains: Institutional Dynamics and Power Relations in Central India

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# **Building Co-operation in Farmer Collectives and across ‘Value’ Chains: Institutional Dynamics and Power Relations in Central India**

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## Abstract

This thesis explores processes of co-operative institution building in rural development in central India, with specific regard to farmer producer companies (FPCs), a form of 'new generation' co-operative-company hybrid, as well as the organic cotton supply chains in which they operate. There is a dearth of literature on FPCs of an ethnographic or sociological basis, which explores, in the words of co-operative scholars Attwood and Baviskar, the "deeper processes (the informal organisation of conflicts and alliances)" (Attwood and Baviskar, 1987, p. A-57). Prevailing approaches in literature and policy draw on economic conceptions of co-operation based in new institutional economics and management-oriented literature. In such approaches, the role of FPCs is primarily to reduce 'transaction costs' and achieve 'market access' for smallholder farmers, with panacea-esque narratives of their role in providing the 'solution' to the 'problems' of co-operative societies. Through analysis of thirteen months of fieldwork, largely in the central Indian state of Madhya Pradesh (MP), I present an ethnography of my role as a Non-Governmental Organisation (NGO) volunteer working with FPCs, as well as through qualitative research with FPC farmer members and leaders, development workers and individuals from companies working in organic cotton supply chains. Building on approaches which explore the differential representation (and transformation) of institutional norms, vis-à-vis (social) power relations (Mosse, 2005, 2006; Cleaver, 2012; Baviskar 2004), I examine FPCs within a wider 'web' of institutional and social relations. I explore the manner in which dominant approaches to co-operation (and the primacy of 'design' (Shah, 2006)), are both reproduced and contested by fieldwork participants in the work of 'translating' (Latour, 1996), co-operative action. I consider such processes vis-à-vis the work of 'building FPCs', organisational hierarchies, the 'politics' of FPCs, social (caste, Adivasi) relations, and, in efforts to build forms of 'partnership' and co-operation across supply or 'value' chains.

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## List of Acronyms and Abbreviations

AGM - Annual General Meeting

AP – Andhra Pradesh

BCI - Better Cotton Initiative

BoD – Board of Directors

CBBO – Cluster-Based Business Organisation

CBO – Community Based Organisation

CF – ChicFashion

CFO – CSD Field Officer

CFPOT – CSD FPO Team

CFT – Cluster Facilitation Team

CHO - CSD Officer from Head Office

CIN – Company Identification Number

CSD – Centre for Social Development

CSO – Civil Society Organisation

CSR – Corporate Social Responsibility

DoB – Date of Birth

DPIP – District Poverty Initiative Project

FCA – Farmer Commitment Agreement

FED – Farmer Enterprise and Development

FIG – Farmer Interest Group

FO – Field Office



FPC – Farmer Producer Company

FPO – Farmer Producer Organisation

GK – Gujarat Kapade

GMFPC – Gujarat Marketing FPC

GMO – Genetically Modified Organism

Gol – Government of India

GVC – Global Value Chain

GVCA – Global Value Chain Analysis

HO – Head Office

ICA – International Co-operative Alliance

IMS – Instant Messaging Service

IOF – Investment Oriented Firm

JLG – Joint Liability Group

KSFPC – Kisaan Samriddhi FPC

LRC – Livelihoods Resource Centre

MACS – Mutually Aided Co-operative Societies Act

MBCFPCL – Madhya Bharat Consortium of Farmers Producer Company Limited

MGNREGA – Mahathma Gandhi National Rural Employment Guarantee Act 2005

MK – Malwa Kapade

MoU – Memorandum of Understanding

MP – Madhya Pradesh

MSP – Minimum Support Price

NABARD – National Bank for Agriculture and Rural Development

NCDC – National Co-operative Development Corporation

NF – NaturaFarms

NGC – New Generation Co-operative

NGO – Non-Governmental Organisation

NIE – New Institutional Economics

NPOP – National Programme for Organic Production

OCC – Organic Cotton Conference

OCI – Organic Cotton Impact

OS – Operating System

PAN – Permanent Account Number

PC – Producer Company

PRA – Participatory Rural Appraisal

RDI – Rural Development Institute

RGC – Representative General Council

RLI – Rural Livelihoods Institute

RO – Resource Organisation

SC – Scheduled Castes

SCS – Sustainable Cotton Solutions

SDGs – Sustainable Development Goals

SFAC – Small Farmers' Agribusiness Consortium

SHG – Self-Help Group

SLA – Sustainable Livelihoods Approach

SO – Senior Official

SPV – Special Purpose Vehicle

ST – Scheduled Tribes

STO – Second-Tier Organisation

SW – StitchWear

SWOT – Strengths, Weaknesses, Opportunities and Threats

VRP – Village Resource Person

WB – World Bank

WDR17 – World Development Report 2017

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## Chapter 1 - Introduction

Recent years have witnessed renewed policy and research attention to co-operatives at a global level and within India. This is reflected in the Government of India's (GoI) policy to promote 10,000 farmer producer organisations (FPOs) by 2027-28 (GoI, 2020a). While the twenty-first century has seen a "spurt of new generation co-operatives" (NGCs) in India, commentators have noted that academic research "is growing but scattered with significant knowledge in 'grey' literature produced by practitioners" (Prasad and Prateek, 2019, p. 1-2). This thesis explores processes of co-operative institution building in rural development in central India, with specific regard to FPCs, a form of 'new generation' co-operative-company hybrid, as well as the supply chains in which they operate. Renewed policy attention and a growth in these 'new generation' co-operatives (e.g. FPCs), also appears as observers note co-operatives "face higher competition due to globalization and liberalization policies...[which are]...marginalizing the resource-poor producers...There is an increased need and relevance of co-operatives" (Singh, 2021, p. 8). This renewed focus on co-operatives, "globally and in India", Prasad and Prateek (2019, p. 2) observe, "is also being seen and offered as an institutional solution to the structural challenges that globalisation has brought upon the farmers, especially smallholders..." As such, co-operatives in agriculture are attracting attention "because of their potential role in providing market access for smallholders" (Johnson and Shaw, 2014, p. 669).

The GoI's policy on FPOs reflects this conflation of collective action with market access, defining FPOs as "formed for the purpose of leveraging collectives through economies of scale in production and marketing..." (GoI, 2020a). Such policy attention has however come under criticism. Govil and Neti (2021, p. 113) reflect, "...there is an urgent need to shift focus (of policy and practice) from quantity to quality of PCs...[Producer Companies]..., from promotion to thoughtful incubation." This concern with a need to engage substantively in consideration of issues around forming, as well as facilitating, FPOs, is one shared by other observers and practitioners (Mondal, 2010; Cherukuri and Reddy, 2014; Shah, 2016; Prasad and Prateek, 2019). Such concerns coincide with the absence of an accompanying literature on co-operatives of a scale that has existed in previous decades. In their review of literature on FPOs, Prasad and Prateek note, the "success of the dairy and sugar co-operatives...post-

Independence led to considerable research on factors enabling collective action and co-operatives as business entities..." (Prasad and Prateek, 2019, p. 2). This research, exemplified in the sociological and political economy analyses of Donald Attwood and Baburao Baviskar (1988, 1996), as well as the institutional design studies of Tushaar Shah (1995, 1996), brought forward a series of hypotheses and 'design principles', respectively, for understanding co-operation, as well as debate.

Renewed recent attention to co-operatives sits alongside what may be termed an established 'narrative of decline', in academic and popular perception regarding co-operatives in India, bar some notable exceptions in the dairy and sugar sectors, as discussed in the literature review. Singh (2021, p. 7) reflects, due to "political interference, corruption, elite capture and similar issues, the...traditional...co-operatives soon lost their vibrancy and became known for their poor efficiency and loss-making ways". In their review of rural co-operatives and development globally, Johnson and Shaw (2014, pp. 668–669) concur with this assessment, observing that liberalisation and structural adjustment, "further weakened co-operatives that were previously dependent on the state" in many developing countries. As a result, "co-operatives have been 'off the radar' for development policy and research until relatively recently". This 'narrative of decline' is also reflected in policy, as the Small Farmers' Agribusiness Consortium (SFAC), a GoI-chaired 'implementing agency', has stated that the FPC model "break[s] the producer organisation free of the typically inefficient and politicised image of cooperatives with scant focus on principles of democratic free management and free enterprise" (SFAC, 2019, p. 3).

The 'narrative of decline' regarding co-operatives appears linked in policy and literature on FPOs, with a preference for FPCs as 'NGCs', the proposed 'solution' to the 'problems' experienced by co-operative societies in India. SFAC has defined FPCs as the "most appropriate institutional form around which to mobilise farmers and build their capacity to collectively leverage their production and marketing strengths" (SFAC, 2019, p. 2; see Singh, 2008). Critically, however, the conditions which have influenced renewed attention to co-operatives, pose challenges to an uncritical adoption of the existing body of co-operative literature, whether in academia, policy or practice. As Prasad and Prateek (2019, p. 2) summarise, the external environment "has changed significantly" since Attwood, Baviskar and Shah conducted their research, "...with the liberalisation of the Indian economy in the

1990s and an overall decline in the functioning of healthy producer collectives”. Despite these changes, there are “renewed calls for extending the Amul model to...other commodities...donors and government policies are looking to...FPOs as the most significant institution to enable aggregation of small farmers’ produce and linking them with markets” (Ibid, see also Shah, 2016).<sup>1</sup>

As I discuss in the literature review, dominant approaches to FPCs and co-operation in India have drawn significantly from understandings of institutions (and co-operation), based in new institutional economics and management-oriented literature (North, 1991; Ostrom, 1990; Shah, 1996). In contrast with these approaches, which forward primarily economic understandings of ‘rational’ actors ‘crafting’ institutional arrangements to ‘solve’ collective action ‘dilemmas’ (Ostrom, 1990), I seek to develop a ‘critical institutionalist’ (Cleaver, 2012) approach to FPCs and co-operative action. Building on Attwood and Baviskar’s (1996) sociological focus, as well as anthropological literature (Mosse, 2005; Baviskar, 2004; Mines and Gourishankar, 1996), I consider processes of co-operative institution building within a wider web of organisational, social and ‘political’ power relations. Through thirteen months of fieldwork, largely in the central Indian state of MP, I explore co-operative institution building through an ethnography of my experiences as a development worker, as well as through qualitative research with a range of individuals and organisations. Following Latour (1996) and Bourdieu (1977), I explore the manner in which representations of co-operative action by fieldwork participants both reproduce and contest ‘dominant’ approaches. I consider the implications of such processes of ‘translation’, ‘contextualisation’ and ‘decontextualisation’ (Latour, 1996), for farmers, development workers, supply chain company representatives and other ‘actors’.

Through presentation and analysis of thirteen months of fieldwork largely in the central Indian state of MP, I explore co-operative institution building through an ethnography. The thesis is structured as follows, in *Chapter 3*, I review the literature on co-operation and co-operatives in rural India; on FPCs; on institutions in development, on ‘value chains’; as well

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<sup>1</sup> The ‘Amul model’ refers to the Gujarat Co-operative Milk Marketing Federation (GCMMF), a federation of dairy co-operatives in the state of Gujarat. AMUL is a brand of GCMMF. AMUL is one of the ‘exceptions’ often noted to the ‘narrative of decline’ regarding co-operatives in India.

as on issues of social relations (caste and 'tribe'/Adivasi) in India. In *Chapter 4*, I detail and discuss the methodological approach of the thesis, including my key research questions, as well as a consideration of fieldwork relations and navigation of different 'roles'. In the following four chapters I discuss the thesis fieldwork vis-à-vis the research focus and questions, delineating key strands of argument. In *Chapter 4*, I consider the process of (and dynamics within) establishing and maintaining FPCs, exploring the reproduction and contestation of 'formal' and 'informal' narratives of co-operation. In *Chapter 5*, I consider institutional dynamics and power relations within and between organisations and individuals involved in the world of FPC development, vis-à-vis narratives of co-operation. I focus on organisational working practices and hierarchies, relations between head and field offices of NGOs, as well as a second section exploring the 'politics' of these co-operative institutions. I consider cases of 'hijack' of FPCs, and the role of social status.

In *Chapter 6* I explore the interplay between social relations and co-operation with regard to FPCs, building on the themes of previous chapters in examining the reproduction and contestation of 'formal' and 'informal' narratives. Key to this chapter is a focus on social forms of categorisation and identity (caste and 'tribe'/Adivasi), as well as the role of large farmers and gender dynamics. I explore the mediation of FPC 'politics' and co-operative action by social relations, and consider the way in which prevailing narratives disembody (Mosse, 2005) co-operative action from such social relations. In *Chapter 7*, I consider efforts to 'link' FPCs to wider markets, in the context of attempts to build forms of 'co-operation' or partnership across national and international supply or 'value' chains. I focus on organic cotton supply chains, and provide an ethnographic account of a project to build a 'second-tier' organisation (STO) to work with FPCs, by the NGO that I was volunteering with (Centre for Social Development (CSD)), including my role within this programme. I also draw from interviews with organisations and individuals from FPC federations, NGOs, supply chain companies and commentators. I consider narratives of co-operation from fieldwork participants, vis-à-vis processes of institutional 'design' and development, and the differing representation of such processes.



## Chapter 2 - Methodology

### Introduction

In this chapter I detail and discuss the research methodology that I have followed, including research design, 'problems', guiding questions, as well as methods. I discuss field 'relations' and 'access' vis-à-vis my efforts to navigate multiple roles, as NGO volunteer, PhD researcher, 'foreigner' as well as 'friend'. Key to my research approach was a consideration of the actions and transactions of co-operation (through FPCs), in relation to their representation (description or portrayal) by fieldwork participants. I explore 'narratives' of co-operation through analysis of such representations, and, particularly, the reproduction and contestation of such narratives. As I discuss in the literature review, the key institutional focus of my research is on farmer producer companies (FPCs), which are market-focused agricultural co-operatives in India, often termed a form of 'new generation co-operative' (NGC) (Singh, 2008). I explore co-operative action and its representation with regard to FPCs, as well as forms of supply chain 'partnerships' that FPCs enter into. In the process I consider the interplay between co-operative action, representation, and social relations. I also consider the underpinning of such representations in prevailing approaches within literature on co-operation in India, as well as on institutions in development. As Mary Douglas' (1987, p. 69) work leads us to consider, the existence of institutions and their "shadowed places", has an impact on the kinds of actions and representations people and groups may produce and carry out.

### The case for anthropological 'interpretive' research on co-operation

My methodology consisted of qualitative exploration and analysis, centred on the use of ethnographic participant observation, alongside interviews, conversations, observation and document analysis. This approach is consistent with the discussion in my literature review as well as an 'interpretive' ontology and epistemology (detailed below). As noted in the *Introduction*, despite a growth of NCGs (especially FPCs) in India, academic literature, while growing, contains few studies which explore conceptual or theoretical issues, and many practitioner-based reports (Prasad and Prateek, 2019, pp. 1-2). As I discuss in the *Literature Review*, prevailing approaches to FPCs in literature (and policy), are predominantly

economistic and positivist in conception and methodology, drawing heavily, either explicitly or implicitly, on understandings of co-operative institutions based in new institutional economics (Ostrom, 1990; North, 1991), as well as management-oriented approaches. There is a dearth of research on FPCs of a sociological or anthropological nature, exploring what co-operative scholars Attwood and Baviskar termed, the “deeper processes (the informal organisation of conflicts and alliances)” (Attwood and Baviskar, 1987, p. A-57).

Approaches to analysis of co-operatives in India by Attwood and Baviskar (1988, 1996), Shah (1995, 1996) and colleagues in the 1980s and 1990s, as I also discuss, worked within a ‘positivist’ tradition, employing empirical analysis (of case studies) to derive generalisable principles or hypotheses. Based on empirical analysis, and with a similar positivist logic to Elinor Ostrom (Ostrom, 1990), Attwood and Baviskar delineated a series of hypotheses for ‘cooperative performance’. Shah’s work, though with differences in focus and approach, also deployed empirical analysis to arrive at generalisable ‘design principles’ for co-operatives. In George’s (1996) review of these authors, Shah, she writes, “uses a helicopter...[while]...Baviskar and Attwood take their audience on a bicycle tour” (Ibid, p. 2863). Prevailing strands within literature on FPCs adopt a similarly ‘positivist’ approach, working through case study explorations of the key factors for FPC ‘success’ as well as challenges, to arrive at “determinants of performance and viability”, as in Dey (2018, p. 44). Structured research designs and quantitative methods are common within FPC literature to collect ‘performance’ data, largely of a financial nature, while some studies employ mixed methods to understand ‘formal’ and ‘informal’ institutional factors affecting the “success” of FPCs to achieve “smallholder market access” (Cherukuri and Reddy, 2014, p. 2).

### Research ontology and epistemology

This study adopts an interpretive ontological worldview which suggests human beings are agents capable of “reflexivity and self-change”, and an epistemology that ensures this capacity is accommodated within research (see Kindon et al., 2007, p. 13). Bryman notes qualitative research is a strategy that “usually emphasises words rather than quantification in the collection and analysis of data...it is broadly inductivist, constructionist and interpretivist” (Bryman, 2012: 380). One of the figures most associated with this school of

thought is Max Weber, who forwarded the idea that the object of sociology is “to interpret the meaning of social action”, either in terms of the intentions or attributions of individuals and groups to human behaviour. “In neither case”, wrote Weber, “is the ‘meaning’ thought of as somehow objectively ‘correct’ or ‘true’ by some metaphysical criterion” (Weber, 1978: 7). Constructionism, in brief terms, is generally taken to be an ontological position which asserts that “phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision” (Bryman, 2012, p. 33).

This study employs a ‘sensitising’ rather than ‘definitive’ approach to the consideration of theoretical concepts, for example elements of the theory of ‘development as bricolage’ discussed in the literature review (Cleaver, 2012). This distinction was made by Blumer (1954), between ‘definitive’ concepts, which become fixed through elaboration of indicators, and ‘sensitising’ concepts, which provide “a general sense of reference and guidance in approaching empirical instances” (Blumer, cited in Bryman, 2012: 388). This approach sits well with the constructionist ontology and interpretive epistemology outlined above. I have also sought to build a clear and specific focus within this ‘reflexive’ approach. While a focus on the importance of research ‘questions’ has featured strongly in social research literature (Bryman, 2012; Denscombe, 2009), some commentators have critiqued an over-emphasis on the “dictatorship of the research question” (Tashakkori and Teddlie, 1998, p. 20). In contrast, Bryman (2012, p. 19) argues that social research does not exist in a bubble, that it is closely tied to “different visions” of how social reality should be studied. My epistemology recognises that multiple interpretations of a single phenomenon are possible – that we inhabit a world which is socially constructed (see Greenwood and Levin, 1998). It is therefore necessary to explore and critique different viewpoints, within a context in which different ‘positions’, including that of the researcher, does not escape scrutiny.

### Research Design and Fieldwork Chronology

Through ethnographic participant observation and qualitative methods, I sought to understand the dynamics in building and maintaining co-operative institutions, as well as the representation of such processes of co-operative action by fieldwork participants.

Paraphrasing Cleaver (2012, p. 45), I sought to understand how individuals and groups “patch or piece together” forms of co-operation vis-à-vis FPCs. Such dynamics included exploration of the relations within and between organisations involved in the ‘world’ of FPCs, including FPCs themselves (members, leaders and professionals); FPC promoting organisations (including relations between head and field offices of NGOs); ‘second-tier’ organisations of FPCs; supply chain companies with whom FPCs had formed agreements; and other ‘actors’. I also interviewed individuals from companies and organisations working in organic cotton supply chains, as well as academics whose work focuses on FPCs and co-operation. Finally, I carried out a comprehensive literature review, as well as documentary research in organisational settings such as NGO and FPC offices.

The focus of my research has been to gather and collate narratives of co-operation from a range of individuals and organisations, involved in the actions and transactions of ‘co-operation’. I explore the self-identified issues, themes and experiences of research participants, as a means to interrogate a wider set of issues, namely my research questions. Below I also reflect on the dynamics of this process of ‘gathering’ and ‘collating’. My fieldwork took place between February 2019 and March 2020, the first four months of which I was studying Hindi, first in Mumbai and then in Landour, Mussoorie, Uttarakhand. In July I moved to MP, basing myself in Bhopal, the state capital, to begin a period of nine months fieldwork working as a volunteer with a rural development NGO (Centre for Sustainable Development (CSD)), whose head office was in Bhopal. CSD ‘promoted’ FPCs, establishing and supporting them within a wider area of work in market-focused community institutional development and participatory agriculture programmes.

I began fieldwork at CSD’s head office (HO), where I was mostly based within a team focused on FPCs, often also termed ‘FPOs’. I worked to build rapport with team colleagues, as well as to identify a role within the organisation, negotiated with CSD’s director (Sourav), in a project to build an STO of FPCs. I was able to follow and participate in the ebb and flow of this project throughout my fieldwork. While at the HO, I participated in a variety of activities in relation to my role as a volunteer and researcher. These included attending internal and external meetings, carrying out tasks of work for CSD, and also participating in the everyday environment of working life at the organisation. This involved travelling to the

office each day, arriving at 9am and leaving at 5pm, for six days a week for the periods of time I was in Bhopal rather than on 'field visits'. I had an identified working desk during this period.

While based at the HO I was able to use my role as a volunteer as a form of participatory ethnography, to explore my research questions. In addition, I also carried out interviews of a more 'formal' nature with CSD colleagues at the HO, at a scheduled time, often using a recording device. The majority of my 'interviews' however were informal conversations with CSD colleagues. I also attended and participated in CSD events such as an organisational 'retreat' over several days in January 2020, and other meetings. I joined 'field visits' to west MP, travelling with CSD officers on scheduled trips, while negotiating my own periods of stay and avenues of research. These visits were to the districts of Ratlam, Jhabua and Alirajpur, firstly in September-October 2019, and secondly in February-March 2020. During the first visit, to Jhabua and Alirajpur, I attended three Annual General Meetings (AGMs) of FPCs supported by CSD, which I was able to observe as well as participate in. This was complemented with meetings with farmer members and directors of FPCs in these districts, conversations with CSD head office and field staff, as well as development workers from other organisations.

During my second 'field visit', to Ratlam and Jhabua districts, I travelled between different CSD field offices (FOs) (often also FPC offices), joining and shadowing CSD field officers (CFOs) in their work activities vis-à-vis FPCs and their farmer members, and observing a range of meetings, conversations and other situations. I attended meetings with district government officials, while also arranging with CFOs to travel to different villages, meeting with farmer members and leaders of FPCs, holding informal conversations, interviews and group discussions. It is also important to note that MP (and particularly west MP), has a relatively large population of communities which the Constitution of India defines as 'Scheduled Tribes' (GoI, 2011), and this was reflected in the demographics of the FPC members I encountered.

I also shadowed a textile firm executive and his colleague who were holding the first meeting of the board of directors (BoD) of an FPC they were establishing. I attended this

meeting and engaged in a series of conversations with the farmer directors and textile firm employees, while also noting observations. In addition, I travelled to Ahmedabad and Anand in Gujarat on two 'trips', to interview NGO officers (and CEOs) of FPC federations based in that state, academics whose work focuses on co-operation and FPCs, as well as executives and employees of textile manufacturers. I sought to engage with textile firms as well as multinational textile brands and other organisations because of my focus on organic cotton supply chains.

I became interested in organic cotton because CSD's project to build an STO, was based on organic cotton producing FPCs in west MP, as well as the organisation's expanding work in organic agriculture. As efforts were made to 'integrate' FPCs into organic cotton supply chains, simultaneously, other companies and 'actors' in these supply chains were engaging in relatively 'new' and direct forms of 'partnership', sometimes involving producers and their supporting organisations. I therefore expanded my research to interview representatives from a series of textile firms and 'brands', some of which were based in India, others in Europe or the United States of America, as well as attending an organic cotton conference and other meetings. The conversations, discussions, 'interviews', meetings and other fieldwork 'situations' included use of Hindi, English, Bhili or a combination of these languages, as I discuss below. However, the quotations presented in the thesis are in English, with translations having been carried out where necessary.

### Research Questions

Building on the focus outlined above and in the Literature Review, including a 'critical institutionalist' (Cleaver, 2012) and ethnographic exploration of co-operative action through FPCs (and 'value' chains), vis-à-vis social and institutional relations of power, I developed the below research questions:

**How do people co-operate to establish and maintain agricultural co-operative institutions (specifically farmer producer companies) in central India, and how is co-operation understood and represented by those who engage in, and/or are impacted by it?**

- How is co-operation affected by power relations and forms of social categorisation/identity (specifically caste and tribe/Adivasi), and vice-versa, how are power relations and forms of social categorisation/identity affected by co-operation?
- How do the actions and transactions of co-operation, as well as people's representations of these, coalesce or conflict in the creation of new institutional arrangements, including across supply chains?

### Field Relations and Roles

While the above research design framed and steered my fieldwork, here I consider issues arising from my research practice, in particular the field 'relations' I built and worked within. When I arrived at CSD's HO and took up my role within the FPO team (CFPOT), one of the first issues that I encountered, and did not fully expect, was the level of humour and informal office working relations, within what was also a formal and busy working environment. My attempts to schedule 'interviews' with CFPOT colleagues, or to ask for their views on co-operation were often met with enthusiastic responses, but also sometimes humour and jokes. One CFPOT colleague responded to my question about how 'influence' happens in FPCs by adopting the role of an FPC leader, stating "*I can show you*", motioning to twist my arm. On other occasions when I raised questions regarding the STO programme, one colleague responded to indicate that it was my role to address it, "*You can do the help in procurement*", while the CFPOT leader (Rahul) once suggested that I should become the CEO of the STO, "*it's president. You can put one hundred thousand euros into it*". On another occasion, following a meeting I discuss in *Chapter 7*, which featured a debate between colleagues on the STO programme, Rahul asked me, "*How is your blood pressure?*", moving onto state, "*You will talk about this, make a presentation on legal things, in Hindi and Sanskrit.*"

As Amita Baviskar reflected with regard to her own ethnographic work among Adivasi communities in MP, "...as researchers, we have to adopt a more self-conscious attitude towards the objects of inquiry, recognising the dialectics of our relationship with them...Truths that are contextual can only be known through intimate engagement with the perspectives of those whose lives are the objects of inquiry. However, this meeting of minds

occurs on unequal terms” (Baviskar, 2004b: 3-4). I quickly realised that the process of rapport building, while very important, was also relatively unpredictable, and that my ability to ‘research’ within this working environment, was also affected by my navigation of differing roles – of researcher and volunteer, and the reaction of fieldwork participants to this process. Citing Lofland (1971), Hammersley and Atkinson (1995, p. 99), describe the ‘field role’ of the ethnographer as being an “acceptable incompetent...it is only through watching, listening, asking questions...making blunders that the ethnographer can acquire some sense of the social structure of the setting and begin to understand the culture(s) of participants.”

In the early days of my fieldwork, my observation notes reveal a level of concern regarding the developing ethnographic focus of my research and role within CSD, vis-à-vis difficulties in obtaining ‘interviews’ with CSD staff. Initially, I had intended to focus the ethnographic element of my research with farmer members and leaders of FPCs, and to carry out interviews and discussions with CSD staff and others. While I did carry out interviews with CSD colleagues at HO, the majority of my conversations were informal. My observation notes reveal one attempt to schedule an interview with a CFPOT colleague: *“I asked if it was OK to get my recorder...[FPO colleague]...said yes, and asked to wait till later, as he had to speak with...[a colleague]...”* This was postponed indefinitely, but in the meantime I had several informal conversations with this colleague. I decided at this point that it would be beneficial to ‘interview’ each member of CFPOT regarding their work on FPOs, but on one occasion, when I asked a colleague who deals with the finances of FPCs, he responded almost incredulously to question, *“you want to know about accounts?”* I also recall that this team member, while committed to the work of CSD, began each day placing his head in his hands, in frustration at the intensity of the work required.

#### Navigation of roles

Following on from this is my navigation of a role as a ‘foreigner’, although someone who could speak and understand Hindi to a certain degree (this was very much a work in progress from my perspective), a researcher, as well as an NGO volunteer. Many informal office conversations at CSD were in Hindi, with occasional words in English, while more ‘formal’ office meetings featured more English, especially if Sourav was leading them, who



was fluent in English. Conversations at FO level were almost all in Hindi, with some English included, depending on the individual. Some conversations with FPO colleagues, my observation notes reveal, *"I can understand, but the specifics of some informal group conversations are difficult."* I also sought to speak in Hindi as much as possible, to further my ability in the language, but also as I was conscious that while some staff at CSD's HO spoke English to differing degrees, this was not universal. However, my positionality as a 'westerner' and 'foreigner' also preceded me. During one early meeting at CSD, Sourav introduced me to colleagues as having volunteered at CSD ten years previously, which I had, but moving on to note that the founder of an 'ethical' Indian clothing firm (whose suppliers were village 'artisans'), was also a 'foreigner'.

Following Levi-Strauss' argument that the dualism of 'emic' and 'etic' perspectives within ethnography should be dissolved into each other, that "emic should be etic, and etic should be emic" (Levi-Strauss, 1972, cited in Headland *et al.*, 1990, p. 5), my fieldwork involved an interplay between, and a combination of, both 'insider' and 'outsider' perspectives.<sup>2</sup> My observation notes reveal my reflections at the time, of feeling as though *"I am being brought into the organisation's way of working, with a role"*, but that positionality was also important. I sought to emphasise my role *"as a learner, worker and researcher"*, according to my notes. On the other hand, my observation notes reveal a sense of unease in feeling *"a little useless"*, in my efforts to build a role at the organisation *"as an 'insider'...but taking the role of a researcher, learning as a detachment."* On another occasion, following a series of phone calls Rahul had with colleagues in FOs, I asked what the 'problem' was, to which he responded to say *"no problem, just arranging things."* At this stage I had just started my fieldwork with CSD, and on later occasions I was able to speak in more detail with colleagues. On another occasion Rahul and a colleague were discussing a trip to Ratlam district following some *"warehouse issues"* to do with crops *"going bad"*. I had hoped to join on this trip, but when I arrived at the office the following day, I found that they had already

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<sup>2</sup> As termed in anthropological literature (Pike, 1967), emic refers to "information on the insider's point of view...perceptions, beliefs, and meaning system", while etic refers to "the outsider's point of view, their opinions and beliefs" (Hennink, Hutter and Bailey, 2011, p. 18).

left. This experience was in some sense similar to an experience I describe in *Chapter 5*, where CFOs visit villages to carry out 'recovery' work, but I am unable to accompany them.

Such 'sensitive' work activity, I noted at the time, may have not seemed worthwhile avenues for my 'research' by CSD colleagues, who may have questioned my interest in exploring a broad spectrum of FPC 'activity'. On one occasion when I was seeking to go to north-east MP, to the Bundelkhand region, Rahul said to me, *"Go to Tikamgarh only if you want to be corrupted, nothing you'll find interesting there."* On some occasions, CSD colleagues sought to provide me with suggestions as to the process of my research. During my attendance at an FPC AGM in Alirajpur district, I asked the FPC members some questions, after which, Prabir, a CSD officer from HO (CHO), suggested I should have a prepared 'list' of questions. My asking of questions in AGMs was actually something that I felt somewhat compelled to do, after being introduced by CFOs, as at one AGM: *"Our friend came from abroad, England...Sir has questions regarding your company working..."* I was encouraged to speak, and I was aware of expectations around what may be termed a 'usual' procedure of research, involving pre-decided questions. There appeared to be a need to 'perform' the role of researcher, to ensure a level of credibility and continued acceptance by CSD colleagues. While my research approach was largely ethnographic and qualitative, the role of researcher was also a role that others had expectations and perceptions of.

My role as an NGO volunteer had provided me with 'access' to speak with FPC farmer members and leaders, although such access was mediated by the presence of CFOs, whose knowledge of local Hindi dialect and the Bhili language was very important to these encounters. I was aware that FPC farmer members had also encountered occasional 'visits' by 'foreigners' working with international textile brands. During one meeting with FPC directors in Jhabua district, one farmer recalled that *"Another person came from Denmark a few months ago...They came...to assess water table. They didn't know Hindi at all."* Conversation about my country of origin was also an area of interest for some farmer FPC members, as one farmer director asked about agricultural seasons and the kinds of crops grown. In another meeting with FPC members, a farmer asked if my country could help themselves and the FPC, to which I responded to emphasise my role as a volunteer and researcher only. Following a further informal interview with an FPC director, which

transpired to be a long and interesting conversation, my role as a 'foreigner' appeared, although mediated by my involvement with CSD, this farmer asked, whether *"I have any scheme which can be beneficial for our company...[FPC]..."*, to which I responded that I am *"studying a lot and working with...[CSD]...but do not have another scheme."*

The issue of language was common to several encounters with Adivasi farmer FPC members, especially because dialect or the 'Bhili' language was often used and knowledge of Hindi varied by individual. During an AGM of an FPC I introduced a recorder, which was explained by the CFO, *"this machine...whatever we are speaking, is getting recorded. Later, he will listen to it...He knows some Hindi."* In one discussion meeting with FPC farmer members, I said *"my Hindi is ok"*, to which the CFO said, *"No problem, I can translate...[into Bhili]...There is a problem that some...[farmers]...are not understanding Hindi."* The role of CFOs during my encounters with farmer members and leaders of FPCs was thus an important one, I was extremely grateful to them in their patience with my questions, as well as in travelling to villages on motorbikes around their working schedules. Simultaneously, I sought to understand their roles, experiences and perceptions, vis-à-vis FPCs, CSD and co-operation more broadly. CSD officers themselves also noted issues around positionality, suggestive of roles in which ethnographic reflections were central, although development workers may not term them as such. A female CFO who had recently joined the organisation emphasised the significance of the rural/urban divide in India to me: *"City, rural is a big division in India. You have to be careful in going to villages, clothing, dress and behaviour...they can see I am Indian, but you have to show them you are not going to take their resources."*

Finally, my observation notes indicate significant time spent 'waiting'. Whether this was at CSD's HO or FOs, for 'access' to join 'field visits' or for interviews or conversations with CSD colleagues. This was complemented by a level of frustration I occasionally felt about, as my observation notes detail, *"what I am meant to be doing, negotiating a role as a worker and a researcher."* I noted that one day at the office was spent *"organising files and administration..."*, however, the next day I *"gained approval for an interview with...[Sourav]...and was tasked with files and work plan documents for the FPO federation..."* Another day reveals *"much time spent reading and organising things"*. However, at the end of this day a conversation with Rahul focused on the FPO STO

programme, and practical issues to do with whether I should move to the city of Indore, a decision linked with this project, as the office of the federation was to be based there. Simultaneously, when the organisation's approach to this project was changing, I wondered how *"my fieldwork would be affected by the cancellation of the federation"*. During time at field offices of CSD, I also experienced situations of what some NGO colleagues called 'time pass', of waiting to join colleagues on visits to villages. While my field notes reveal disappointment in being unable to attend such visits, this later became a source of observation and interest vis-à-vis my research topic.

My rapport with Sourav, built following a prior period of volunteering for CSD ten years prior to the fieldwork for this thesis, was also something that had a significant impact on my research. I was able to navigate some of his professional network of contacts to schedule meetings and interviews with professionals from organisations working with FPCs, or in organic cotton supply chains. While the efforts to establish the interviews were my own, this was also aided by my being involved with the CSD, and, in one case, my initial contact was preceded by a phone call from Sourav. During my fieldwork I had many conversations with Sourav, and he and the deputy director, Gayatri, were very hospitable towards me, and sought to involve me in the working programmes and culture of CSD, something which illustrated a very open attitude to research and which I am very appreciative of. The progress of my research design and methodology, was therefore very much embedded in these relations and affected by them. The level of rapport and acceptance by CSD colleagues, in being both 'Philip bhai' (brother Philip), as well as a 'foreigner' doing a PhD, formed a key part of this.

Finally, in researching and writing this thesis, I have sought to provide an honest ethnographic account of my experiences, and an analysis of the self-identified reflections of fieldwork participants, in relation to my research focus. As I discussed above, this thesis is presented in contrast with approaches which seek to delineate 'factors' of 'successful' co-operative action. As such, it is not intended to be read as a judgement on the success (or failure) of particular projects or organisations (which are also anonymised), but as an account of the 'contextualisation' and 'decontextualisation' (Latour, 1996) of efforts to build and maintain co-operative action through FPCs, and to 'integrate' them into markets. In

doing so, I sought to provide an account of interest to academic audiences, but also to development practitioners, who may face many of the dilemmas faced by fieldwork participants in this thesis.

## Ethics

My research design and methodology were compiled in adherence with SOAS' Research Ethics Policy (SOAS, 2020). For all of my conversations, interviews and group discussions I obtained verbal consent from participants. As indicated, this sometimes involved explaining the function of a 'recording device'. In particular, at the beginning of every interview and discussion I explained that I was researching and also an NGO volunteer, that I was studying for a PhD, and would be recording or making notes. In many cases, obtaining written consent would have been impossible, not least due to low literacy levels among farmer FPC members, but also due to perceptions (and wariness) of formal documentation in rural India. My research and role was also accompanied and underpinned by my role as a volunteer with CSD, with whom the farmer members of FPCs had a relationship. The CFOs often introduced me. While their presence mediated encounters with farmers, it also in some sense, 'legitimised' it. Had I arrived in areas of rural west MP without any relation to an organisation or individuals with whom the farmers had interacted, my research would have been almost certainly impossible.

For more 'formal' interviews, for example with executives from clothing brands and textile firms, I used written consent forms (see **Appendix 1**), as this was both feasible and expected. Simultaneously, the use of a written consent form in such contexts may have added legitimacy to the research, including an organisational basis (e.g. a university). For longer-term conversational and observational research, I explained the focus of my research and obtained consent verbally. My role as a researcher and volunteer was clearly known by CSD colleagues, as Sourav had, without my requesting, informed staff by email that I was volunteering and researching with the organisation. Through building rapport and working relations with CSD staff, I had conversations about my research on a regular basis. In terms of the focus of my research, I usually stated that I was 'researching FPOs'. With some fieldwork participants, I had extended conversations on issues of social (power) relations,

while others, such as district government officials, such conversations would have been more difficult to broach. Certain topics also required an element of rapport building, such as regarding issues that may be seen as in some way 'sensitive', for example internal organisational dynamics, or the role of caste (and caste discrimination) in certain districts and institutions.

#### Anonymity

All names in this thesis are pseudonyms, including organisational names, in order to ensure anonymity of fieldwork participants. The only exceptions to this are my interviews with three academics, whose work I also review, and who were kind enough to speak with me. While fieldwork participants came from a range of cultural and religious backgrounds, I have chosen to use largely Hindu-origin pseudonyms to ensure anonymity, but no further meaning should be read into this. I have not included, nor did I gather, personal data.

## Chapter 3 - Literature Review

### Introduction

In this chapter I will review literature of relevance to co-operation and rural co-operatives in India, as well as to farmer producer companies (FPCs) as 'new generation co-operatives'. I will consider literature and debates upon co-operation typified by the 'greenhouse' vs 'blueprint' approaches of Attwood and Baviskar (1996) and Shah (1996), as well as a growing body of studies on FPCs. In addition, I will explore the prevalence within co-operative literature of 'new institutionalist' approaches to co-operatives and collective action. Continuing, I consider approaches to social capital and co-operation, including arguments linking caste with social capital. I contrast prevailing approaches to institutions with critical approaches based in anthropology and sociology, in particular development as 'bricolage' (Cleaver, 2012), as well as the work of Mosse (2006), and theoretical points by Bourdieu (1877, 1986) and Latour (1996). I continue to explore literature on value chain governance vis-à-vis the role of FPCs, and continue the 'critical' focus to consider literature on caste relations and Adivasi ('tribal') communities vis-à-vis co-operative institutions. The chapter notes a dearth of 'critical' studies of FPCs from a sociological or anthropological perspective, and delineates the dominance of new institutionalist and management-oriented approaches to co-operation. In this manner, FPCs are presented as the 'solution' to the 'problems' of co-operative societies, in which market access, driven by institutional 'design', management efficiency and 'leadership' can build social capital, 'integrate' small farmers to value chains and iron out 'transaction costs'. In contrast, critical approaches indicate the social basis of co-operative action and economic relations.

### Existing co-operative literature

In the introduction, I noted renewed policy and research attention to co-operatives, it is therefore important to consider the existing body of literature on co-operation in India in more detail, especially significant considering the 'scattered' nature of current co-operative literature. In their pioneering work on co-operation in India in the 1980s and 1990s, Attwood and Baviskar (Attwood and Baviskar, 1988, 1996) reflected that most studies of co-

operatives and their performance “tend to be mechanical, judging them by the volume of business without going into the deeper processes (the informal organisation of conflicts and alliances) involved in the functioning of these organisations” (Attwood and Baviskar, 1987, p. A-57). Arguing that organisations do not “simply function (or malfunction) according to their charters and bylaws”, in *Finding the Middle Path*, Attwood, Baviskar et al., deployed case study analysis, largely of a comparative nature, to interrogate what they termed the ‘political economy of cooperation’, arriving at a series of hypotheses (Attwood and Baviskar, 1996, p. 40). Concurrently, Shah also reviewed case studies of co-operatives in India but from a different theoretical perspective. Distinguishing between ‘high’ and ‘low’ performing member organisations, Shah argued for the “criticality of a robust ‘design’ for success or failure...[of co-operatives]...”, which led him to delineate several ‘design principles’ within a theory of co-operative design, in his 1996 work *Catalysing Co-Operation* (Shah, 1996, p. 45).

This distinction between an emphasis on political economy/’deeper processes’ or design/strategy in understanding co-operation, as well as the ‘success’ or ‘failure’ of co-operatives, has been illustrated in the terms ‘greenhouse’ vs ‘blue-print’. RoyChowdhury (1996, p. 68) defined the difference being between “the imposition of an organisational model (blue-print)”, and encouraging, through an “appropriate policy framework”, local efforts to “develop...unique organisational responses to...local problems (green-house).” Alongside this debate sits a third strand of ‘management-oriented’ studies, such as critiqued by Attwood and Baviskar. Pundir and Ballabh define this school of thought by its emphasis on the “quality of management and leadership” as key to determining the “success and failure of cooperatives” (Pundir and Ballabh, 2005, p. 10). For Shah, co-operative literature was “agog with success stories woven around outstanding leaders...[but]...we seldom know...whether it is the co-operative that created the leader or vice-versa?” (Shah, 1996, p. 211). Tending to focus on standalone case studies of co-operatives and their (largely economic) ‘performance’, and with less of an explicit theoretical or conceptual focus, this approach is nevertheless core to much of the literature upon co-operation (see Sidhu and Sidhu, 1990; Kumar, 1990; Singh, 1990; Dwivedi, 1996).

A concern with leadership, management and ‘professionalism’ runs throughout much literature on co-operatives, and this concern is often linked to the adoption of what, in the *Introduction*, I termed a ‘narrative of decline’ regarding co-operatives in India. Reviews of



rural co-operatives emphasise their dependence on the state, through the overriding role of the Registrar of Co-operative Societies (and associated lack of autonomy), “deep-rooted vested interests of bureaucracy”, as well as a “lack of professionalism” in leading to “inefficiency and losses” and an “excessively politicised” management (Dwivedi, 1996, pp. 722–723, see also Ghosh, 2007, p. 28). Studies highlight how growth has been “restrained” by these issues, alongside the “control of co-operatives by dominant vested-interest groups” (Makwana, 2013, pp. 37, 46). Reflective of prevailing approaches, the ‘solution’ to these facets of ‘decline’, as argued by Ghosh, is in a transformation of co-operatives to “work on sound commercial...principles”, supported by “high quality human resources” to provide “professionalism and leadership” (Ghosh, 2007, p. 29). This focus on market and commercial development linked with management ‘efficiency’ is underlined by reflections on the “changed scenario” in which co-operatives now find themselves. In this “market forces” scenario following economic liberalisation reforms in India in the early 1990s, co-operatives are “called upon to be competitive and viable” (Gautam, 2008, pp. 199–200). Authors emphasise policy and legal reform, alongside management and strategy changes, so that co-operatives can “reorient and readapt” (Tripathy, 1998, p. 1).

#### ‘Exceptional’ cases of co-operation: Caste, inequality and exclusion

One crucial aspect to this ‘narrative of decline’ are the often noted ‘exceptional’ cases of dairy co-operatives in Gujarat and sugar co-operatives in Maharashtra. The dilemma of the ‘success’ of these co-operatives vis-à-vis the ‘failure’ of many others is central to the arguments of Attwood, Baviskar and Shah. In contrast to management-oriented reviews (see Bedi, 1984), in their analysis of these ‘cases’, Attwood and Baviskar focus on the relationship between co-operatives and rural power and social structures (Attwood, 1988; Baviskar, 1988). Attwood’s (1988, p. 89) analysis of co-operative sugar factories emphasised the role of “an alliance between different classes” and bemoaned the absence of such a focus among co-operative “leaders, planners and promoters”, except in seeking explanations for co-operatives “which fail”. Attwood and Baviskar (1987) drew attention to the role large farmers played in dominating the elected boards of sugar co-operatives as springboards for state party politics. These authors also emphasised the role of caste, noting that leaders respond “first to...members of the same kin or caste groups”. This reflection is

built into a wider observation on the role of the Maratha caste as providing “a common cultural and political identity which makes it easier for large and small farmers to perceive common interests” (Ibid, pp. A-46, 47).

Baviskar’s (1988) analysis of dairy co-operatives in Gujarat pointed to co-operatives as sites of contestation and reproduction of caste hierarchies and (landholding) power relations. The Bariya caste members were “relatively poor, less educated and economically dependent” on the ‘dominant’ Patidar caste of medium and large landowners. However, democratic voting (including in co-operatives) had given the Bariya community “an opportunity to have a greater say in village affairs” (Ibid, p. 350). Other co-operative authors in this school such as George (1985, p. 2165), found that dairy co-operatives had become “bastions of locally dominant castes.” Baviskar’s work revealed the structural, indirect nature of such dominance, that, due to differences in education, literacy and ‘political skills’ between the Patidar and Bariya communities, the former had become a “managerial cadre” (Baviskar also highlighted the greater power of “hired managers” vis-à-vis elected representatives) (Baviskar, 1988, pp. 358, 361). As above, these authors highlighted the need for alliances between large and small farmers, due to production challenges, as Patidar leaders encouraged small producers to join to “modernise and expand their operations” (Baviskar, paraphrased by Ebrahim, 2000, p. 181). This “paternalistic” co-operative alliance was however particular to the conditions of that case, noted Baviskar (Baviskar, 1988, p. 361).

Such analysis leads to two of Attwood and Baviskar’s key hypotheses – that “Regions with a broad middle stratum of peasant proprietors...and numerically large, middle-status castes...are more likely to nurture successful cooperatives” (Attwood and Baviskar, 1996, p. 13). ‘Middle peasants’ are valued by Attwood and Baviskar as having the requisite “skills, habits and values”, as well as assets including land to adopt multiple roles – as labourers, managers and entrepreneurs. The authors argued that “Caste, like ethnicity, provides a cultural identity; and this cultural identity can strengthen the ideological basis for cooperation.” They further emphasised the importance of caste membership that “cuts across class lines”, with “maximum performance” of co-operatives in societies “which are both moderately stratified and...open to innovation and mobility, as in western India” (Ibid, pp. 14, 15, 11). To qualify this approach, it is also important to note the work of Breman

(1978, 1996) and Teerink (1995) whose studies of sugarcane labourers in Gujarat revealed how the 'success' (and profits) of the sugar co-operatives was "built upon the exploitation of migrant households" (Ebrahim, 2000, p. 186). Attwood and Baviskar (1988) themselves noted the exclusion of the "landless poor and those of low caste status" from dairy and sugar co-operatives (Ibid, p. 71). For Ebrahim, the sugar co-operatives resulted in a 'polar' class differentiation; "the rise of the Patidars...and the pauperisation of the Halpatis...[Adivasi 'tribal' migrant workers]..." (Ebrahim, pp. 184–185).

Co-operative literature which has focused on small and marginal farmers<sup>3</sup>, has noted their low participation in agricultural co-operatives, despite state policy initiatives adopting co-operation as a key means of "ameliorating the conditions of the weaker sections including scheduled castes and tribes" (Borkar and Ambewadikar, 1989, p. 94). Borkar and Ambewadikar highlighted co-operative leaders appointing staff only from their own caste communities, while the organisations themselves "cater to rich and big agriculturalists (Ibid, p. 50). Gautam (2008, pp. 178-79, 181) highlighted the role of "dominant castes" and "people with high political connections" in co-operatives near Delhi, such that they have "evolved their own norms, making a mockery of co-operative laws...[and principles]...". Such observations chime with the above-noted 'narrative of decline' often found within co-operative literature, as well as findings within Baviskar, Attwood and colleagues work, though the latter develop this to a broader political economy analysis (see also Bandyopadhyay and Von Eschen, 1988; Batra, 1988). Batra (1988) highlighted the importance of dominant caste membership in winning elections in Haryana sugar co-operatives, alongside wealth. To Attwood and Baviskar, regions in which middle-status castes are less numerous, are also regions where "caste divisions reinforce economic ones and inhibit cooperation between classes" (Attwood and Baviskar, 1996, p. 15).

### Designing and 'catalysing' co-operation?

In contrast to Attwood and Baviskar's political economy approach, Shah (1996) elaborated a theory of co-operative design. Critiquing the former authors' work as depicting co-

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<sup>3</sup> The Indian Agricultural Census defines small and marginal farmers as those having landholdings of between 1-2 hectares and below 1 hectare, respectively (Gol, 2020c).

operatives “like a flotsam on a stormy sea, tossed around...by forces...external to them”, Shah argued that their approach leads to a “lack of focus on agency”. In *Catalysing Co-operation*, Shah argued that “successful” farmer co-operatives differ from others in “their capacity to self-create, self-preserve, self-improve and self-propagate across regions and cultures. The source of their vitality is their design – and the concept underlying it...”. Shah defined design as “distinct from outstanding leadership and management, and favourable domain conditions”, but design is not a “static, one-time choice; rather, it is an accumulated outcome of a series of past design decisions. Underlying design is the “design-concept...the guiding principles...its conceptual foundation, and includes a body of beliefs and assumptions about causal relationships that affect the working of the organisation”. While previous research, in Shah’s review, had either focused erroneously on “managerial and technical capability”, or “social structure and...political economy”, his work explored the “design-choices” of co-operatives, through comparison of what he termed ‘high’ and ‘low’ performing classes of organisations, the former generating “high levels of drive for survival, performance and improvement” (Ibid, pp. 216, 13-14, 226, 228, 229).

In his review of the ‘Anand Pattern’ dairy co-operatives in Gujarat, Shah (1996) argued that what made it significant was the way in which “farmers and leaders carried out...repeated tests of the design-concept”. Core to this ‘experimentation’, Shah argued, was that, when faced with “institutional problems”, people “instinctively reach out for and choose design-concepts with greater empirical validation...”. As a corollary, Shah argued that dairy co-operatives had failed to replicate the ‘success’ of the Anand Pattern in other states because they had replicated the auxiliary design - “the external appearance” - but not the core design concept. Shah further delineated three types of ‘effectiveness’: ‘patronage cohesiveness’, ‘governance effectiveness’ and ‘operating effectiveness’. Patronage cohesiveness refers to the “propensity of a co-operative’s board of directors to cohere around issues critical to members’ business transactions (or patronage) with the co-operative” (rather than private political or other interests). Governance effectiveness refers to when effective boards “are resourceful in devising blends of...positive and negative...rewards”. Operating effectiveness is when the “OS...[operating system]...is under constant pressure to respond creatively to the patronage priorities of members; but

members, too, are under pressure to remain faithful to the co-operative and its norms” (Ibid, pp. 234, 235, 244, 245).

For Shah (1996), a ‘robust design’ “readily translates into all the...types of effectiveness...These spell the difference between success and failure”. Following these notions, Shah delineated a series of design principles for those seeking to design co-operatives (a ‘blueprint’), which focused on defining an “appropriate purpose” (in which ‘society goals’ should not be primary), as well as ensuring the centrality of the co-operative to “members’ economies (member central), to their business in the domain (patronage central) and even to the economy of the domain (domain central)...”. Shah also emphasised the importance of ‘operating systems’ in ‘well-designed’ co-operatives, as linked with building and sustaining “competitive advantage...by developing new ways of organising business...”. ‘Robust designs’ along these principles will overcome “governance weaknesses” (Ibid pp. 272, 247, 250, 265). Reviewing this ‘theory of co-operation’ RoyChowdhury (1996), highlighted however that shah’s approach is “a...management oriented, situation specific response to the problem of organising co-operatives” (Ibid, p. 65). Further, George (1996), in contrast to Shah’s critique of Attwood and Baviskar’s work as lacking human agency, pointed to the way in which Shah could be faulted for “reifying co-operatives...as a social organism with a life and logic of its own” (Ibid, p. 2864).

The critique of Shah’s ‘design principles’ rests on it as providing a “mechanical and functionalist” understanding of co-operatives, and one in which the designers, promoters, leaders and members receive little analytical attention, as noted by RoyChowdhury (1996, p. 67). Literature has also found fault with Shah’s empirical analysis and failure to situate his model within “more general literature and discussion” (George, 1996, p. 2865, see also RoyChowdhury, p. 69). Interestingly, Shah (1996) acknowledged that co-operative ‘performance’ is affected by “domain conditions”, which he defined as the “policy environment – legal, economic, bureaucratic...[and]...the socio-economic structures and culture...”. However, in contrast to Attwood, Baviskar and colleagues’ political economy analyses, Shah’s analysis of ‘domain conditions’ was relatively unproblematised. Shah continued to argue that, robust designs “survive and work in hostile domain conditions”, while ‘weak’ designs’ require “favourable domain conditions – or exceptional leadership and/or management...”. Shah’s arguments also highlighted the role of “some amount of

inequality” as necessary for co-operation, as he critiqued policy efforts on “enforcing equality”. Shah noted the role of large farmers in “spontaneous organising” of co-operatives, who find the gains “substantial enough to invest”, while ‘high-performing’ co-operatives require leaders who can dedicate time, effort and resources, “normally found in the upper strata of the rural society” (Ibid, pp. 237, 238, 41, 43).

Alongside these points, Shah called for patronage-based voting, “in which the members command votes in proportion to their business with the co-operative...” (Shah, 1995, p. 264). Interestingly, this appears within the ‘new generation’ co-operative models – specifically FPCs, in which voting rights are determined “on the basis of their participation in the business of the Producer Company in the previous year” (NABARD, 2015, p. 89). George (1996) reflected on this ‘sweeping aside’ of the ‘one member, one vote principle’, in questioning, “Is a strong reaction to Shah’s suggestion...symptomatic of an essentialist and idealised approach to co-operative institutions? Or does Shah tend to the opposite extreme from essentialism...[to]...certain narrow economic ends?” (Ibid, p. 2865). Simultaneously, such a light treatment of political economy or social structure, as Attwood and Baviskar (1996) reflected, is due to difference in approach, “Shah and his colleagues, as management experts, are...drawn to focus on the formal structure and internal operating systems” (Ibid, p. 127). RoyChowdhury (1996) argued that the ‘blue print’ approach may build theory, but fail to understand co-operation. For this, what is needed, is a “comprehensive understanding of the balance of forces – human and design – that generates and sustains successful co-operatives and therefore cannot be easily blue-printed or even sustained” (Ibid, pp. 67, 69).

### [New Institutional Economics \(NIE\), transaction costs and co-operation](#)

As well as the prominence of management-oriented and ‘functionalist’ approaches to co-operation, co-operative literature has been strongly influenced by economic approaches to ‘transaction costs’ (Williamson, 1979) and institutions (North, 1990). Shah (1996) reflected that transaction costs are “central to co-operation”, which are determined by the “culture of the domain”, “administrative and policy environment” and the “design of the organisation”. For Shah, transaction costs could be reduced through a “recognition of

inequality” in domains, and by using blueprints of ‘proven’ robust designs (Ibid, pp. 41, 43, 236). Such an approach is reflected in Shah’s conception of co-operatives’ as business entities serving members’ (rational) economic interests. George (1996) reflected that Shah views co-operatives “largely in terms of their economic function, and draws parallels between his theory of co-operatives and the study of “the investor-owned firm”” (Ibid, p. 2864). From this perspective, co-operatives may be seen in the vein of Douglass North’s (1991) approach to institutions, as “the humanly devised constraints that structure...economic... interaction...they define the choice set and...determine transaction and production costs...” (Ibid, p. 97). North built on Williamson’s (1979) focus on “transaction cost economising...[as]...central to the study of organizations...” which requires that transactions “be dimensionalized and that alternative governance structures be described” (Ibid, p. 548).

Both Williamson and North’s work can be understood as a reaction against ‘neoclassical’ economics, as they sought to understand the importance of “internal organization” beyond the “self-limiting...neoclassical theory of the firm” (Ibid). Such models of ‘investment-oriented firms’ (IOFs), observers noted, have however informed “many theories of co-operation” (Ghosh, 2007, p. 26). For North (1991), the central role of institutions is in lowering “information costs” and “providing incentives for contract fulfilment...”. By focusing on the manner in which institutions mediate economic interaction, North considered “the endless struggle of human beings to solve the problems of cooperation”. North furthered this ‘new’ institutional line of thinking by distinguishing between ‘informal’ and ‘formal’ aspects of institutions: “both informal constraints on economic interaction (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)” (Ibid, pp. 100, 133, 97). As such, North and colleagues acknowledged “socially embedded transactions” (Stanfield, 1995, p. 460). This approach to institutions also influenced Attwood and Baviskar (1996), who stated that they sought to apply North’s questions to India, such as, “How do the political economies of some regions foster productive innovations and enterprising organisations?” (Ibid, p. 11).

When adopted within co-operative (and FPC) literature, the approaches of North and Williamson encourages an economistic understanding of co-operative institutions and forms of co-operation. Within this framework, concepts of ‘incomplete contracts’ (Williamson,

1985), and 'control' (and property) rights (Grossman and Hart, 1986) are central. As Chaddad and Cook (2004) explain, control rights are "the rights to make any decision regarding the use of an asset that is not explicitly attenuated by law or assigned to other parties by contract". Residual rights of control emerge "from the impossibility of crafting, implementing, and enforcing complete contracts...", such contracts are thus 'incomplete' (ibid, p. 349). Applied to co-operatives, members, leaders and other 'actors' are primarily conceived of as rational individual agents pursuing self-interest, as delineated by Mancur Olson (1965). While in Olson's argument, unless there is coercion, "rational, self-interested individuals will not act to achieve their common or group interests" (ibid, pp. 1-2), North, Williamson et al., emphasise the mediating role of formal 'rules' and informal 'constraints' on behaviour and economic transactions. Studies of co-operatives in India thus emphasise "hierarchy and control rights" as determining "individual incentives" (Patibandla and Sastry, 2004, p. 3002; see also Bannerjee et al., 2001).

In contrast to such approaches, some co-operative literature considers co-operation as a philosophy, and a need for co-operatives to fulfil both business and 'social' roles, to avoid becoming "mere business organisation[s]" (Franco and Chand, 1991, p. 2864). For RoyChowdhury (1996), the "normative discourse is a part of the co-operative experiment", and issues of inequality and democratic participation may be seen as "part of the task of building successful organisations" (ibid, pp. 71-2). For Shah, however, such attempts "to fool around with the social and economic equilibrium of the domain through radical programmes" should be dismissed in favour of using his 'design principles' as blueprints for "high performance" co-operatives (Shah, 1996, pp. 38, 235-6). The approach of Shah, as well as wider management-oriented approaches to co-operation are prefaced, *a priori*, on the plausibility and feasibility of institutional 'design' in relatively unproblematised 'domain conditions'. Such prevailing approaches within co-operative literature are also economic, in their understanding of co-operation as a primarily business activity, which, through devising formal rules and affecting informal 'constraints', can reduce the 'transaction costs' of economic transactions. This has similarities with the call to 'get institutions right', an oft-repeated mantra of the "augmented Washington Consensus" (Rodrik and World Bank, 2006, p. 979).



## Good Governance, institutions and co-operation

Prevailing approaches to institutional design (getting 'institutions right'), and the related phrase 'good governance', are also rationalised by economic conceptions of the role of institutions in addressing 'market failure' and constraining (un-co-operative) individual self-interest. The World Bank (WB) have cited North's conception of institutions as central to their approach to governance (WB, 1991, p. ii). More recently, the WB noted that good governance and "accountable institutions" form the "foundation" to achieve the Sustainable Development Goals (SDGs) (WB, 2020, p. 55). For the WB, institutions should be "capable, efficient, inclusive, transparent and accountable..." (Ibid, reflecting broader definitions of 'governance by the United Nations, 2019, p. 64), but the provision of "public goods and services" and addressing "market failures" are key (WB, 2020, p. 55). In the WB's *World Development Report 2017 (WDR17)*, co-operation, one of three key "institutional functions" shaping the "effectiveness of policies for development" is defined narrowly in Olson-esque (1965) terms as "limiting opportunistic behaviour to prevent free-riding" (WB, 2017, p. 53). Key to this understanding is the so-called 'prisoner's dilemma' (Tucker, 1983), based on the mathematical 'game theory' model of human behaviour. In this co-operation 'game', the "collective gain would be greater if the actors could cooperate, but each actor individually has a greater incentive to free-ride". Institutions, in this approach, must be designed to "induce" cooperation, and "policies would have to put forth a credible mechanism of reward or penalty conditioned on players' actions" (WB, 2017, p. 54).

The work of Olson (1965), who emphasised the inevitability of individuals as 'free-riders' in collective action situations, as well as Garrett Hardin (1968), whose work posited the inevitable destruction of common resources by self-interested individuals, has been critiqued extensively by Ostrom (1990). Through a similar methodologically 'positivist' approach to Attwood and Baviskar (who were influenced by Ostrom), Ostrom analysed a series of case studies to arrive at a series of 'design principles' for the successful collective management of natural resources (Ibid, p. 90; see also McCay and Acheson, 1987; Bromley, 1992). Ostrom highlighted the importance of "institutional details", raised by studies in the "new institutionalism", vis-à-vis the "capacity" of individuals to "extricate themselves" from "dilemma situations" (Ibid, pp. 14, 22). In a similar vein to North (1991), Ostrom (1990) viewed institutions as "set[s] of working rules", used "to determine who is eligible to make

decisions...what actions are allowed...what information must or must not be provided and what payoffs will be assigned...". Ostrom and colleagues' analyses also extended to a critique of approaches to institutional design which presume "optimal institutional solutions can be designed easily and imposed at low cost by external authorities...New institutional arrangements do not work in the field as they do in abstract models". Ostrom sought to identify the "key variables" that could "enhance or detract" from the "capabilities of individuals to solve problems" (Ibid, pp. 17, 51, 14).

The approach of Ostrom and colleagues was to draw together two strands of (economistic) understandings of institutions, as co-operative 'games' or dilemmas, and as 'norms' and/or 'rules' (Crawford and Ostrom, 1995; see Coleman, 1987; Shepsle, 1989; North, 1991). Crawford and Ostrom (1995) forward an "institutional grammar", in which institutions are "enduring regularities of human action in situations structured by rules, norms and shared strategies" (Ibid, p. 582). Following on from Ostrom's work, Singleton and Taylor (1992) worked within the same 'new institutionalist' tradition, arguing that while strategies by individuals may appear irrational (from a 'rational choice' perspective), cooperation represents a rational response, a "wholly endogenous solution", to a collective action problem. These authors highlighted the role of 'community' as an explanation as to why some groups are able to 'resolve' collective action problems and others not. They explored different 'types' of collective action 'solutions' based on differences in 'community', ranging from 'fully decentralised, endogenous', where community is 'strongest', to solutions dependent on the state, where community is 'weakest'. The authors qualified their approach by noting that community is undermined by "great economic and social differences among its members...in income, wealth or class...in ethnicity, race, caste..." (Ibid, pp 309, 319-20, 315, 316).

As I discuss below, in contrast to what she has termed 'mainstream' institutionalism (roughly, approaches to institutions influenced by 'new institutional economics'), Frances Cleaver (2012) has forwarded an 'alternative' approach. Building on work within anthropology and sociology, Cleaver argued that institutions are created via "a process in which people consciously and non-consciously draw on existing social formulae (styles of thinking, models of cause and effect, social norms and sanctioned social roles and relationships) to patch or piece together institutions in response to changing situations".

The implication of the case made by Singleton and Taylor regarding collective action ‘problems’ is that one should avoid conflating individual with ‘rational’ and cooperation with ‘irrational’. Cleaver makes a case that, although approaches such as these and Ostrom’s allow for the role of institutions, they tend to “overlook the complex and changing interactions amongst community members, the state and service providers; to underestimate the dynamic nature of institutional governance in socio-economic systems”. While what Cleaver calls ‘mainstream institutionalism’ presumes institutions are “amenable to design” and focus on providing information, assurances, rules etc., ‘critical institutionalism’ looks at the complexity of institutions entwined in everyday social life, as well as formal and informal power relationships (Ibid, pp. 45, 3, 8-9).

### Social capital, caste and institutions

As argued, the dominant thrust of co-operative (and FPC) literature has been strongly influenced by such ‘mainstream’ institutionalism’. The call to ‘get institutions right’ within what commentators have called the ‘post-Washington Consensus’ mainstream in development policy and practice (see Cleaver, 2012, pp. 1-32), has included focus on the ‘informal constraints’ that North pointed to (North, 1991), predominantly the notion of social capital (see WB, 2011). In Putnam’s (1993) well-known (and critiqued, see Harriss, 2002) work, he defined social capital as “networks, norms and trust that facilitate co-ordination and co-operation for mutual benefit” (Putnam, 1993, pp. 35–6). In the WDR17, the WB cite Putnam to distinguish between ‘bonding’ social capital, “the horizontal ties within communities and...organizations”, and ‘bridging’ social capital, “the cross-cutting ties that breach social divides...class, ethnicity, and religion”. These ‘ties’ including the notion of ‘trust’, are argued as pivotal to “strengthening governance and delivering on development...[and to]...positive outcomes in...economic growth, as well as government performance” (WB, 2017, p. 55). (Ibid).

Fine (2010) noted that authors writing on social capital have focused on the importance of social trust and networks in reducing ‘information asymmetries’ and transaction costs. Ultimately, this stems from early conceptualisations of the idea as an asset produced through interactions of persons in a given social structure (Coleman, 1988). The WB also

define 'Institutional trust', as "society's trust in organizations, rules, and the mechanisms to enforce them", built by "repeatedly delivering on commitments". With reference to game theory-based "lab experiments" carried out by the WB, they argue that this form of trust "enables cooperation and coordination by inducing voluntary compliance" (WB, 2017, p. 55). The WB cite North's (1990) work in questioning what 'makes' people "choose to coordinate to reach socially preferred outcomes?". Continuing, the WB argue that, "By shaping beliefs and coordinating expectations, institutions can push societies on favorable paths toward better development outcomes". In such an approach, the role of social capital is to reduce (economic) uncertainties, because when people are "uncertain about what others will do...they may not make decisions that could induce socially preferred outcomes" (WB, 2017, p. 56).

The prevalence of social capital as a development concept is such that it has been taken up by some proponents in India as a way of defining the relationship between caste (co-operation) and development. Observers have noted that there are suggestions in India that "caste networks can be used as a means to reduce transaction costs and promote economic development" (Vijayabaskar and Kalaiyarasan, 2014, p. 34). Vaidyanathan (2013, 2019), has argued that "caste is social capital and a modern tool for upward mobility...there is no need to vilify the caste system" (Vaidyanathan, cited in Subramanian, 2019). Subramanian (2019) critiques Vaidyanathan's arguments as "being based on dubious data", reflecting that social capital has "no accepted definition". Prominent among those arguing for an unproblematised 'positive' role for caste as social capital are the writings of several ideologues, newspaper columnists and writers. Swaminathan Gurumurthy, co-convenor of the *Swadeshi Jagaran Manch* (economic affiliate of the of Hindu nationalist organisation *Rashtriya Swayamsevak Sangh* (RSS)), has emphasised caste as a "very strong bond" transcending "local limits...[it]...networked the people". *Times of India* columnist and economist Swaminathan S. Aiyar has argued for the role of caste in producing "entrepreneurship prosperity". Author Guchuran Das has written about caste as a "social glue", which as a system, has given India "a competitive advantage" due to the role of 'trust' and 'entrepreneurship' among particular communities (Gurumurthy, 2009; Aiyar, 2000; Das, 2015; cited in Vijayabaskar and Kalaiyarasan, 2014, p. 34).

As discussed above, Attwood and Baviskar were influenced by new institutionalist conceptions of institutions, while one of their key hypotheses related to the role of 'middle status castes', arguing that caste, as a cultural identity "can strengthen the ideological basis for cooperation" (Attwood and Baviskar, 1996, p. 15). However, these authors placed this approach within a wider political economy analysis. In more 'mainstream' approaches however, cases such as the rise of the Tiruppur knitwear industry in the south Indian state of Tamil Nadu have been cited as highlighting the developmental role of community 'networks' through caste (Srinivas, 2000). The WB hailed this "story of development" as based on the "the Gounder community...relying on community and family networks" (WB, 2002, p. 175). These 'networks' act as "informal credit institutions", more reliable in "transmitting information and enforcing contracts than the banking and legal systems" (ibid). Such arguments recall concepts of 'incomplete contracts' (Williamson, 1985), and 'informal (institutional) constraints' (North, 1991). Banerjee and Munshi (2004) cite this case but emphasised differences between communities in their access to capital, while in a more critical review, Vijayabaskar and Kalaiyaran (2014, p. 34) found that caste-based economic networks in the Tiruppur knitwear industry "reinforce socio-economic hierarchies and generate new forms of exclusion".

The notion of caste as a form of social capital, building (institutional) trust, with putative positive implications for co-operation, collective action and wider development, has serious shortcomings. Vijayabaskar and Kalaiyaran (2014) reflected that the concept of social capital views civil society as "a sort of equalising space devoid of power, privileges and conflict. That is, by voluntary association, everybody benefits from mutual cooperation and collectivism". Caste, these authors observed, "lacks both linking and bridging capital", while caste relations "reinforce multiple inequalities" (ibid, pp. 34, 37). Wider research on caste-based economic networks in India has pointed to how 'transaction costs' may be reduced for some, but "new forms of exclusion...strong entry barriers" are created for others" (Alha, 2018, p. 575). Such work sits alongside empirical research pointing to the persistence of caste-based inequality in labour markets (Jodhka and Newman, 2007; Thorat and Attewell (2007). In their study of hiring practices of large firms in Delhi, Jodhka and Newman (2007, p. 4131) found that caste was rationalised in the context of 'merit', but "ascriptive characteristics continue to matter – now dressed up as "family background" rather than

caste". In the context of rural India, Mosse (2010) noted that multi-decade village studies describe "persisting caste-based (or caste-barred) access to expanding economic opportunities in irrigated agriculture, non-agricultural business, off-farm or urban employment" (Ibid, pp. 1162-63; see Lanjouw and Stern, 2003; Epstein, 2007).

Despite such concerns, some studies have sought to employ social capital in a more qualified sense. D'Silva and Pai (2003) explored participatory programmes of watershed development and joint forestry management Andhra Pradesh (AP). In a similar vein to Singleton and Taylor (1992), these authors emphasised that collective action was "more successful" where an "underlying tendency for united action already exists in a community based on common values, common identity, a tradition of participation, and shared historical experiences". While these authors acknowledged the role of caste hierarchies and class disparities in "destroying social capital", they emphasised the "relatively simple and cohesive" social structure of 'tribal' communities in promoting "social capital and collective action", compared with non-tribal communities (D'Silva and Pai, pp. 1413, 1409). Some anthropological work however has problematised narratives of tribal or 'Adivasi' exceptionalism and notions of egalitarian 'co-operation'. As I discuss below, Amita Baviskar (2004) presented an ethnographic examination of economic and non-economic forms of co-operation in Adivasi communities, and their basis within ideologies of community and caste, kinship, honour and gender.

With regard to co-operation, the key point to be taken from critiques of the concept of social capital as an 'informal constraint' that can be built to reduce transaction costs and information asymmetries (Fine, 2010), is that it fails to take account of the "vertical and often exclusive nature of...associations, networks..." (Vijayabaskar and Kalaiyarasan, p. 35). In David Mosse's (2003, 2006) ethnographic work, he found that coordination around community water management in rural south India (Tamil Nadu), "is not linked to persisting organisations; nor would we expect it to correlate with trust or accountability as functions of the intensity of social interaction". Instead, Mosse argued, collective action was founded "upon the relations of caste power, graded authority, personal patronage, and the redistribution of resources". Mosse has also critiqued the notion of social capital as 'bundling together' "too many social phenomena", and thus "unable to grasp the historical dynamic between collective action, associations, and democratic practice" (Ibid, pp. 714-15,

720). In Mosse (2003, 2006), the same author explored similar issues in south India, pointing to the way in which institutional 'rules', were publicly expressed as official codes "rather than privately followed as guides to behavior; they establish the way in which behavior is to be represented." Such codes allowed "men of influence", with the symbolic capital of authority to "deviate from the rule without attracting public notice or sanction" (Mosse, 2006, p. 703).

As this line of critique suggests, it is critical to interrogate social phenomena and co-operative action on a deeper level, and to avoid reliance on economistic notions and their *a priori* premises, including a presumed role of 'social capital' in building institutions for 'socially preferred outcomes' (WB, 2017, p. 56). Sociologist Pierre Bourdieu conceived of different forms of 'capital' as power "which amounts to the same thing" (Bourdieu, 1986). For Bourdieu, it is "impossible to account for the structure and functioning of the social world unless one reintroduces capital in all its forms and not solely the one form recognized by economic theory". Bourdieu distinguished between 'economic capital', "convertible into money...institutionalised in the form of property rights", as well as 'cultural capital', "long-lasting dispositions of the mind and body...cultural goods...institutionalised in the form of educational qualifications". Cultural capital is "convertible, in certain conditions, into economic capital" (Ibid, pp. 16, 15, 17, 16). Bourdieu defined social capital as "the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of...institutionalized relationships of mutual acquaintance and recognition" (Bourdieu, in Bourdieu & Wacquant, 1992, p. 119). The emphasis being on the role of social capital, along with cultural and economic capital, and their accumulation, as means by which social inequality becomes entrenched. In this light, the 'relational' and exclusionary nature of caste vis-à-vis institutions, as posited in critical literature, becomes all the more apparent.

### 'Critical' institutionalism and co-operation

In this section, I will consider 'critical' approaches to institutions in more detail, in particular Cleaver's theory of 'development as bricolage' (Cleaver, 2012). I noted above Cleaver's definition of 'bricolage' as a process in which people consciously and non-consciously "patch

or piece together institutions in response to changing situations”, drawing on “existing social formulae” (Ibid, p. 45). In contrast to North (1991) and colleagues’ separation of ‘formal’ and ‘informal’ aspects of institutions, Cleaver noted that institutions produced through bricolage are “neither completely new nor...traditional...a dynamic hybrid...‘formal’ and ‘informal’” (Cleaver, p. 45). The concept of bricolage was forwarded by Levi-Strauss (2004), who contrasted the ‘bricoleur’ with the engineer, with the former “adept at performing a large number of tasks; but...His universe of instruments is closed and the rules of the game are always to make do with ‘whatever is at hand’” (Ibid, p. 11). Cleaver noted that “innovations...[through bricolage]...are always linked to authoritatively acceptable ways of doing things” (Cleaver, p. 34). Key to development as ‘bricolage’ is also the anthropological work of Mary Douglas (1987), who employed the concept to explore ways people think in ‘primitive’ and ‘modern’ societies as a critique to rational choice assumptions about collective action. Douglas emphasised the socially ‘bounded’ nature of bricolage, that “the bricoleur uses everything there is to make transformations within a stock repertoire of furnishings” (Douglas, 1987, p. 66).

Cleaver articulated five key elements of bricolage, building on the work of Douglas (1987), the first being the notion of ‘everyday practice’, “necessary improvisation and innovation”, an approach informed by Bourdieu (1987) (Cleaver, p. 46). For Bourdieu, culture, social institutions, habit and routine shape people’s practices, illustrated in his notion of *habitus*, “the habitual, patterned ways of understanding, judging, and acting which arise from our particular position as members of one or several social ‘fields’, and from our particular trajectory in the social structure. Bourdieu argued that different conditions of existence – “social statuses, professions, and regions”, give rise to different forms of habitus, which differ from group to group”, linked to his conceptualisation of different forms of ‘capital’, as discussed above (Bourdieu, 1987, p. 811). Thus, Cleaver emphasised institutional arrangements being ‘pieced’ together, as people “address their everyday challenges and...respond to changes in their social milieu”. In this ‘reworking’, people draw on “taken-for-granted ways of doing things” and “well-worn and accepted practices”, along with arrangements “cannibalised” from elsewhere, which must also ensure “social applicability” (Cleaver, pp. 47, 46). Thus, universal access to water or respecting elders are ‘taken-for-



granted', 'traditional' meetings of adult men become 'modern' village assemblies, and organisational elements are 'borrowed' from state bureaucracies.

Secondly, Cleaver drew attention to institutions as dynamic, and having multiple purposes, that they are "rarely organised according to single purposes", and even if they begin that way, "evolve to encompass other purposes". To illustrate her point, Cleaver presented several case studies, such as a community programme in Zimbabwe, in which grazing policemen evolve to "become general community policemen and women regulating resource use, acting as village messengers...offering advice in...domestic strife". Similarly, a 'waterpoint committee' in Zimbabwe nominally comprised representatives of local user households who contributed to building a well, but they "informally recognise the rights of people from other villages...when their own pumps have broken down". Interestingly, such recognition is based in relations of "kinship or marriage, and they impose stricter financial conditions on other external users" (Ibid, pp. 46, 47). Thirdly, Cleaver details how "leakage of meaning" occurs between institutions, drawing on Douglas' (1987), that something 'different' must appear familiar to avoid continual negotiation: "Borrowing well-worn practices, symbols and relationships offers a fast route to weaving new arrangements into the social fabric". Thus local 'informal' institutions draw on legitimising devices of the state to "substantiate claims of legitimacy and meaning", such as use of bureaucratic titles (Cleaver, pp. 47, 48).

A fourth element of bricolage articulated by Cleaver is that the shaping of institutions is influenced by "everyday practices and conventions (such as the proper way of collecting water from the well), by moral world views...and by conscious and non-conscious psychological motivations". The ability to exercise agency by people, who, in contrast with 'mainstream' institutionalism, do not act primarily as 'resource appropriators', is shaped by "people's social relationships and circumstances". Cleaver points to a "multitude of inter-related factors...sex, ethnicity, caste or religion, spatial location and physical wellbeing, their wealth, caring responsibilities, politics and aspirations" as having a bearing on the "ways that they shape and engage with institutions". Moreover, some aspects of institutional arrangements are "reproduced without scrutiny", while others are "subject to negotiation, contestation and justification". This leads to Cleaver's final element of bricolage, that it is an "'authoritative process, shaped by relations of power. The configuring of societal resources

shapes the ‘institutional stock’ from which institutions can be assembled. This stock of resources which might include policies, citizens’ entitlements, discourses about rights, development or conservation, is the source of legitimating devices for institutional arrangements” (Ibid, pp. 48-49).

In contrast with Shah (1996), Cleaver (2012) argues that social inequalities may be mitigated “by the design of mechanisms”, but such arrangements “do not function in...isolation; they are part of the social world they are intended to modify” (Cleaver, p. 50). Building on Mosse (2003, 2006), Cleaver reflects that the unequal exercise of power and the capture of its benefits are “also often an accepted aspect of social relations and so reproduced in institutional formation” (Cleaver, p. 50). Also in sympathy with such approaches, Cleaver draws attention to how inequalities can be challenged through ‘bricolage’ in public negotiation, “in the daily practical enacting of resource access where endless variations on bending the collective rules are possible”. However, such spaces are not neutral, but sites where “power is exercised. The costs to poor or socially marginal individuals of challenging the rules are...high” (Ibid). Incorporating Douglas’ (1987) work once more, Cleaver concludes that “Woven into long-standing and inequitable social structures and relationships, imbued by social norms and working through taken-for-granted everyday practice, institutions create shadowy places in which the working of power relations can remain hidden” (Cleaver, p. 50).

As ‘critical’ approaches to institutions such as formulated by Cleaver (2012), Douglas (1987) and Mosse (2003, 2006), draw on themes within Bourdieu’s (1987) work, it is important to draw out more explicitly a point of his argument indicated above. This is that ‘mainstream’ (new) institutionalism, and, with regard to this literature review, prevailing approaches to co-operation, including FPCs in India, tend to extend economic calculation “to all the goods, material and symbolic, without distinction...” (Bourdieu, 1977, p. 177). These ‘goods’, in Bourdieu’s terms, are those that “present themselves as rare and worthy of being sought after in a particular social formation”, within which may be included ‘trust’ or elements of social relations deemed as conducive to building ‘social capital’ and collective action, such as caste or Adivasi ‘egalitarianism’. In contrast, it is worth considering the social nature of economic relations (such as co-operative action), and vice-versa, to avoid a

residualist/culturalist conception of the 'non-economic social' sphere. Bruno Latour (1996) critiqued efforts to "replace projects in their context", instead, arguing for the need "to study the way the project is contextualised or decontextualised." For Latour, the "rigid, stuffy" word 'context', refers to "a specific number of people who represent interests, their large or small ambitions" (Ibid, p. 133, 137). Latour emphasised processes of 'translation' in relations between actors in 'networks' (as opposed to 'context'), as the "means by which paths are connected, actions are co-ordinated, and meanings transmitted" (Latour, paraphrased in Felski, 2016, p. 752).

### 'New' generation cooperatives: Farmer Producer Companies

In this section I will consider literature pertaining to so-called 'new generation' co-operatives (NGCs) in India, and specifically to 'farmer producer companies' (FPCs). As discussed beforehand, observers have noted the growing but "scattered" and practitioner-based nature of this literature (Prasad and Prateek, 2019, p. 1-2). Despite a growth in NGCs in India since the early 2000s, there is a marked absence of the debate and depth of study on co-operatives which typified literature in the 1980s and 90s (see Attwood and Baviskar, 1996; Shah, 1996). Major approaches to co-operation, as Prasad and Prateek (2019) reflected, also require rethinking, in light of a changed external environment and "an overall decline in the functioning of healthy producer collectives" (Ibid, p. 2). In a globalised and progressively liberalised agricultural economy, NGCs, and particularly FPCs, are presented as the 'solution' to the 'problems' of traditional co-operatives in India (Ibid; Johnson and Shaw, 2014; Mourya and Mehta, 2021). The prevalence of this narrative is illustrated in comments by the SFAC (2019): FPCs "break the producer organisation free of the typically inefficient and politicised image of cooperatives with scant focus on principles of democratic free management and free enterprise" (Ibid, p. 3).

As noted, dominant trends in co-operative literature emphasise the "quality of management and leadership" as critical 'determinants' of co-operative "success and failure" (Pundir and Ballabh, 2005, p. 10). Literature on FPCs combines this approach with a focus on designing producer organisations to enhance market access and commercial development for small farmers. This is rooted, often implicitly (and uncritically), in new institutionalist approaches to co-operation. In-line with other studies, Dey (2018) employed case study analysis to

delineate the “determinants of performance and viability” of FPCs in India, including the ‘critical factors’ of “economic viability.” Among the latter are “group attributes, leadership, institutional arrangement, business and financing decisions...policy environment”, while “non-financial performance” is determined by “governance and management”. As with wider FPC literature, Dey also began his study by iterating the ‘narrative of decline’ regarding co-operatives, which are “fragile or...dormant – due to the free-rider or agency problem...equity or efficiency issue, elite capture...except...in the case of milk, sugar...” (Ibid, pp. 44-45). Venkattakumar and Sontakki (2012, p. 154) argued along similar lines, noting that the “below-par” performance of co-operatives due to “political interference, corruption, elite capture” had led to the emergence of NGCs.

Dey (2018) pointed to FPCs as the ‘solution’, the “competing institutional logic” sought by policymakers, and introduced in 2002. This ‘hybrid’ form “possesses the altruistic characteristics of a cooperative and the attributes of a private limited company...”. Citing Shah’s ‘design principles’, Dey argues that co-operatives “lack capability symmetry...FPCs were promoted to overcome these problems...Cooperatives have not yet gained salience in...domain and member centralities...” (Ibid, p. 45). Dey’s study incorporated Shah’s approach to cooperation with key concepts from new institutional economics, to present a largely descriptive summary of financial ‘performance’ data from a selection of FPC organisations, such as sales turnover and patronage bonus figures. This type of case study approach differs from the sociological focus and “bicycle tour” approach of Attwood, Baviskar and colleagues (George, 1996, p. 2863). In a similar vein, Das (2019) noted that FPCs “retain the basic characteristics of the cooperatives...but...give greater emphasis to professional management”. Das provides a relatively brief descriptive overview of a farmer producer company’s activities, before concluding on the benefits of the FPC model for “collective strength to get accessibility and better market...[access]” (Ibid, pp. 57, 59).

Venkattakumar and Sontakki (2012) stated that FPCs have a series of advantages over traditional co-operative societies, such as “restricted membership, tradable equity shares...distribution of returns based on patronage, value addition...better market linkage...economically efficient...loyalty among members”, while retaining “one-member one-vote policy”. The authors proceed to list challenges to FPCs, namely a lack of incentives or support from central or state governments, and a need for “unconventional approaches

from financial organizations...to extend credit facilities”, to address the “huge amount of working capital” needed. There is also a need to “document and disseminate...best practices”, defined as “management practices” (Ibid, pp. 154-55, 157, 159-160). A similar approach was followed by Prabhakar et al. (2012), whose review of FPCs noted that the objective of the FPC legislation was “to enable incorporation...[and conversion]...of cooperatives as companies...”. These authors argued that FPCs are “gaining popularity” due to their combination of the “ethos and...tenets of cooperatives” and “a professional attitude into management”, combined with “less government control”. Prabhakar et al., also noted FPCs require “capital in large quantities” and finish by listing a series of unevidenced member benefits, ranging from agricultural training to “Identity, capacity to harness their wisdom...empower...to exercise their right, understandings and ownership...brand to their produce...” (Ibid, pp. 428-29).

Approaches such as the above studies tend to conceptualise FPCs as a panacea for rural development, resolving the ‘problems’ of traditional co-operative societies and, in-line with ‘mainstream institutionalism’, ironing out transaction costs, building social capital and providing a series of benefits to member small farmers through market access. Kumar et al. (2019), stated that FPCs are the “solution” to the “many challenges of agriculture...access to technology, inputs and markets” in a liberalised agricultural economy, and with regard to the “the increasing interest of private capital in the agribusiness sector”. The ‘solution’ involves “innovative market led extension models...to integrate...small farmers; with the value chain...”. In-line with other studies, Kumar et al., noted the reason for “high growth of FPC[s]...” is “energetic management team and the board of directors”, as well as a “clearly identified business opportunity”, and “hassle free loans” from banking institutions (Ibid, pp. 42, 43). Salokhe (2016) highlighted the need for “commercialization” of agricultural activities, and that FPOs “overcome” the “constraints” of small farm sizes, leveraging collective bargaining to “access financial and non-financial inputs, services and...technologies, reduce transaction costs, tap high value markets and enter into partnerships with private entities on more equitable terms” (Ibid, p. 144-145).

The Producer company as a legal model in India was introduced through an amendment to the *Companies Act 1956* (co-operative societies are largely registered under the *Cooperative Societies Act 1960*). This legal setting within the Companies Act informs predominant

narratives around the greater market-focus, ‘efficiency’ and ‘professionalism’ of FPCs (as in Prabhakar *et al.*, 2012, pp. 428–29). FPCs are expected to “combine efficiency and professional management of the company form and the cooperative principles” (Mourya and Mehta, 2021, p. 115S). The introduction of FPCs also followed prior legal reforms (and calls for reform, see Madan, 2007), notably the introduction of the Mutually Aided Cooperative Societies Act (MACS). MACS was introduced by the AP state government in 1995, and hailed by the UN as providing for co-operatives as “accountable, competitive, self-reliant business enterprises...owned, managed and controlled by members...” (UN Environment Programme, 2018; (Govt of AP, 1995, p. 25). However, observers noted that few states followed AP in implementing MACS (Gol, 2013b, p. 54), while Shah (2016) has critiqued a reliance on policy and legal reform to ‘catalyse’ co-operatives, noting that Gujarat and Maharashtra “steered clear of this liberal law while their cooperatives kept growing famously...” (Ibid, p. 17).

A Gol ‘*Policy and Process*’ guidelines document for FPOs included a table comparing and contrasting FPCs with co-operative societies (Gol, 2013b, p. 54; reprinted in NABARD, 2015, pp. 2–3). The table is prefaced by text in-line with the ‘narrative of decline’ noted above: “...producer companies have inherent advantages over the cooperatives”, mostly related to “...less government control...[which has]...throttled the growth of the cooperative institutions”. The document cites the “severe financial crisis” and state (subsidy) dependence of many co-operatives (Ibid). The language in the table below reflects this narrative:

**Table 3.1 “Key differences between producer companies and cooperative societies”** (NABARD, 2015: 2-3)

Parameter	Cooperative Society	Producer Company
Registration	Cooperative Societies Act 1960, or MACS	Under Companies Act 1956, Section 581(C) or Section 25 (amended), or called Producer Company Act 2002.
Objectives	Generally single objective, but also multipurpose.	Multi objective

Area of Operation	Restricted, discretionary	India-wide
Membership	Individuals and cooperatives	Any individual, group or association, producer of goods or services – minimum 10.
Share	Non-tradable	Not tradable but transferable; limited to members at par value 10.
Profit sharing	Limited dividends on shares	Commensurate with volume of business
Voting rights	One member, one vote, but Government and Registrar of Cooperatives hold veto power	One member, one vote. Members not having transactions with company cannot vote
Government control	Highly patronised to the extent of interference	Minimal, limited to statutory requirements
Extent of autonomy	Limited in “real world scenario”	Fully autonomous, self-ruled within provision of Act
Reserves	Created if there are profits	Mandatory to create every year
Borrowing power	Restricted as per bye-law. Any amendment to bye-law needs to be approved by the Registrar and time consuming	Borrowing limit fixed by Special Resolution in general meeting. Companies have more freedom to raise borrowing power.
Relationship with other corporate/business houses/NGOs	Transaction based	Producers and corporate entity can together float a producer company

Emerging literature on FPCs, as noted, is dominated by case study collection and analysis, typified by a focus on financial ‘performance’ data, collected through structured,

quantitative methods. Studies often arrive at practitioner-focused 'best practice' findings, but with fewer studies interrogating theoretical or conceptual issues. Challuri and Patoju (2021) interviewed 150 FPC farmer members in Maharashtra, employing stratified random sampling and a 'Likert' (Likert, 1932) "five-point scale" survey, finishing with policy recommendations (Ibid, p. 1). Chauhan and Murray (2019) conducted "Financial ratio analysis" on FPCs in South India, analysing parameters of "liquidity...profitability & efficiency" (Ibid, p. 1). Conceptual discussion of the definition or approach towards such 'parameters', however, is not a key area of focus. Vignesh et al., (2019), carried out structured interviews of a sample of 60 members of an FPC in Tamil Nadu. A "Garett Ranking Technique" and "factor analysis" were used to analyse the data on "member perceptions", revealing that the FPC gives "price-related information" to the farmers (Ibid, p. 672). Mukherjee et al., (2018a) developed a Likert scale to measure farmers' attitudes towards FPCs, and in (2020, p. 157) adopted a "Sustainable Livelihoods index", employing a "treatment and control group" to assign a statistic to FPO members vs. non-members, vis-a-vis natural, physical, economic, human, social and political "capitals".

While much FPC literature is typified by relatively circumscribed, case-study based, quantitative and often practitioner produced or focused reports, a few studies have taken a more in-depth approach. Cherukuri and Reddy (2014) studied two cases of organic farming, in the states of Kerala and Uttarakhand. Noting that producers' access to inputs and technology alone is "not enough to transform smallholder agriculture", the authors argued, in-line with new institutionalist terminology, that "new kinds of institutional arrangements are needed to reduce transaction costs and iron out coordination problems along the production-to-consumption value chain". However, the process of establishing a 'viable' producer organisation "is not simple. It poses considerable organisational challenges to establish rules, monitor and enforce compliance and secure commitments", this is because "Many of them...[members]...lack the essential attributes for successful co-operation, such as education and awareness". Cherukuri and Reddy argued that "Leaders should ensure that social capital is built among members for more inclusive participation...Success...depends on leaders...[and]...on how effective leadership and governance evolves under different conditions". While in-line with management-oriented literature, these authors reflected that "management-driven advice that...producers are better off in producer organisations



thus needs to be tested in real scenarios...It is not a magic silver bullet” (Ibid, pp. 8, 5, 11, 13).

Cherukuri and Reddy (2014) critiqued the institutional component of the Washington Consensus aimed at market liberalisation together with “legal and market institutions” to “overcome problems inhibiting smallholder market access”. The authors argued that “Indian experiences...show mixed records. Success often depends on attributes such as partner organisations, a policy framework for subsidies, awareness generation and technology reach” (Ibid, p. 2). However, as indicated above, their approach to institutions and co-operation sits comfortably within a new institutional economics framework, and the theoretical and conceptual underpinnings of such implicit underpinnings are left unproblematised. Sukhpal Singh’s work on FPCs represents a body of work exploring conceptual and empirical issues around producer organisations (Singh, 2008, 2021; Singh and Singh, 2014). In-line with other FPC literature, Singh has presented FPCs as “a solution to this problem of cooperatives”, the ‘problems’ being “the commitment to buy the entire produce from all members, lack of financial and managerial resources, lack of market orientation, and small size of operation”. The rationale for NGCs “comes from market thrust and orientation, which are required due to competition, vertical integration and coordination by other enterprises, and capital mobilisation constraints due to free rider and horizon problems” (Singh, 2008, pp. 22-3).

Singh (2008) detailed a list of “salient features” of FPCs that give them a “competitive edge”, primarily that the model “gives more legitimacy and credibility in immediate business environment”, and “breaks producer organisation free of the welfare-oriented, inefficient, and corruption-ridden image of cooperatives” (Ibid, p. 23). The FPC model also allows “co-optation of professionals in governance structure while retaining small and marginal producer...control”, permitting only ‘primary producers’ as members, thus ‘outsiders’ “do not capture control of the company” (Ibid). Singh and Singh (2014) reviewed a series of case studies of FPCs in MP, Gujarat, Rajasthan and Maharashtra, taking a structured approach to explore business ‘performance’, problems or constraints faced. The authors found that ‘major hurdles’ included “getting registration and digital signatures of board of directors who are small farmers and illiterate villagers who do not have any identity proofs, accessing capital from outside; and not being able to access grants as they are commercial entities”.

The 'problems faced' included FPCs in MP suffering from "poor professional management due to inability to afford professionals...high turnover...", while "lack of working capital support" was a feature of most of the FPCs studied. The 'business performance' was quite mixed, with many FPCs in MP "into losses", while in Maharashtra the FPCs "All the...genuine players are into losses...", and in Rajasthan FPCs had made "small profits" (Ibid, pp. 108, 54, 84, 97).

The study by Singh and Singh (2014), also pointed to "resistance from local traders" as FPCs were established in Rajasthan, while "cases of hijacking of PCs" were found in Gujarat, one by the promoter, which "seems to be a one man show and run from a private farm input shop...". Another FPC in Maharashtra was found to be promoted by "an exporter of grapes and...not genuinely farmer based. It is only on paper...another PC...is promoted by a professional with a business background and all of the promoters are non-producers". Though the majority of FPCs reviewed in Singh and Singh's study represented small farmers, some FPCs were promoted by finance businesses or owned and managed by large landholders. The "most striking case" of an FPC that had "touched farmer member base of 6000...and achieved turnover of...Rs. 25 crore..." had a farmer base of "large and medium farmers and...high value produce..." (Ibid, pp. 70, 108, 97, 105). This study acknowledged a debt to both new institutionalism as well as Shah's (1995) approach to cooperation. Producer organisations, wrote Singh and Singh (2014), "...reduce the costs of marketing of inputs and outputs...create opportunities for producers to get more involved in value adding activities...they lower transaction costs...Collective action...is important not only to be able to buy and sell at a better price but also to help small farmers adapt to new patterns and much greater levels of competition". However, the "important question is to find an appropriate design...Shah (1995) identifies member centrality and member control as crucial" (Ibid, pp. 19-20).

Nayak (2016) reviewed 'performance and design' issues in farmer producer organisations, noting the FPC model "Fits well in the current economic and political milieu of the country". While "budgetary commitments, extension of support, and legal provision" has been made by the government, development agencies and others, "the operational stability, financial performance...and net incomes to farmer/producer members have been much below the expectations". Basing findings primarily on an all-India baseline survey of FPCs, Nayak

concludes that the “core challenges” for producer organisations are “lack of **social capital including trust and cooperation** among the members and within the community, the basis for any cooperative action”. This lack of social capital, in Nayak’s review, “leads to high transaction costs, longer stabilization period and lower financial gains to the members” (Ibid). Nayak critiques the policy approach to FPCs as having a “lack of appropriate institutional ecosystem”, along with a focus on subsidies, which people “tend to view...as trees with loosely hanging fruits” (Ibid). The subsidies, “together with the consequent opportunistic behaviour of the people lead to chaos and disruption of the coordination mechanism in a community...[which]...has been destroying social capital in India...” (Ibid, pp. 1, 2, 12-13). Echoing Shah’s ‘design’ arguments discussed above and repeated vis-à-vis FPCs in Shah (2016), Nayak argues that further than policy, the “internal organizational design...size, scope, technology, governance and ownership” is crucial (Nayak, p. 1).

While social and power relations are relatively unexplored in current literature on farmer producer companies, some studies do point to issues around group size, membership and social capital. Bikkina et al., (2018), iterated the above-mentioned ‘narrative of decline’ regarding traditional co-operative societies, and presented FPCs as “instilling an entrepreneurial quality to farming...[and]...offer[ing] ways for small and marginal farmers to participate in the otherwise imperfect markets...”. With regard to their case study of an FPC in Gujarat, the authors stated that it is easier for smaller groups to “work cohesively with a specific purpose”, that “a sense of group loyalty, strong social ties and ownership may determine successful functioning of federated institutions built from smaller groups” (Ibid, pp. 7, 23-24). Dey (2018) reflected that organisation studies “suggest that keeping a producer group small increases internal cohesion...In a large group, heterogeneity sometimes inhibits collective action...” (Ibid, p. 47). Similarly, Cherukuri and Reddy (2014, p. 6) found that implementation is “...generally more difficult as the group becomes more heterogenous”, findings also emphasised by Pandian and Ganesan (2019, p. 2).

A few studies have highlighted questions of ‘scale’ and market ‘success’ vis-à-vis ‘elite capture’ Mourya and Mehta (2021) questioned whether FPCs with solely small and marginal member farmers can “achieve scale”, but placed this alongside the “threat of elite capture” if medium or large farmers were included, the latter advocated by Shah (1996). These authors also argued that “in highly homogenous FPCs” such as “tribal FPCs”, elite capture is

less likely to be an issue (Ibid, p. 144S). In the *2021 State of India Livelihood Report*, Govil and Neti (2021) noted that despite past experience showing a need to strengthen “business acumen and expertise of FPOs...this continues to be a lacuna for the vast majority of companies of small producers...Only companies started by larger, well-educated and well-connected farmers appear to be able to overcome this hurdle...” (Ibid, p. 112). The conclusions of Singh and Singh (2014) noted above appear to support this. Sharma (2013), writing in his then capacity as Managing Director of the SFAC, reflected that smaller groups “of between 20 to 40 members, with a common socio-economic background have proved to be more successful and stable compared to large, unwieldy bodies”, but that “mixed groups (with a more diverse mix of members from small to large farmers)...tend to throw up robust leadership” (Ibid, p. 46).

Sharma (2013) emphasised the benefits of FPCs as a “new institutional paradigm”, being “more successful in promoting member interests since they represent a homogenous group and can evade elite capture...FPOs are more likely to explore horizontal, local alignments and alliances...than join vertical, extra-regional, patronage-based networks...” (Ibid, p. 45). Mukherjee et al., (2018b) argued that social capital is “necessary but not sufficient” for “overcoming coordination failure...Harnessing...market success required great leadership and better bargaining powers”. For these authors, ‘high growth’ of FPCs depends upon “cooperation and interaction among members, interpersonal trust...efficiency”, while “leadership is most important factor in functional effectiveness”. The key challenge for FPCs is “moving to a scale of operations that can actively engage greater number of stakeholders”, in order to sustain “integration into value chains”. However, “low production, little awareness about existence of FPC, socio-political influences based on caste and community are prevailing”. In order to address these challenges, an external agent is needed to form FPCs and mobilise farmers, providing continuous ‘hand-holding’ support, as registration and a range of other activities are “too complex for farmers to handle by themselves” (Ibid, pp. 1157, 1158).

The role of the promoting organisation, termed ‘RI’ (Resource Institute), or CBBO (Cluster-Based Business Organisation) in FPC policy, emerges as critical in the relatively small number of more in-depth studies on FPCs. Mukherjee et al., (2018, p. 1158) warned that promoters will “have to be vigilant about providing support and guarding against taking over...decision–

making...". This dilemma of promoters providing handholding support to small and marginal farmers to form and maintain FPCs versus the policy narrative of these organisations as farmer-managed and owned is one that is indicated in a few other studies, though often within the context of a range of 'factors'. Singh and Singh (2014) drew attention to the critical role of the promoter, and different types of promoters, (NGOs, private companies, individuals, producers associations) vis-à-vis FPC 'performance'. Puzniak and Cegys' (2011) study of seven FPCs noted that the "constraints and other support requirements" were being "assessed and provided for by facilitating organisations...We perceive that apprehending the facilitators' roles, as well as the dependencies...on facilitation support...is crucial...". These authors found that the most "intimidating challenges" were "enabling small and marginal producers to acquire the capacities which would allow them to govern the ownership (Ibid, p. 49). Kanitkar's (2016) report on farmer enterprises noted that certain questions "remain unresolved. The role of the promoting organisation, the need to mobilise capital, the issue of ownership, autonomy, and governance..." (Ibid, p. 6).

Puzniak and Cegys' (2011) study also reflected on social capital and group membership issues. They noted that the organisations they studied often structured group membership "homogeneously with respect to the most meaningful dimensions in their context, such as gender, caste, class, religious affiliation and socio-economic status". However, unless organisations profile the entire membership along particular lines, "these social divisions are crossed, challenged and combined across large memberships where hundreds of village-level groups are aggregated from numerous regions". The challenges of organising governance across large memberships were addressed "by combining and building structures with other institutions, most frequently with cooperatives and SHGs...[Self Help Groups]...". Continuing, Puzniak and Cegy emphasised FPCs as a "market oriented instrument articulated with the values of its time, those expressed by the *new governance paradigm*...promoted by the Government of India and by international development agencies...These values are expressed as decentralized and democratic governance, inclusive and effective participation, a focus on community-based and bottom-up approaches, and an emphasis on economic self-sustainability". Within this paradigm, FPCs have gained "wide appeal", due to their "combination of cooperative principles with the framework of a private company...", inspiring many, who see it as a "new answer to

rectifying the imperfect experiences of cooperatives and to answering the social requirements of aggregating small and marginal farmers, strengthening their leverage through collective means, and integrating their livelihoods into remunerative markets” (Ibid, pp. 10, 49).

Mourya and Methhta’s (2021) critical study questioned whether FPCs are India’s “Magic Bullet to Realise...SDGs”, noting their proposed role in addressing “the voids in the existing...collectives”, while they are also expected “to combine efficiency and professional management of the company form and cooperative principles...”. Such a ‘panacea’ type approach to FPCs, as adopted in much of the literature, is belied by the challenges these organisations face, some of which are alluded to in the same studies. Mourya and Mehta point to difficulty accessing working capital, as well as the precarious financial situation of small farmer members, illustrated in their defaulting on payments to FPCs “in case of crop failure”. These challenges, together with inadequate government support and a dearth of skilled staff, mean that ‘member centrality’, as defined by Shah (1996), can only be achieved through expanding into “value-added activities to increase members’ engagement”. This, however, needs to be accompanied by “strict adherence to one-member-one-vote policy, higher representation of small and marginal farmers on the governing board and strong positive intent, ability and role of the RI/promoting organisation” (Ibid, pp. 115S, 140S, 141S, 145S). Puzniak and Cegys (2011) point to a further illustration of the panacea type approach to FPCs, that development agencies are suggesting that producer companies could become a “preferred instrument through which to channel, organize and distribute investment in rural and agricultural development” (Ibid, p. 49).

### Value Chains and Farmer Producer Companies

Many of the above-mentioned studies adopt a new institutional economics lens to understand FPCs, including their role in expanding market ‘access’, as noted. Mourya and Mehta (2021) understand FPCs in terms of “institutional advantages of reduced transaction costs, accessibility to information...technologies, certification...and developing ‘countervailing power’”. Such an institution is aimed at countering the lack of access to markets experienced by small farmers, which has generated “rent-seeking opportunities for

local traders and intermediaries” (Ibid, p. 117S). The dominance of traders in agrarian markets is pointed to by Mukherjee et al., (2018b), who noted that traders “control a large part of the value chain with their network of retail shops, access to funds and infrastructure. Government mandis are captured by local traders and small farmers are unable to penetrate them to sell their output...” (Ibid, p. 1158). In their case study of ‘Madhya Bharat Consortium of Farmers Producer Company Limited’ (MBCFPCL), a state level federation of FPCs in the state of MP, Kumar and Verma (2020) noted that the “intermediaries or commission agents in the mandis have a strong lobby, which creates a problem in fair trading of output”, and that the agricultural value chain is “entirely dependent on the intermediaries, traders or commission agents in India” (Ibid, pp. 149, 154).

As noted above, FPCs are intended to develop ‘countervailing power’, through collective bargaining, and, following an institutional economics lens, reduce transaction costs and increase access to markets for small farmers. As Mourya and Mehta (2021, p. 119S) reflected, “FPCs hold a robust promise of strengthening farmer’s position in India’s agriculture value chains...”. According to Kumar and Verma (2020), the MBCFPCL state federation of FPCs in MP has “changed the way the agricultural produce supply chain used to function in MP...It deals directly with companies that use agrarian produce as their input. The organization makes further contact with the farmers of member FPCs”. Whereas individual FPCs used to sell their produce in the mandis and “local traders...used to take advantage of it. They used to get a commission or a cut by selling the procured produce to other big players”, the MBCFPCL, once formed, sold the produce through its own links with companies in supply chains (Ibid, p. 155). Govil and Neti (2021, p. 112) reflected on the importance of federations of FPCs but that the majority of FPOs “continue to be promoted in a stand-alone model”, with very few RIs attempting “multi-commodity and multi-layer operating models”, thus leaving each FPC “to fend for itself and develop its own ecosystem.” Kanitkar (2016, p. 7) also reflected on the “unresolved and complex issue...the need for apex tiers of institutions...”

Within the literature on FPCs, as discussed above, significant emphasis is placed upon their role in integrating small farmers to markets and value chains, thus by implication addressing the challenges faced by small farmers, including in local agrarian markets. Trebbin and Hassler (2012) argued that FPCs can “help smallholder farmers participate in emerging high-

value markets, such as the export market and the unfolding modern retail sector in India". According to these authors, "organization and collective action can help to enhance farmers' competitiveness and increase their advantage in emerging market opportunities". FPCs can be seen as "reactions to a new market and regulatory environment" (Ibid, pp. 411, 415). Kanitkar (2016) observed that the nature of value chains has changed, "necessitating collaboration between producers on a much higher scale than earlier to address production and marketing issues...". Simultaneously, "New institutional mechanisms such as contract farming, warehouse receipts, forward trade in commodities, and the emergence of spot exchanges" have emerged, which have "altered the dynamics of interactions between the producers and market players. At the same time, issues that challenge the small and marginal farmers continue to remain largely unaddressed in the emerging dynamic economic context" (Ibid, p. 6).

Continuing these reflections, Trebbin and Hassler (2012) pointed to "new corporate actors" entering "Indian agrofood networks...These firms are often aiming to execute vertical coordination in their supply chains, which ensures them greater control over the production processes and thus to source products which meets their strict requirements and standards". These types of arrangements are also "the result of changing national policy orientation in India, following...neo-liberal tendencies...However, the Indian government not only aims to initiate new organizational forms in agricultural production and marketing to integrate large firms, but also aims to encourage groups of small-scale primary producers to connect with corporate buyers" (Ibid, p. 411). Trebbin (2014), explored the emergence of modern retail chains and links with small farmers, focused on the role of FPOs, noting that case studies in this area suggest that FPOs "are, in many cases, successful in linking smallholders to more sophisticated markets, but conditions for success cannot be generalised" (Ibid, p. 38). Working in a similar new institutionalist framework, Mukherjee et al (2018b) concluded in like manner, noting that other factors such as "costs in conventional promoting channels, local and market setting, item bunches exchanged and the real terms of agreement" must be considered (Ibid, p. 1153).

The question of 'how' to "integrate...small farmers with the value chain" features strongly in literature on FPCs, as observers have noted, including with regard to the rationale of FPCs as the "most recent model" for this purpose (Prabhakar et al., 2012, p. 427). Dwivedi and



Joshi's (2007) practitioner-focused study in MP reported that to fulfil buyer requirements "such as assured quantity, good quality, procedural expertise (seed or organic certification)...reliability...and enable small and marginal farmers to get a good price", farmers needed to be "organized into a formal business institution like Farmer Producer Companies" (Ibid, paraphrased by Kakati and Roy, 2018, p. 7). Integrating farmers with value chains through FPCs is also linked, within literature on FPCs, to accessing 'high value' markets, through production of 'high-value' commodity crops. Birthal et al., (2007), argued that "Growing demand for high-value food commodities is opening up opportunities for farmers, especially smallholders to diversify towards commodities that have strong potential for higher returns to land, labour and capital". These authors noted that existing supply chains are "long and are dominated by...intermediaries like assemblers, wholesalers, sub-wholesalers, commission agents and retailers. In the case of fruits and vegetables, farmers receive one-third to one-half of the final price...indicating high marketing costs and margins" (Ibid, pp. 425, 431).

For Birthal et al., (2007), the integration of smallholders into supply chains "requires collectivization into cooperatives and self-help groups or intermediary contracts, which reduce transaction costs to both firms and farmers". So-called 'contract farming' is "likely to emerge as an important form of vertical coordination with unfolding of market liberalization and globalization..." and warned of the risks of "opportunistic behaviour" on the behalf of agribusiness companies, but also emphasised the "benefit" to small farmers, being "...insulation against price risk" (Ibid, pp. 437, 434). Trebbin and Hassler (2012) pointed to the benefits of FPCs vis-a-vis more 'vertical' contract arrangements, arguing that, "Unlike top-down models of smallholder market integration, such as contract farming or outgrowing, producer companies create and nurse an entrepreneurial spirit at the community level". These authors reflected, "without effective organisation...Indian farmers are likely to face either a life of continued poverty and exploitation at the hands of those controlling value chains, or progressive isolation from active involvement in economically viable agricultural activities". In this more liberalised agrarian economy, "only the most productive and competitive...the largest, farmers have the potential to be recast as suppliers of inputs into much larger network of processes, distributors, and retailers" (Ibid, pp. 415, 416-17, 414).

Much of the literature on FPCs including the smaller section focused on 'value chains' and 'high-value' activities/commodities, takes a firmly new institutionalist approach to FPCs, and, by implication, to co-operation, whether explicitly or implicitly. Roy and Thorat's (2008) review of the FPC 'marketing' federation 'Mahagrapes' highlighted that participation in the organisation is determined by "human capital attributes...Linking with large farmers is likely to...lower transaction costs". These authors continued to reflect that large farmers are more easily able to participate in high value markets and "make relatively higher gains...because they have better skills or face better conditions". Within Mahagrapes however, the authors noted that large farmers, with greater access to information, "can process and disseminate it to smaller...farmers" (Ibid, pp. 1876-77, 1885). Aditya's (2015) study of FPCs in Karnataka and Telangana defined FPCs in terms of their ability to "reduce transaction costs...and support commodity market development and coordination", FPCs "empower them...[small and marginal farmers]...by economies of scale and access to information, agricultural services, technology, etc.". Aditya continued to detail the role of FPCs as a counterweight to contract farming, and pointed to a series of challenges concerning limited capital, "lack of professional managers...political intervention...lack of...BoD ownership, lack of advocacy and lobbying of BoD...[board of directors]." (Ibid, p. 3, 83).

Reflecting the management-oriented approach of many studies on co-operatives, Aditya noted that such challenges are "...natural and only a professional management will be able to ensure that adequate commercial benefits accrued to all stakeholders" (Ibid, p. 12). These challenges have been pointed to in other studies noted above, including issues of 'democratic deficit' or low member participation. Chauhan's (2015) evaluative study of FPCs formed in MP under the WB funded District Poverty Initiative Project (DPIP), noted that the main challenge faced was "how to connect the individual producer to the governing system of the producers organisation. The agency promoting the producers organisation has to pursue both the social and economic objectives...". Chauhan's study found that the majority of the FPC members were small and marginal farmers, who were "illiterate with poor awareness on importance of quality seeds and other agri-inputs. The purchasing capacity of these farmers is very low". While the FPCs need "a large amount of working capital for procurement, value addition and marketing...", the "major decision[s] related with company...[are]...taken by professionals, role of BoD...[Board of Directors]...is very low as

they are illiterate and unaware about various things” (Ibid, p. 70, 73). Such challenges, which recalls the above-mentioned dilemma around the role of promoters vis-à-vis FPCs, may appear as FPCs ‘integrate’ into value chains or engage in ‘value addition’.

In Chauhan (2016), the same author reported a similar issue in her case study of Luvkush FPC, also in MP, an FPC which “has started value addition...For this the company has tied-up with Vindya Valley.....[a public-private partnership]...and sell the produce under the brand name[s]”. Chauhan noted a limited role played by the BoD, the entire responsibility of management is on professionals (CEO and production managers)”. As with much literature on FPCs, Chauhan defined these organisations in primarily economic terms, FPCs are “owned by communities and managed by professionals” and they offer “much promise for ‘broadening and improving the market power, economies of scale, and access to service to small farmers” (Ibid, pp. 9, 102). The challenges pointed to in some of the emerging studies on FPCs, even if not an explicit area of focus, do point to issues of unequal power relations in agricultural supply or value chains. For Trebbin (2014), FPCs are seen in terms of their potential to integrate smallholders into value chains, and in less ‘captive’ terms than through contract farming, while creating “capable business partners” for “new and foreign entrants to Indian food retail markets” (Ibid, p. 43).

Trebbin (2014), like other observers, noted that many FPCs are “not yet functioning perfectly”, which is defined as “...managing to contribute to more farmer-friendly interactions between the farming community and corporate buyers”. In Trebbin’s analysis, FPCs are categorised into four types, A, B, C, and D, depending on “Who promotes the PC; whether they are inward or outward oriented”. Types A and B are promoted by non-profit organisations (NGOs, government agency), with the former focused on “welfare issues, inter-community trade”, and the latter have a “focus on inputs” and “focus on marketing”. Types C and D are promoted by for-profit organisations (private companies), with type C referring to “early or experimental stages” and type D as the same as ‘Type B’. Trebbin noted that, “Compared to the number of producer companies whose setup is supported by NGOs, to date, fewer are being set up by the corporate sector”, while the main reason for failure of such FPCs is “trust, either from the farmer’s side in the company’s intentions, or, from the company’s side in the farmer’s ability and willingness to abide by mutual agreements”. However, Type D FPCs are “steadily growing in numbers because firms have

by now had the chance to learn about the producer company model and have seen first success stories" (Ibid, pp. 43, 42).

Trebbin's (2014) work on FPCs conceives of them in primarily economic and new institutionalist terms, as "reducing the need for relationship-specific investments", emphasising their commercial focus and...ability to aggregate smallholders to fulfil "bridging functions" between the members and markets (Ibid, p. 42). Somewhat reminiscent of 'good governance' approaches to institutions, Trebbin and other FPC scholars fashion "optimal institutional solutions" (Ostrom, 1990, p. 14). Trebbin's (2014) FPC 'types' also relate to specific forms of "value chain governance", with Type B FPCs having a "higher degree of independence" while Type D FPCs are "integrated into tighter forms of value chain governance as buying companies have a higher degree of control over the production process". Furthermore, types A and B, promoted by NGOs "often lack the business skills to develop effective market linkages, whereas types C and D, the promoter "might be too aggressive in building market linkages and fail to understand social dynamics". Trebbin qualified her analysis to note that direct contact between farmers and retailers in India in fresh food supply chains "remains rather loose and few retailers are yet active in establishing forms of governance in their supply chains that would allow them to exercise stronger control over farmers" (Trebbin, 2014, pp. 42-43, 40).

On a more general point about, as stated above, Shah (2016) has critiqued FPCs as appearing like "old wine in a new bottle". Noting that the legal change to allow for producer companies in 2003 in India "was widely expected to unleash a new wave of farmers' cooperative enterprises, but this time under the more business-friendly amended Companies Act of 1956". Shah's critique drew attention to the lack of 'scale among FPCs, with very few having over 100,000 members or an annual business turnover of over Rs 100 crore. For Shah, the core issue is the "logic of founding a FPC which should ideally arise from a new way of doing business", linked to this is the fact that the promotional process of FPCs "provides little evidence of design thinking for transforming existing conditions into preferred ones". As such, Shah argued that the discourse on the future of FPCs is about "how to garner resources and concessions from governments and external agencies...not about how they can mobilise energy for growth from within". In contrast to "NGO-promoted FPCs", Shah cited cases of dairy FPCs started by the NDDB (National Dairy

Development Board), initiated to address problems of “growing political and bureaucratic interference”. Key to these FPCs, was their ‘tweaking’ of standard co-operative principles, such as voting coming “only with threshold of patronage” (Ibid, pp. 15, 17, 18).

Shah’s argument has however been critiqued by Ganesh (2017) who argued that Shah “ignores the fundamental difference between dairy and agriculture”, that dairy “provides stability to the producer that agriculture cannot provide”. The inherent difference being the ‘ease of aggregation and distribution’, with twice daily production of milk compared with crop harvests once every three-six months, meaning that it is “easier to mobilise milk producers into companies and seek financial capital” (Ibid, pp. 73, 74). In summary, FPC literature has continued dominant trends of co-operative literature in its approach to institutions and co-operation informed by new institutional economics and management-oriented studies, including application of the ‘design principles’ of Shah (2016). FPCs are often presented in panacea-esque fashion as a ‘solution’ to the problems of co-operative societies, but a series of ‘challenges’ similar to those experienced by the latter are increasingly alluded to. Where social relations are considered, it is either, as Baviskar and Attwood observed, to explain FPCs “which fail” (Attwood and Baviskar, 1987, p. A-46), or they are conceived of as ‘social capital’, including an emphasis on FPCs as better able to evade ‘elite capture’, being more likely to be based on ‘homogeneous’ groups. As a means of addressing challenges faced by FPCs (and small producers), studies emphasise their integration into value chains, especially to ‘high-value’ markets, though a few critical studies point to differences between small and large farmers in these processes.

### Value Chain literature

As the term ‘value chain’ appears frequently in FPC studies, it is worth briefly considering literature on value chains more widely. Of particular note is the close relationship between new institutionalism and global value chain analysis (GVCA), exemplified in the work of Gereffi et al., (2005), who delineated five forms of value chain governance, ‘market’, ‘modular’, ‘relational’, ‘captive’, ‘hierarchy’ (Ibid, p. 87). Trebbin (2014) considered these ‘forms’ vis-à-vis FPCs, as she adopted a GVCA framework, in which, “higher product standards lead to higher product or asset specificity which means that more information

needs to be exchanged in value chains”, this “adds to transaction costs” (Ibid, p. 36). In a market-based type of governance, “the need to coordinate value chains is low, as asset specificity and complexity of transactions are low”, in the remaining four types, “the complexity of transactions steadily increases as asset specificity grows” (Gereffi, paraphrased by Trebbin, 2014, p. 37). When supplier capabilities are ‘outstripped’ by buyer requirements, ‘captive’ or ‘hierarchy’ types of governance appear, when “the buying firm needs to execute tighter control”. The other ‘intermediate’ types of governance, ‘relational’ and ‘modular’, occur when “asset specificity is also high but the supplier base is more capable...” (Ibid). Contract farming is often cited as a form of ‘vertical integration’ and ‘captive’ or ‘hierarchy’ governance.

Altenburg (2006) built on the work of Gereffi et al., citing Williamson’s (1979) ‘contractual dilemma’ around ‘transaction costs’ as key to decisions around ‘governance arrangements’ in value chains (alluded to above). In this ‘dilemma’, it may be infeasible to “specify contractually the full range of contingencies...[but]...if the contract is...incomplete...the divergent interests...will...lead to...opportunistic behaviour and joint losses. Altenburg pointed to value chain ‘structures’ becoming “more and more complex”, as ‘lead firms’ “desire to make use of outsourcing for cost reduction without sacrificing control of production processes”. In addition, ‘lead firms’ “increasingly engage in coordinating and shaping the way upstream and downstream firms organise their ‘slice’ of the value adding process”. Due to “competitive pressure” and consumer demands for “quality and other attributes” (such as organic produce), the resulting trend is a “shift away from vertical integration...towards value chain governance...”. Highlighting the role of ‘institutional environment’ in making transactions more or less costly, he acknowledges the work of North and colleagues in his definition of institutions as both formal and informal, the latter, “like trust”, being “substitutes for formal contracts...lower transaction costs significantly” (Ibid, pp. 501, 498, 502, 506).

The work of scholars in the GVCA school has been critiqued with regard to its “vertical and linear” conceptualisation of supply or ‘value chains’ and its “wooden and simplistic” approach to institutions and lack of “contextual discussion” (Neilson and Pritchard, 2009, pp. 45-47). Neilson and Pritchard pointed to the need to consider transaction costs and governance as “embedded in all kinds of spatial networks” (Ibid, p. 46). Further critiques

problematised the primacy of focus on “lead firms” vis-à-vis multiple “points of power” (Morris, 2001, p. 133), while others critiqued the notion of a ‘value chain’ as system (Gilbert, 2006). Baglioni et al., (2020) argued that global value chains, “like management generally, are not technical divisions of labor, but extended political organizations capturing value” (Ibid, p. 1). Critiques by Selwyn (2012, 2019), pointed to the absence of an analysis on “class relations generally and labour in particular” (Selwyn, 2012, p. 205). With regard to India, literature on FPCs or smallholder agriculture has emphasised, in new institutionalist (and unproblematised) terms, the importance of the “creation or addition of value”, that “farmers who participate in value chains incur fewer transaction costs” (Chengappa, 2018, p. 1).

In a more critical vein, some studies have drawn attention to the complex nature of agricultural ‘value chains’ in India, though of increasing dominance by ‘organised players’. Mishra and Dey (2018) reflected that governance of these ‘chains’ “has not been well understood...[they are]...characterized by the dominance of the informal sector, lack of standardization, and local policy dynamics”. Existing literature, according to these authors, has not explained “complex interactions among actors in such value chains”, in which it is difficult for a single actor to “set the price or quality benchmarks” (Ibid, p. 135). As with Trebbin (2014), these authors also noted “the increasing trend of markets being controlled by organized players...a shift towards a buyer-driven market...” (Mishra and Dey, p. 135). Such critiques expand the approach to institutions found within classical GVCA approaches (Altenburg, 2006), yet, as Mishra and Dey (2018) themselves noted, they forward a “combination of transaction cost economics and social network theories” to explore the way in which governance systems are “embedded in social mechanisms” (Ibid, p. 137). Studies of global standards or certification bodies for particular supply chains, such as the Better Cotton Initiative (BCI) have taken a similar approach to explore “cooperation” and “compliance” (Riisgaard et al., 2020).

Few studies have explored agricultural value chains in India with regard to the role of FPOs or FPCs, with some exceptions (Trebbin, 2014). Some studies, such as Singh’s (2006) review of organic cotton supply chains, noted the exclusion of small producers due to “...high certification costs, smaller volumes...and tighter control by chain leaders...” (Ibid, p. 5359). Singh points to an increase in ‘direct sourcing’, explained by Ghori et al. (2022) as where

retailers “aim to increase profit margins by cutting out intermediaries...to better control...quality and contract compliance”, but it involves “significant investment”, negotiation and monitoring. These authors continued to describe a ‘hybrid’ ‘cooperation-compliance’ model in ‘sustainability’ supply chains, in which the brand/retailer pays for “auditing and capacity building, alongside compliance features, as only local producers who abide by sustainability standard requirements...” can continue to access the particular value chain. In this manner, ‘lead firms’ have sought to “extend their power beyond first-tier suppliers to...cotton farmers and ginning factors”, in order to “protect and enhance brand value in the face of NGO and media criticism”, furthering control by focusing on “issues of quality, productivity, traceability and security of supply” (Ibid, p. 2; see also Dauvergne and Lister, 2013; Ponte, 2019).

While such studies of changing governance arrangements in value chains note the “pro-firm” bias of contracts (Singh, 2006, p. 5362), the main focus, building on Gereffi et al.’s (2005) earlier approach, is draw out the ‘conditions’ for different governance arrangements, in which wider ‘institutional’ or social relations are conceived of in primarily economic, and specifically, new institutionalist, terms. Singh (2006) sought to delineate the ‘major conditions’ for “successful interlocking between agribusiness firms and small producers”. Thus, formal institutions such as “Collective action through cooperatives or associations” is pointed to, alongside informal institutions such as “Building relationships of trust with farmers...” (Ibid, pp. 5365-66). Nickow’s (2015) reflected that encouragement of small famers to “move into higher-value added niches, such as organic farming”, known as ‘upgrading’ in the GVCA literature, helps marginal producers move to “more profitable roles”, but does not “fundamentally alter the power relations of the system itself”. The participation of small farmers in ‘upgrading’ or ‘certification strategies’ “feed[s] into farmers’ structural dependency on corporate retailers” (Ibid, pp. 55, 56). While relatively few studies focus on the manner in which FPCs are ‘integrated’ into agricultural value chains, there is a clear case to explore these dynamics (and of ‘co-operation’ in value chains) from a ‘critical institutionalist’ perspective (Cleaver, 2012, pp. 8-9).



## Caste, community and co-operation

In this section I will build on prior discussion to explore social relations, specifically caste vis-à-vis co-operation and co-operative institutions. In Mosse's (2003) ethnographic work on ecology and management of water resources in south India, he reflected, "Despite the fact that caste has no consistent or essential meaning...caste is the essential idiom through which power and dominance are expressed in village politics" (Ibid, p. 132). Mosse further argued that both 'moral economy' (e.g. Scott, 1976) and 'institutional economics' (e.g. Ostrom, 1990) approaches "construct similar images of community and indigenous collective action", which, especially concerning their application into social models of policy, become largely synchronic, ahistorical or do not deal with change. (Mosse, 2003, p. 17). The author cited institutional economist Meinzen-Dick (1984, p. 46, cited in Mosse, 2003, p. 18) as a case in point, who argued, in a similar vein to Shah (1996), that "local water management activities are unlikely to be embedded in the institutions of village, caste or religion; rather efficient maintenance, allocation, and conflict management requires special purpose organisations of...cultivators..." Such abstract economic approaches to community development, Mosse argued, have the potential to homogenise collective action institutions, "ironing out' location specificity" (Mosse, 2003, p. 18).

Making a wider point on the role of representation, Mosse argued that favoured policy representations of communities serve institutional interests...devolving the burden of development change onto communities" (Ibid, p. 19). While a review of wider literature on caste is beyond the scope of this study, it is pertinent to note that much recent literature emphasises it as historically 'produced' and changeable. In Dirks' (2001), historical work, he argues that caste, "as we know it today...[is]...the product of an historical encounter between India and Western colonial rule". Through this 'encounter', caste "became a single term capable of expressing, organizing, and above all "systematizing" India's diverse forms of social identity, community, and organization" (Ibid, p. 5). Dirks' work may be contrasted with authors who had previously argued for caste as a primarily ideological, hierarchical system, based in religion. Principal among these was Dumont (1970), whose approach emphasised caste as "a state of mind", defined by three principles: 'hierarchy' (ordering or ranking according to status), 'separation' (rules of marriage and contact maintaining distinctions), and 'interdependence' (division of labour resulting from hierarchy and

separation). These principles were underpinned by the supposed opposition between 'pure and impure: "ideological distinction of purity is the foundation of status" (Ibid, p. 56).

While Dumont's work has been fundamentally reassessed (see Berreman, 1971; Lynch, 1977; Burghart, 1978), anthropological critiques challenged the separation of caste hierarchy, state power and religion (Appadurai 1981; Bayly 1989). Mosse (2012) drew attention to the reproduction of "hierarchical orders of caste" by the Christian church in southern India, while participation in Christianity by subaltern groups, alongside political action, helped contest "symbolic meanings or transactions" (Ibid, p. 37). Bayly (1999) reflected that both "caste as varna (the fourfold scheme of idealised moral archetypes) and caste as jati (smaller-scale birth-groups) are best seen as composites of ideals and practices that have been made and remade into varying codes of moral order over hundreds or even thousands of years" (Ibid, p. 25). Raheja's (1988) ethnography of gift-giving emphasised the 'central' role of 'dominant' landholding castes in mediating ideological caste hierarchies. The notion of a 'dominant' caste was forwarded by Srinivas (1959, 1987), who argued that a caste is dominant if it "preponderates numerically over...other castes, and when it also wields preponderant economic and political power. A large and powerful caste group can be more easily dominant if its position in the local caste hierarchy is not too low" (Srinivas, 1959, p. 1).

While Srinivas' notion of a 'dominant' caste fundamentally critiqued Dumont's (1970) ideological approach, more recent literature has emphasised the fragmentation and diffusion of caste and class relations in rural India, alongside the continuation of caste as a key site of struggle (Mosse, 2003). Mines (2005) emphasised the "broad struggle to change the meaning of caste", as "Caste...Jati<sup>4</sup>...is a sign not only because it has meaning for people but because...it is put into use in struggles of growth." Caste is "...not just an everyday form of domination reinforced through ritual...[it is]...a material and semeiotic resource for contesting, subverting, and posing the alternative structural formulations of the...[area]..." (Ibid, p. 55-56, see also Bayly, 1999). Literature has also drawn attention to the interaction between 'formal' institutions and changing caste relations. Witsoe (2011, 2013), explored "mafia figures" and the postcolonial state in Bihar, drawing out tensions and interactions

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<sup>4</sup> Jati, meaning 'caste' in Hindi.

between this “mode of governance” and the emergence of “a radical democratic imaginary...centred on a politics of lower-caste empowerment” (Witsoe, 2011, p. 74). Kunnath’s (2012) exploration of dalit politics and agency vis-à-vis agrarian relations and the Maost movement in Bihar raises similarly interesting points of reflection.

While the nuances of Kunnath’s arguments lie outside the focus of this study, his work emphasised that in rural Bihar “power and dominance have been predominantly linked to people’s rights over land, water and other resources, naturalized in caste hierarchies. Dynamic expressions of power are also linked to political affiliations, networks, patronage, numerical strength of caste groups and government employment”. Kunnath’s work follows Witsoe and others in observing a “shift from patronage...[and ownership of land]...to brokerage as the ‘changing basis of the reproduction of relations of dominance at the village level” (Ibid, pp. 20, 24-25). Mosse (2007), who, in Lewis and Mosse (2006) forwarded the concept of ‘brokers’ in development, defined this ‘weakening’ of “land-based forms of patronage and dependence” as due to “the decline in agriculture, land ceiling and tenancy legislation”, while “upper class/castes have switched to brokerage; that is to say mediating links with state and private development institutions...” (Ibid, p. 22). Drawing on Gupta (1998) and Jeffrey (2002), Mosse argues that this change has been replaced by “fragmented centers of power or diffuse brokerage networks mediating access to scarce but necessary credit, state schemes, markets or jobs” (Mosse, 2018, p. 426).

This changing ‘picture of caste’ and power relations in rural India, for Mosse, is “ambiguous”, because “New freedoms and formerly-denied social honor acquired by Dalits exists alongside forms of (often covert) discrimination which also drive economic inequality” (Ibid, p. 427). Jodhka’s (2018) review of caste in contemporary India pointed to “waning of ideas of hierarchy” together with “persisting material and symbolic inequalities”, which has “heightened levels of friction in social relations”, as he points to the existence of ‘social boycotts’ in response to ‘Dalit assertion’. Jodhka also points to caste as a form of capital (in the sense defined by Bourdieu), deployed within an unequal and hierarchical socio-economic system: “Caste is thus a resource, a form of capital, whose value depends on where one is located in the traditional hierarchy, which itself is indicative of the unequal resources that caste communities possess” (Ibid, pp. 29, xxi). Jodhka noted a similar shift in rural power relations as Mosse (2007), emphasising that “material disparities inherited from

the past aid in the reproduction of inequalities through widespread social prejudice and other social mechanisms, such as the differentials of social and cultural capital” (Jodhka, 2018, p. 225).

A key aspect of Jodhka’s work alongside critical economic literature relates to the entrenching of caste (and caste-based discrimination and exclusion) in rural and urban economies (Thorat and Newman, 2007; Thorat et al., 2010; Borooah *et al.*, 2015) Thorat et al., (2010) pointed to the ascriptive nature of caste as “governed by certain customary rules and norms....”, and, from their fieldwork in Orissa, Gujarat and Maharashtra, found that, although there had been “a positive change in the ownership of capital assets and access to employment, traditional caste relations...continue as remnants of the past and affect the access of low-caste Untouchables for the sale of various goods” (Ibid, p. 175). Such conclusions emphasise Harriss-White’s (2003) work which has emphasised the central role of caste in providing “networks” for contracts, labour recruitment and subcontracting, while liberalisation “places a new premium on the advancement of interests”. For Harriss-White, caste is “connected with all the other organizations of civil society that comprehensively regulate economic and social life” (Harriss-White, 2003, p. 178-79). Shah and Lerche et al.’s (2018) political economy analysis presented ethnographies analysing “the ways in which economic globalisation has re-entrenched identity-based social oppression...tribe, caste, gender and region...making it inseparable from class relations”. The authors note that the expansion of capitalism has worked through “locally dominant caste groups....Many of the upper caste Hindus...who used to command hegemonic power at village level through caste-based hierarchical land, labour, social and political relations, have transformed themselves into major or auxiliary players in the new economy” (Ibid, pp. 1, 17).

Finally, in a historical review, Sinha (2008) has analysed the ‘developmentalist’ state in India, detailing how the colonial state made ‘village’ and ‘community’ central to its logic, encompassing dominant groups within them and ‘confirming’ and ‘enhancing’ their power. Thus, state promotion of co-operatives in the pre- and post-independence periods benefitted “only a small number of progressive cultivators”, i.e., those who could be recognised as having the ‘self-interest’ deemed necessary for ‘development’. This discourse and practice served to further marginalise low-caste groups such as Dalits (Ibid, p. 76). In a contemporary analysis, Kumar’s (2016b) ethnography of soybean farmers in Malwa, MP,

detailed how the metaphor of a 'good farmer' was selectively used by upper-caste farmers to reinforce their power and authority in the face of declining state support to emphasise their continued importance to agriculture and the state". This 'discourse' of productivity "used by scientists and some 'good' farmers", Kumar discovered, "disguised this performance", while enacting a 'successful performance' "required access to non-scientific resources, which was mediated by economic as well as non-economic coercive forms of power...". Kumar pointed to the role of an oilseed growers' co-operative federation, which became a "legitimate means to shift resources towards medium and large farmers", created by identifying "individuals in a village with a good reputation and who were progressive farmers", as members, and, due to a lack of formal land ownership, excluding Adivasi and lower-caste farmers (Ibid, pp. 70, 74, 82).

#### Adivasi ('Scheduled Tribes'), community and co-operation

In this section I will explore literature on 'tribal' (Adivasi) communities in central India vis-à-vis co-operation and co-operative institutions. While there is a body of literature on Adivasi political struggles, as well as changing caste relations, there is a paucity of recent literature on both vis-à-vis co-operation, particularly with regard to new generation co-operatives. In Amita Baviskar's (2004) ethnographic study of tribal conflicts over development in the uplands of the Narmada valley in central India, she reflected that tribal history has been "a long struggle against the state's appropriation of political power, a process marked by the progressive alienation of Adivasis from nature. The domination of the state and the market has been experienced through the presence of bazaarias...[locally dominant caste]...who, besides being government officials or traders, have also acted as bearers of Hindu caste ideology" (Baviskar, 2004, p. 106). Baviskar's study explored the protest movement against the Sardar Sarovar Dam Project in the Narmada valley, which affected Adivasi 'Bhilala' villages and settlements in MP, Maharashtra and Gujarat (see also Nilsen, 2010; Whitehead, 2010; Thakur, 2018; Ramanathan, 2002).

Baviskar's (2004) work also highlighted co-operation within the Bhilala Adivasi communities in western MP. In these communities, "there is no differentiation...into landowner and labourer", and a co-operative system of 'laah' existed, where all labour-intensive tasks

which exceeded the capacity of a household were performed collectively, “Poverty persuades people in the hills to pool their resources”. However, this “idiom of mutual co-operation”, Bavikar qualified, “is diluted, even undermined, with the flow of labour being determined by fine distinctions in status between households. Status depends on the accumulation of symbolic capital – honour, prestige and goodwill, the pursuit of which anchors local politics”. Baviskar also noted that control over material resources was related to the accumulation of symbolic capital, but that such accumulation was checked by the low level of resources available and the collective approval needed. Laah also involved gift exchange within relations of kinship (Ibid, pp. 116, 125-26, 121-22). Baviskar’s work thus challenges accounts of the role of Adivasi egalitarianism in building social capital and collective action (D’Silva and Pai, 2003).

Baviskar emphasised the ‘moral’ dimension and “subtle politics” of the ‘laah’ (over its “economic logic) as explanations as to why people were reluctant to abandon it in favour of “straightforward relations of contract”. The politics of honour and also demarcated labour co-operation such that “Bhilalas...[Adivasi community]...see the defence of honour as intrinsic to social reproduction, their continued legitimacy as a social group...while honour has economic effects, its significance is not limited to them. Honour is a value in itself...”. In addition, caste is linked to honour, as the Bhilala, Baviskar observed, “primarily define themselves as Adivasis in opposition to bazaarias,...[‘outsiders’]...within Adivasi ranks they assert their superiority over Bhils”. Such maintenance of ritual superiority, Baviskar reflects, represents an internalisation of dominant Hindu values, which “has led Bhilalas to zealously maintain their distance from the ritually inferior Bhils. Bhilala identity is expressed through their repudiation of Bhil customs such as eating beef”. Gender also demarcated the Bhilala “patrilineal community, as much a creation of women as of men”, which while it “mobilises to defend its honour...denies women their agency and identity”. However, Baviskar also pointed to the manner in which women could “can manipulate male notions of honour to serve their own interests” (Baviskar, 2004, pp. 123-25, 126, 132, 133, 131).

Skaria (1999) traces colonial and post-colonial approaches to ‘wildness’ and ‘tribal’ communities in western India (through examination of oral history), focusing on the ‘Dangs’, a hill region in south east Gujarat. Skaria noted that distinctions between ‘caste’ and ‘tribe’ were articulated by colonial officials, and that many ‘Dangi’ communities and castes, while

“ritually superior to Bhils”, also “referred to themselves as ‘Bhils’ during what they call ‘Bhil raj’”. Skaria draws attention to the ebb and flow of this “shared political identity” and changing evocations of ‘wildness’, which, in the late colonial period was asserted to “oppose upper caste values...to adopt a novel subaltern position, and to...question this subalterneity”. In the post-colonial period, Skaria details how, despite differences in approach to ‘tribal’ communities, colonial tropes of these groups as “primitive”, became “deeply entrenched in the perceptions of dominant Indian groups”. This was linked with resistance, on behalf of the state, to recognition of “autochthonous status which could not be claimed by dominant plains groups” (Ibid, pp. 112, 113, 280). Thus, the Hindi word ‘Adivasi’, meaning ‘original inhabitant’, which “found favour with Bhils and others” is not recognised by the Indian state. The constitutionally recognised term is ‘Scheduled Tribes’, and debate on these terms has reached the UN (see Karlsson (2003)).

Returning more specifically to development practice, Mosse’s (2005) ethnographic study of a participatory rural appraisal (PRA) project among ‘Bhil’ Adivasi communities in west MP in the early 1990s, drew out issues of contestation and co-operation between project staff and different community members. Mosse noted, “Bhil village elites worked to win project staff over to their agendas, and unwittingly the project provided them with the necessary tools”. Through the PRA activities, “men of influence could mobilise participation in a way that won public support for private interests, which they had the capital of authority to represent as *community needs*” (Ibid, p. 82). Mosse’s argument has comparisons with the work of Mines and Gourishankar (1990), who argued that in India, a leader’s pre-eminence within their communities “defines him as an individual”, adding an ““institutional” qualifier to the Indian big-man concept. This is because such men attract followers and enact their roles as generous leaders through the “charitable” institutions that they control”. The authors noted that leading women may also have this status “of a “big man”” (Ibid, p. 762). Such dynamics present challenges to the acceptance of public representations or articulations of community norms or institutional rules, as promoted within new institutionalist approaches (North, 1991). Within Mosse’s study, he found that participation and access to the project itself was a “sign of social prominence and status within Bhil villages, linked to other social resources such as clan membership, political office, participation in exchange networks, and

the ability to speak well and forcefully (which was already associated with strong leadership among Bhils)” (Mosse, 2005, p. 84).

For Mosse, the PRA project ‘discourse’, a convergence of community elite and project staff interests, belied an inequality of access and representation: “Bhil social practice and staff discourse converged in making prominence in project activities an idiom of power and status, while allowing the better-off to qualify as ‘poor’ beneficiaries”. The poorest among the Bhil community, however, were “unwilling participants, they lacked knowledge or clarity, were irresponsible...pursued immediate benefits, were spoken for by others”. Within this process, women’s participation was “minimal”, constrained “both *practically* by the structure of their work roles...and *socially* by ideologies of gender (and practices of veiling)...”. Aware of the project’s biases towards “elites or against women”, Mosse detailed the ways in which project workers adapted the project to “make them less public”, including establishing women-only self-help groups. Despite the “limited material or symbolic rewards” involved, Mosse noted that the project was still perceived as a threat by village “Big men”, those who “exercised local power through the delivery of high-subsidy government schemes or public assets” (Ibid, pp. 84-85, 86, 87).

Mosse’s study documented how development workers provided information on a range of “state schemes and citizen entitlements”, bringing “rarely sighted” government officials with them. Such “knowledge and social connections” were seen as unwelcome by “village elites whose power was based on the monopoly of such things, and it was always possible that the presence of the project would divert personally profitable state schemes away from their villages”. Much of Mosse’s study was focused on the ‘construction’ or ‘production’ of local knowledge, underwritten by the dynamics discussed above, such that ‘official’ representations in project literature of ‘local knowledge’ “was a collaboratively produced normative construct bargained between IBFRP staff and Bhil villagers that obscured diverging interests and manoeuvres (within project team and villages alike)”. Despite its intentions, the project did not involve participatory learning based on local knowledge, but rather “a process through which Bhil farmers acquired a new kind of planning knowledge and learned how to manipulate it” (Ibid, pp. 87, 95).

Building on Baviskar (2004), Thakur (2018) explores three communities of Bhils affected by the Narmada dam project in north Maharashtra: “those who are still living in the Satpura



Hills; Bhils, including some of the main local leaders of the Narmada dam struggle who have been resettled on the plains...and Bhils who have been part of the landlord-dominated agricultural villages of the plains for generations". Thakur's work reveals how the co-operative labour tradition – the 'laha', was "immediately discontinued...in the Bhil resettlement colonies", due to larger landholdings, a paid labour force available and access to mechanised equipment. In contrast, for the "Bhils of the Hills", given the "harsh terrain and far-flung habitations, along with the relatively homogenous nature of the groups...the degree of cooperation is high". While Thakur documented compulsion to migrate among hill communities of Bhils due to "failure of rains", lack of alternative employment, and an increase in population, he noted they have "no direct oppressors or dominant classes exploiting them", the Bhils living on the plains lived in a situation of "Gujar...dominance and oppression" (Ibid, pp. 176, 184).

Thakur's study detailed the historical basis to Gujar dominance as due to the latter's migration from Gujarat as "early capitalist farmers", with the "economic and political muscle" to turn the Bhils into agricultural workers and "tied farm servants" (Ibid, p. 177). Thakur detailed, in a similar vein to Sinha (2008) and Kumar (2016a, 2016b), how the Green Revolution benefitted dominant castes, in this case the Gujars, who, through their caste associations and networks dominated all areas of local life: "Till a decade back they systematically control[led] every aspect of local administration, capital and knowledge...", including the boards of local (sugar) co-operatives (Thakur, 2018, p. 189). As with Mosse (2018), Jodhka (2018) and others, Thakur also drew attention to changing caste relations over recent decades, with the "heart of Gujar accumulation" moving away from the village, along with the emergence of "alternative occupations for Bhils through seasonal migration...and to work in brick kilns". Relations between Bhils and Gujars had changed from past "tied" relations to those of verbal contracts. In the 'resettlement village', Bhil households were given small plots of largely unirrigated land, though, following the introduction of genetically modified 'Bt cotton', the Bhils started "learning cotton growing and cash crop agriculture...from the Gujars". Thakur described how some Bhil households had a little profit, generally invested in starting petty businesses, though this was in the absence of alternatives, such as participating in co-operatives, which were "controlled by the Gujars...for doling out favours to their own fellow caste men...". Thakur found that the

Bhils of the three villages “have been integrated into the capitalist economy in different ways, but they all find themselves at the bottom...” (Thakur, pp. 189, 192, 196, 198, 200-01).

## Conclusion

In this chapter I have explored literature pertaining to co-operation and rural co-operatives in India, as well as a more recent body of literature with regard to FPCs. I have considered these strands of literature alongside the basis of prevailing approaches in ‘new’ institutionalism and management-oriented conceptions of institutions and co-operation. In these approaches, aided by ‘leadership’ and ‘management efficiency’, FPCs can be designed to ‘iron out’ transaction costs, build social capital and integrate small farmers to value chains, especially by ‘upgrading’ to high-value crops and commodities. Caste and tribe plays a role in aspects of this literature as ‘social capital’, either unproblematically, or, if relatively ‘homogenous’, as an accompanying ‘condition’ of ‘successful’ co-operation. In contrast, I explored ‘critical’ approaches to institutions, which emphasise the dynamic, ‘productive’ and social basis of institutional development (Cleaver, 2012; Mosse, 2006), drawing on sociological and ethnographic work on institutional ‘rules’ and ‘representations’ (Mosse, 2006), as well as caste relations and Adivasi communities (Baviskar, 2004) vis-à-vis forms of co-operation and rural co-operative institutions. Key to the chapter’s argument has been the importance of understanding the particularities of the interaction between (changing) social, institutional and economic relations, beyond occasional inclusion of the former in the form of ‘social capital’ defined in economistic terms (North, 1991). Following Cleaver (2012), it is important to consider institutional development as a dynamic and ‘productive’ process. In this way, “consciously and non-consciously”, people “draw on existing social formulae....to patch or piece together institutions in response to changing situations” (Ibid, p. 45).

## Chapter 4 - Building Cooperative Companies? Promoters and FPCs

विचार और सपने के बीच का फर्क।

The difference between an idea and a dream.

(CSD officer, MP)

### Introduction

In this chapter I explore dynamics within initiating and building FPCs, examining the interplay between co-operative action and its varied representation by fieldwork participants. I question prevailing approaches to FPCs and co-operation by exploring co-operative development as an interplay between 'formal' and 'informal' narratives. As I discuss, the forwarding of, and adherence to 'formal' narratives by co-operative 'actors', serves to reproduce dominant representations of FPCs as self-sufficient, 'professional', market-focused businesses, and as 'solutions' to the problems of co-operative societies. Moreover, such narratives rely on new institutionalist and management-oriented understandings of co-operative institutions, focusing on the need for 'design thinking' (Shah, 1996) to craft co-operative norms, or "rules in use" (Ostrom, 1990, p. 40) vis-à-vis 'domain conditions', in which 'leadership' and 'efficient business' can build 'ownership' and 'trust'. I also explore the contestation of such narratives by fieldwork participants in their 'informal' reflections, which served to 're-embed' understandings of FPCs and co-operation within political, social and institutional power relations (Mosse, 2005). I consider FPC promotion as an "authoritative process", typified by slow, 'relentless' and uncertain efforts (Clever, 2012). This 'relentlessness' of endeavours to 'build a business mindset' among tribal 'Adivasi' farmers, was also relentless as a didactic compulsion to adhere with 'formal' representations of co-operative action.

### Forming co-operative companies: Formal and informal narratives

*"The initiators start the entire process...meeting with the producers, developing rapport...and introducing the concept...Once the concept is understood by the group...an exposure visit to a successful site is organised...a producers company...to facilitate on-farm learning, sharing and enhance...motivation..."*

*“...a common understanding...and concrete business plan is developed, the initiator with consultation and support from the group develops the draft ‘Memorandum and Articles of Association’ including the roles and responsibilities of each office bearers. The shareholders...finalize the authorized capital of the company and the cost of each share.”*

*“After having consent of the members about the directors of the company and the Memorandum and Articles of Association, the initiator could go ahead of the registration...The amount collected through shareholders and promoters (directors could be promoters and can share the cost of registration, which will...be refunded later) could be used for registration.”*

(CSD ‘FPC Manual’)

The above extracts are from an ‘FPC manual’ produced by CSD, illustrating what may be termed a ‘formal’ narrative of the process of establishing an FPC. In addition, the extract points to a crucial aspect of the institutional development of FPCs as co-operative companies, and the array of actors who engage in co-operative action through them, which is that FPCs are ‘initiated’. The ‘initiators’ in the above quote, are presumed, in terms of legislation and policy, as well as dominant approaches to practice, to be people from FPC-promoting organisations, rather than the farmer members themselves, though any individual or institution can initiate or ‘promote’ them (NABARD, 2015, p. 2). Promoters ‘empanelled’ within the GoI’s strategy to promote FPOs, largely through the Small Farmers’ Agribusiness Consortium (SFAC), are termed ‘Resource Institutions’ (RIs), or more recently, ‘Cluster-Based Business Organisations’ (CBBOs). The GoI’s *Operational Guidelines* for its policy of promoting 10,000 FPOs by 2023-24, illustrates this: “Implementing Agencies will set up Cluster-Based Business Organizations (CBBOs) at the State/Cluster level to form and promote FPOs as per their requirements...” (GoI, 2020b, p. 11).

For the GoI, ‘Implementing Agencies’ are the SFAC for FPCs, or the National Co-operative Development Corporation (NCDC), for ‘co-operative societies’ (both of which are FPOs). As noted in the previous chapter, the SFAC was established (and governed) by the GoI’s Ministry of Agriculture, Cooperation and Farmers’ Welfare. In contrast with dominant approaches to

co-operative design that leave the role of the designer, or ‘initiator’ relatively unproblematised (Shah, 1996), it is useful here to contrast ‘formal’ policy and practice presentations of FPC establishment with accounts from my fieldwork, in particular an extract from an interview I carried out with Nilesh, a development and FPO specialist who worked for CSD. Nilesh had been involved in FPO promotion since the beginning of CSD’s work with FPCs in the state of MP. CSD itself had been involved in the WB and MP state government-funded District Poverty Initiative Project (DPIP) in the early 2000s, part of which had involved establishing a series of FPCs following the introduction of FPCs as a legal institutional model in 2002.

The role of MP state as a ‘pioneer’ or early promotor of FPCs is often alluded to in FPC literature. Govil et al. (2020) noted that MP has the fourth largest number of registered FPCs, and “started promoting...[them]...early on under the DPIP program... (Ibid, p. 40). Nilesh reflected on his role within the NGO part of the DPIP, noting, *“Before that...[DPIP]...in MP there was only one FPC registered. So it was a big challenge...people have not seen FPC before. So how to believe...telling them...it could be an organization for farmers was a challenge as it was not visible. Continuing, Nilesh said, that in India small farmers have “just seen millionaires as BoD...[Board of Directors]...how could he think that he being poor can also be BoD...The BoD at that time, they did not have any birth proof...So we thought how will registration be successful? So we took one shortcut, that for farmers first PAN...[permanent account number]...card should be made and...we will get the DoB...[date of birth]...”*<sup>5</sup>

Nilesh’s account emphasised the need for “necessary improvisation and innovation” (Cleaver, 2012, p. 46), in response to encountering significant challenges unmentioned in ‘formal’ accounts of FPC promotion. Nilesh was selected within the DPIP project to work at district level for a period of six months, to *“promote the FPO and then get...[it]...registered”*. Initially however, there was no project team in place, he and a colleague were working *“through DPIP only...we were only two people from...[CSD]...involved”*. After a short time, he was then made CEO of the FPO that they had formed, and collected share capital of “one lakh rupees” (100,000 Rupees). With this share capital collected, Nilesh bought a jeep “to

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<sup>5</sup> Translated from Hindi.

*promote the FPO...Our biggest achievement was that we started the FPC on fourth of November and got the FPO registered on seventeenth of November and the first balance sheet was in positive..."* However, Nilesh also reflected on the importance of 'local' CEOs and staff, that one of the 'main conditions' to make the 'best FPC', is that *"the CEO should be a localite...and of agriculture background...or from a farmer family"*. Further, that the *"FPC which was having local staff...these FPCs made its business good."*

Building on this point, Nilesh noted that local staff will *"have a good impact...Staff know that I will be working in this area...my social bonding will remain intact..."* This FPC was also promoted within a wider project run by CSD aimed at certifying farmers as 'sustainable' soy producers, itself part of a broader international programme linking producers with supply chains. Nilesh noted that the key focus of the project was on 'awareness' raising and increasing membership – *"I think that FPC alone is not business activity...we organise awareness programmes and so your coverage becomes good."* He continued to reflect, while marketing is important for FPCs to carry out, *"Awareness is primary. Like I should sow the seed and how to grow better...marketing will come later."* Alongside this, he also sounded a note of caution as to the role of the promoting organisation, that there should be *"a help of 3 years then it is more of co-operation. After that we can...[be]...a mentor...but we should not impose other things...if we help him taking the decision since day one then it will be beneficial"*.

In contrast, in an interview with Sourav, the CSD Director in September 2019, he iterated the process of institution forming as based on a familiar pattern, using an analogy of a company 'gaining confidence' in a marketplace:

*"Most of them probably fall in the same trajectory...you first sell the idea to the community...concept-seeding...You...talk about it in SHG meetings, then...in the village meeting....cluster level convention of the SHGs...You start...spreading the message, concept...and take those farmers of that area to a successful FPO to show them...[which]...is very, very important."*

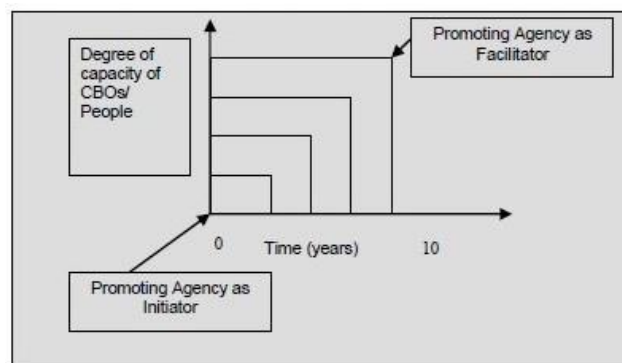
*You have to be loud and clear, with a loudspeaker and say this is what we are doing...It is exactly like the way you gain confidence in the marketplace, you become loud and clear by demonstrating your transparency...your honesty...It's the same principle."*

The notion of a familiar 'trajectory' to building FPCs linked with an analogy focused on market-entry recalls new institutionalist emphases on the feasibility of crafting 'institutional solutions' to co-operative action 'problems' (and addressing market 'failure') (Ostrom, 1990; North, 1991). However, Sourav went on to note that FPC programmes should not be seen in isolation. The FPC *"has to be connected with...your other programmes...if you want to do FPO development in a...virgin area where you haven't done any work on...land, water, agriculture...you...cannot go there and try to build an FPO...it won't work."* Moving on, Sourav reflected that, as an organisation, they were *"increasingly coming to this conclusion that FPOs would require a kind of precondition"*. These preconditions are: *"have you done your primary level self-help groups? Have you developed their capacities enough? Have you done enough to influence the agriculture production system? Has your community, catchment area ready with marketable surplus? Special commodities?"*. He argued that, if some things are available in an area but the NGO has no presence, *"...there is no social capital...no SHGs and no groups...it will be difficult...because, the foundation of any FPOs are village-level primary groups..."* The emphasis in this narrative of an institutional 'trajectory' points to the role of 'informal constraints' (North, 1991), and particularly of 'social capital' (Putnam, 1993). A focus on the "deeper processes" (Attwood and Baviskar, 1987, p. A-57) in co-operation however points to the critical role of the promoting organisation, and its relationship with the FPC, its members and leaders, within which such narratives were produced.

In the above interview, Sourav continued to reflect on the role of the FPC promotor, noting that it has to be a *"lifelong commitment. Because so many people trusted you, how can you just leave them high and dry?"*. Following a pattern I experienced in conversations and situations with other NGO workers, he used a diagram to illustrate institutional development, drawing a picture representing the role of the promoting organisation, noting that CSD has created the FPC *"because nobody was coming forward from the community. So I had to go there to provide the leadership"*. This image was represented by a 'pole', which

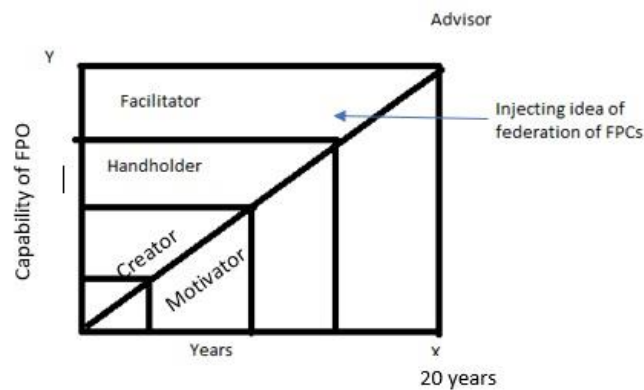
was a line within a triangle (representing an institution being constructed), drawn on a whiteboard. He continued, *“I am their creator, their motivator, I am everything...I am handholding them...I am facilitator. Maybe one day I will become their advisor....Therefore the support of any promoting agency has to be seen in this perspective.”* Diagrams also featured prominently in the CSD’s written materials, such as a practitioner-focused ‘Resource Handbook’, a second and similar ‘FPC manual’, produced by CSD:

**Figure 4.1 “Change in role of initiator as the CBO matures”**



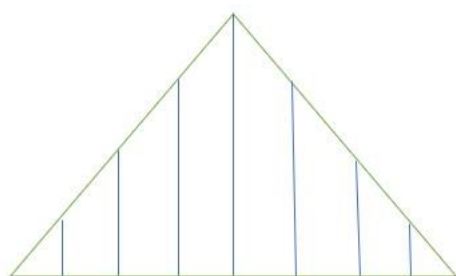
(CSD 'Resource Handbook for FPCs')

**Figure 4.2 “Capability of FPO”**





**Figure 4.3 'Pole' Diagram**



“Build poles – structure will continue.”

The lower two diagrams are my renditions of those drawn by Sourav. **Figure 4.2** is similar to **Figure 4.1**, taken from CSD’s ‘Resource Handbook’, while in **Figure 4.3**, each line represents a ‘pole’ supporting a structure (the FPC), which the initiator is required to build to ensure the FPC is self-sustainable, as illustrated in the quote from Sourav, “*Build poles – structure will continue*”. **Figure 4.1** represents the intended journey of the promoting agency from initiator to facilitator, with the goal being to ensure the FPC (or ‘CBO’ in the diagram – ‘Community Based Organisation’), is self-sufficient, “stable and growing”. This handbook notes that, “as the capacity within the people and the CBO increases, the role of the promoting agency changes from one of initiator to that of a facilitator. As this takes place, the methods of participation for dialogue also change” (Ibid). Both of these manuals appear on the one hand to be a representation of an ideal scenario of co-operative/FPC institution building, formalised into a linear, passive and somewhat abstract ‘best practice’ narrative: “Once the concept is well accepted, a common understanding...and concrete business plan is developed”. The use of diagrams reinforces this, making the process appear more easily understandable, as it is more easily communicated.

This ‘formal narrative’ of co-operative institution building is also informed by CSD’s experience, and the institutional power relations (and wider narratives) related to this. In particular, the handbook reflects, in a pro-poor but paternalistic tone, that the formation of FPCs is “externally triggered by the promoting agency because often poor do not realize the need to organize and use their organization as a means to fight poverty”. Interestingly, even within this ‘formal narrative’ presented in a practice manual, reference is made to unpredictability and social relations. With regard to existing policy and legal literature, the

manual reflects that, “neither there are any specific guidelines or directions incorporated into the Act nor there are any documents available capturing the social aspects while incorporating a producer’s company” (Ibid, p. 14). As such, it continues, the procedure to be followed “depends mostly on the initiator” (Ibid). In introducing the guide, which aimed to fill this ‘gap’, the manual notes that the “whole idea...was not to provide prescription, as the producer’s company requires contextual strategic interventions (like any other community institutions), which is best manoeuvred by the practitioners working under situation” (Ibid, p. 8). What these particular interventions may be are left to practitioners to navigate, although the manuals proceed to detail, as indicated above, a guide to forming and building FPCs, following a ‘step-by-step’ process.

Emphasising the ‘business’ nature of FPCs, the manual states that, “the companies have been mostly promoted in areas where farmers are progressive, have minimum understanding of market dynamics, oriented to business & ethics and possesses risk taking capabilities. This provides a strong platform for the initiators to introduce new concept and systems easily” (Ibid). While noting the need for such ‘preconditions’, the manual continues to highlight the importance of inclusion, that “Adequate ground work should be done to popularize the concept”, part of which is ensuring the “participation of vulnerable groups, such as women, Schedule Caste and Schedule Tribe, in the...[first]...meeting” of the shareholders (Ibid, p. 15). Such an emphasis on ‘progressive’ farmers in this case may refer to farmers with which CSD had long-standing project relations, while one critical FPC review points to the manner in which such farmers tend to be large farmers, who approach FPCs as “primarily business enterprises” and “invest greater capital in value-addition” (Govil et al., 2020, p. 76). Recalling Attwood’s (1988) and Baviskar’s (1988) focus on ‘alliances’, Govil et al., (2020) note that small farmers are only included in such FPCs when greater share capital is needed. (Ibid, p. 76). On a wider level, this trend points to the way in which the ability to adhere to ‘formal’ narratives of FPCs as ‘business-focused’ co-operative companies, as stipulated in policy, is underpinned by social relations of class and ‘habitus’, with the cultural capital of business ‘mindsets’ and the economic capital of investment (Bourdieu, 1986). I discuss below efforts to build business ‘mindsets’ among small and marginal Adivasi farmers.

Following the above qualifications, CSD’s ‘FPC manual’ mapped out a process for ‘incorporating’ an FPC through a series of linear ‘steps’, illustrated below in **Figure 4.4**. This process presumes the prior existence of ‘local groups’, as an interview with another NGO professional, Akhil, at CSD’s head office confirmed. Akhil had been heavily involved in the organisation’s work with self-help groups and community organisations for a similar length of time to Nilesh. Akhil mentioned, *“at first level they...[FPC members]...are members of SHG and then they are shareholders for FPO...some of them are non-SHG members...you will find 60-70 per cent of members are female members.”* During a meeting with a group of male farmer members of an FPC in Ratlam district, promoted by CSD, one man said that the local FPC group is *“converted from SHG group”*. In one of several conversations with Sudhir, a CSD field officer based in Ratlam, he told me that having a local group in place, whether an SHG, a ‘farmer interest group’ (FIG), or similar is important, as *“...[CSD]...has to build trust with the community”*. Sudhir also reflected that, as farmers have *“low literacy and skills, they need help”*, this help comes from CSD, but, he emphasised, they need money, finance. During this conversation, Sudhir was referring to a diagram representing the structure of an FPC, which he had drawn for the conversation, emphasising the process of institution building from his perspective.

**Figure 4.4 Incorporation steps for FPCs**

<b>Box 7: Steps to be followed for the incorporation of Company</b>	
Step 1	Meeting with the villagers and introduce the concept
Step 2	Exposure visit to a Producer Company
Step 3	Motivating eligible members to become shareholders
Step 4	Meeting the shareholders and discuss objectives/possible business ideas
Step 5	Drafting of Memorandum and articles of association
Step 6	First informal meeting of the shareholders to approve: <ul style="list-style-type: none"> <li>◊ Approval of Memorandum and articles of association</li> <li>◊ Selection/election of promoter (effort to be made by initiator to avoid election in this stage as it can lead to drift among some members)</li> <li>◊ Authorized Capital and Cost of each share</li> </ul>

(CSD ‘FPC Manual’)

During another conversation with Sudhir, he noted that when an FPC in Ratlam started, the shareholders came from SHGs, but as the SHGs were defunct, local shareholder groups met instead. During another conversation in Ratlam district with Jitendra, a further CSD field officer, he talked about the role of 'JLGs', Joint Liability Groups (small groups of between 4-10 people, established for accessing loans without collateral), whose members "*can also be PC members*". In addition, Organic Procurement Groups (OPGs) were established in many of the FPC member villages by the NGO, usually through existing SHGs, JLGs or other groups, as part of the CSD's work on organic cotton, which many FPC members were growing (which I discuss later). SHGs, as small groups of approximately 8-20 (women) farmers, who use them to deposit their own money for savings, from which loans are taken, are often quite different in nature to the focus of FPCs. During an interview with Ravinder, a professional from the Livelihoods Resource Centre (LRC), an FPC-promoting NGO based in Gujarat, he said that they had in place natural resource management groups as well as SHGs prior to forming FPCs, but the process of converting them into groups for FPC shareholder members was not straightforward.

Ravinder reflected that, "*we had to create...enterprise, which required a different set of skills...Not all SHGs could be converted into enterprise groups...*" He continued to note, of the 'farmer clubs' based on existing local groups, which themselves were linked to the organisation's wider projects, "*...only about 20 per cent graduated into enterprise groups.*" In a similar vein, Sourav emphasised to me that wherever CSD had "*tried to do only FPO, without any foundation, we have miserably failed...some of the FPOs...even after five years, still struggling with mobilisation issues. The primary level thing is still weak.*" This focus on the importance of 'preconditions' and the role of local groups appeared as an important theme. During an interview with Professor Sukhpal Singh, who's work on FPCs I discussed in the literature review, he emphasised to me that, "*Wherever PCs were based on pre-existing structures of collectivisation, they had better chances of survival...Because then there are no binding links...no peer pressure...before you can link them up to a larger entity.*"

Acknowledgements of 'preconditions', 'context' and the role of the FPC initiator, appear to add a series of qualifications to formal presentations of FPC initiation as a series of relatively abstract linear steps, in which 'shareholders' build 'a common understanding' and 'business

plans'. It is pertinent to view the latter (including the use of diagrams) as efforts to 'translate' (Latour, 1996) a range of experiences into coherent models, reproducing 'taken-for-granted' ways of doing things (Cleaver, p. 47). Emphases on the importance of "social bonding" and "local staff", pre-existing groups and wider projects, indicate the importance attached to 'contextual strategies' by NGO workers, though one may discern the influence of a ghostly 'new institutionalist' and management-oriented framework informing the conceptualisation of such emphases, more implicit than explicit. What it also points to however, are processes of 'contextualising' (Latour, 1996) formal narratives of FPC promotion, while such acknowledgements also indicate the manner in which efforts to build a "common understanding" and a "concrete business plan" are shaped by "social relationships and circumstances" (Cleaver, p. 48), as well as organisational exigencies, such as relations between promoters, FPCs, and the individual 'actors' involved (Mosse, 2005).

#### Building co-operation as a slow, uncertain process

*'हम घर-घर गए/ धीरे- धीरे'* 'We went from home to home. Slowly, slowly.' (FPC director, Ratlam)

To consider the process of forming an FPC in more detail, I will return to the above-mentioned interview with Akhil, who emphasised the process as starting with local groups or programs:

*"Without any program, we can't directly implement any FPO...we organize meeting with self-help group as well as village members and discuss...Why FPO is required for the farmer? That is very important. We told them...these are the parameters required for the FPO. First...seed production. Farmer need good quality seeds. Farmer need good agriculture practices...fertilisers, bio-fertilisers and different...things. Farmer need money for small activities. They are also interested in selling their product like wheat, gram...through FPO so that cost can be reduced."*

While this representation of FPC institution building may accord with a more formal narrative within sources such as the policy guides and practice handbooks noted above, Akhil said that there is a "problem faced in collecting share money...even after...two years,

*we don't get required amount from the shareholder...They are unable to pay five hundred or one thousand...[Rupees]...it gets very difficult. But, they are coming up slowly."* When set alongside other 'challenges' such as Sudhir's above reflection regarding 'defunct' SHGs in FPC formation, it appeared that, in contrast to diagrammatic, linear representations of institution building found in NGO practice handbooks, or the more abstract (and acontextual) representations found in the policy manuals of the SFAC or India's National Bank for Agriculture and Rural Development (NABARD) (NABARD, 2015; SFAC, 2019), NGO workers and farmers pointed to the ebb and flow of FPC formation. During a conversation with a male FPC director farmer in Ratlam district, he said that when the FPC was being formed, they faced *"a lot of problems...We went village to village and did the meetings."* This was qualified by Hitesh, a further CSD field officer, present during our conversation, who added that they *"faced problems at initial stage in terms of awareness in the village"*. The farmer said that they told villagers about the need to collect share money, and went from *"home to home"*.

In the above interview, the farmer mentioned that there was interest among people for the FPC, largely due to experiences of traders in the local markets, that *"the vendors did not...give any bill for...cotton or corn that was brought to market...with the help of company we provide a bill and give good product at good rate. We provide seeds at the appropriate time"*. However, this focus on the difficult work of gaining initial interest among farmers, was accompanied by mention of the difficulty in sustaining interest and participation: *"We need to visit multiple villages. Farmers residing there can't sell production to market. It is necessary to make farmers aware per year per season...Unless the farmer sells his production outside market...But this year company is procuring the yield."* During this conversation and interview, the farmer also emphasised that lack of money was the key problem facing the FPC, that they *"take decisions but in case we don't have money then how will we buy the material."* The notion that FPC building is difficult and goes at a slow pace was something repeated in other interviews and conversations. During a conversation with Sudhir and Jitendra, they mentioned that *"farmer convincing"* has to be done, that they have to go *"house-to-house"*, hold village meetings, and *"slowly, slowly"* it happens. The phrases 'ham ghar-ghar gae' (हम घर-घर गए) and simply, 'dhire, dhire' (धीरे – धीरे), 'we went

from home to home', and 'slowly, slowly', were often mentioned in conversation with farmers and NGO workers alike.

During a meeting of a CSD-supported SHG of women farmers (and FPC members) near the town of Petlawad in north Jhabua district, south of Ratlam, I asked the women about their experiences in the early days of their FPC being set up. One farmer FPC member said that initially *"it was tough but now it is ok. In the beginning they selected twelve ladies, they went to everyone's home...They told them what to use, how to use, they had to tell everything to them. That is how it worked taking everyone together."* This person continued to emphasise the difficulty and problems they faced:

*"We faced so many problems. We had to wake up early, were scolded by many, then had to starve and...roam without water...We had to go to so many people's houses and...convince all different kinds of people...Firstly we had to go to them slowly, then...gather them...make them sit and understand everything...Then we had to make a group of twelve-fifteen ladies."*

*"...now we have eight hundred. Slowly we started increasing the members...Seeing our profit other also started coming and saying that whatever way you are getting profit please help us also getting that. So slowly all members also got associated."*

In another discussion with a group of farmer members of an FPC established in Ratlam district in 2017 (three years prior to my meeting them in 2020), one male farmer mentioned that *"a few"* people from the village were FPC members. He relayed that *"till now all the farmers should have got associated...[BUT]...still not all are associated."* It appeared that approximately two thirds of the village households were members of the FPC, according to Jitendra, and the man continued to reflect that it was *"difficult to convince"* people to join. Key to this process was people who came to the village and *"had a meeting and formed a group and did sourcing in the village."* Jitendra mentioned that the farmer was referring to a JLG group established by CSD, used to engage farmers in the formation of an FPC. The difficulty in starting FPCs was also emphasised to me during an afternoon in which I was sat in the office of a further CSD-promoted FPC in Ratlam district, speaking with Abhay, a CSD field officer based there. Incidentally, the CSD field office was next-door to the FPC office,

illustrating the close relationship between the two organisations. When I arrived at this location, I was in fact confused as to which office was which, and CSD staff moved between the two throughout the day.

During the course of the conversation, two people entered, one of whom mentioned that he was a director of the FPC whose office was next door to the one we were sat in. He emphasised that *“motivation”* of farmers was very difficult, that *“it can’t happen”* initially, only later, that farmers *“don’t know at first about FPC...they have to see benefits before being convinced”*. This notion of seeing benefits was emphasised in several other conversations and interviews with farmer FPC members, such as the above-mentioned SHG meeting. While experiences such as these emphasised the relentless and non-linear nature of building co-operation in terms of starting an FPC, it also left me pondering how closely interrelated the NGO and CSD were, and the nature of this (power) relationship. It was the director who was visiting the FPC office, in which sat Abhay, who dealt with the FPC’s accounts, documents and so forth. Some farmer directors I met had significant and pained experiences of work to initiate FPCs; often they had taken (or been given by the CEO and CSD, as I discuss later) the responsibility of encouraging people to become members, but also to increase participation (and the amount of share money collected), on a continual basis. Encouraging farmers to become members, and once members, to contribute share money, let alone to engage in wider forms of ‘participation’ formed a key part of this ‘relentless’ task of ‘initiation’.

As well as CSD, I also spent some time with Malwa Kapade (hereafter ‘MK’), a textile firm in west MP, who had themselves decided to form an FPC through their existing relations with farmers from whom they bought cotton. In my interview with Professor Singh, he mentioned that because the government says the *“target has to be met”*, and agencies such as NABARD *“need people to do this promotion...[of FPCs]...So they say anybody who can promote please come in...So a lot of professional consultancies...have come in.”* His view was that these consultancies *“have no long-term, because they are not NGOs. They have no local presence, they spend three years, if it starts working fine then they move out. A lot of PCs are falling by the wayside because after that they don’t know what to do.”* During my final conversation and interview with Sourav, he relayed to me that, as FPOs are *“becoming the*



*aggregation point*”, they are attracting a lot of attention, and in particular, “*a new generation, the agribusiness companies...can...create havoc.*” He mentioned a “new lending model”, in which a lending company lends money to a ‘middleman company’, which forms an agreement with an FPO to “*identify some hundred farmers, who will take agriculture inputs worth fifty lakh rupees*”. While the “*middleman company*” receives a commission from an input supply company, the FPO is compelled to charge three per cent extra “*on that inputs cost to the farmers*”. The FPC directors also become personal guarantors of the “*fifty lakhs Rupees of loan*” provided. Sourav reflected that the loan default rate will be high, that “*this is a kind of loot, exploitation.*”

Much of these discussions emphasised the importance of the power relations between promoters and FPCs. Sourav contrasted this ‘new lending model’ with CSD’s role in preventing “that kind of agreement”. My research with MK, a ‘sustainability’ focused firm, included time spent shadowing their efforts to establish an FPC, the first the company had attempted. My first point of contact with MK was Prakash, a senior individual who’s work involved their supply chains with farmers, as well as broader ‘sustainability’ issues. It was he, as well as Santosh, another staff member from his team, who I was largely speaking with, when I met them in MK’s local office in Petlawad. They had invited me to join them as the first meeting of the FPC was being held in the office, for which the five directors were due to attend. When I arrived at this office, farmers were also arriving, waiting to receive payment for their cotton, which they had agreed to sell to MK. In terms of the company’s focus on FPCs, the senior individual from this company emphasised that it was important to have rapport with farmers prior to starting the FPC, that MK had been “*working for the past 18 years in this area with...farmers*”. He mentioned that they started ‘FIGs’ (farmer interest groups), “*four months back. Thirty-seven groups made*”, referring to the local farmer groups, which in some FPCs are converted SHGs or similar groups.

As indicated above, this individual also emphasised that most FPCs are induced, he said that FPCs can receive a grant from the government, but they need equity, “*balance sheet has to be good*”, in order to access it. Crucially, he argued that NGOs start FPCs but they have “*no business plans and not enough working capital, they get grants but this is not enough or self-sustainable.*” However, he reflected that working with individual farmers was also

*“unsustainable”*, due to fluctuations in the price of cotton, and that farmers *“sell to others...[than MK]...”*, both of which he appeared to link. He argued, therefore, that it *“makes business sense to build communities”*, and that what they were doing was *“unique...we have a direct link with farmers.”* Within this model, while cotton was a key focus, the aim was for the company-promoted FPC to cover multiple commodities, and that the costs of supporting and promoting the FPC would be covered through what Prakash termed the *“value created.”* Alongside this, a foundation was providing funding for an initial phase of institution building, though the company worker argued, *“when that stops, our model will be self-sustainable.”*

This narrative of NGOs ‘not having business plans’ or a business focus, in contrast to the intended market and commercial focus of FPCs in policy and legislation, is a narrative I encountered from others in the world of FPCs. During my interview with Sukhpal Singh, he relayed a story of a capacity building programme he was involved in with four FPCs, initiated by an international NGO. He mentioned that the NGO told him and his team that the FPCs were *“organised but they don’t have a business plan”*. After spending 10-15 days with the FPCs, Professor Singh’s team carried out a series of training days in Ahmedabad with the CEOs, directors and ‘marketing executives’, focusing on *“the business plan, what is marketable...how to price...distribute...promote...we gave them a business plan...for...five years.”* From Sukhpal Singh’s perspective, what was needed was *“professional NGOs...which know business first...And then know how to leverage for development...NGOs are very good at mobilising people...But how to run the PC, that they don’t know.”* While a focus on ‘business plans’ by FPC promoters reflects the rationale provided for FPCs as commercially-minded co-operatives (see the literature review), in the practice of FPC formation, such a focus appeared to be deployed to legitimise action, and to delineate the ‘success’ of a particular approach. Simultaneously, in contrast with functionalist approaches to design (Shah, 1996), practice reflections indicated the relentless difficulty and uncertainty in building FPCs (Cleaver, 2012), the role of organisational and social relations, in efforts to turn ‘formal’ representations into reality.

## Promotors and FPCs: Narratives of business, self-sufficiency, panaceas and dependency

During my time spent with MK, Prakash was candid about the rationale for their work to promote an FPC, in mentioning that they have an *“agreement with farmers, security, we have assured supply, so it makes sense to organise farmers...[MK]...will get a return on money.”* During initial conversations about MK’s work, the ‘vision’ of the textile firm and its passion for ‘sustainability’, evidenced in its commitment to increasing the amount of organic cotton it procured, was emphasised to me as the rationale for organising farmers. However, an admission of economic interest was also emphasised as a positive, tying MK with the FPC on purely economic terms, within an overall narrative emphasising the superiority of a company vis-à-vis an NGO as a promoter of FPCs. During the first board meeting of the FPC in MK’s office in Petlawad, some key dynamics stood out. Firstly, Prakash took the lead in the meeting, reading out the procedures of initiating an FPC, including legal registration, documents to be signed, and so forth. Crucially, Prakash relayed information to the farmer directors about the FPC, not vice-versa. He told them about the ‘CIN’, the Company Identification Number: *“There is a number...on the certificate. This information was given to you. Last time I told you, we read out a memorandum in Hindi that what all work will be done by us.”* Prakash also emphasised the business nature of the FPC and their liability as directors:

*“From where will the company get...money? We will do business and...get money. We will take support from outside. We can take a loan from the bank...whatever one thousand rupees you have invested in the company, we will cut from it and pay the premium. So overall you can have a loss of just one thousand rupees. Even if there is a loss of crores...you do not have to do anything with your land, from your pocket...But this will not happen. We will convert one thousand to ten thousand one day.”*

Following on, Prakash emphasised the need to increase shareholders, as the FPC had just eleven members at formation:

*“We talked about...we have to make many shareholders. In the beginning everyone has to invest their one thousand rupees. Till now only eleven people had given their names from*

*whom I have received one thousand rupees...please deduct those thousand rupees and consider it as our investment."*

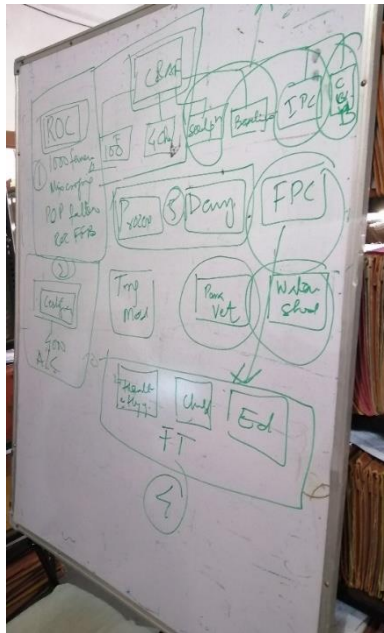
The combination of risk and insulation from risk I found particularly interesting, in that the 'formal' representation of the FPC as focused on 'business', was underpinned by an insulation from the market by the role of MK, while this 'business' focus was also made feasible by the significant level of work MK carried out. As I discuss, this relationship was also characterised by power and dependency. Prakash was essentially confirming processes of registration and decisions made, such as creating an income tax account, a registered office of the FPC, and a seal for the FPC. These 'initial expenses', Prakash noted, *"took place for the formation of the company...[FPC]..., the expenses of fifty-seventy thousand rupees, that is borne by...[MK]..."* Further, each director is legally obliged to have a digital signature, *"somebody came...he made a digital signature with your thumb and Aadhar card...[citizen identity card]...the expenses of building up your digital signature is also borne by...[MK]..."* Prakash relayed that a further decision was that MK will *"take...[the FPC]...forward holding its hand for future...four years."* A further issue discussed in the meeting involved obtaining a loan of 40 lakh rupees, while MK has *"decided to give us and you pay rest 20 lakh to us. They are not taking this forward."* The reason given by Prakash was that a 'Trust' that MK had partnered with to promote the FPC *"has not built up any company...before so they...[a bank]...are concerned...we have to tell the...[MK]...has experience...[and]...had contract that will buy cotton and pay the payment..."* Prakash encouraged the directors to travel to Bhopal to help obtain this loan, with transport and accommodation paid for by MK.

The remainder of the meeting concerned delineating the 'vision' and 'plan' for the FPC, in which Prakash encouraged the farmers to participate: *"We all should speak why should I speak alone? You say that we have started the company now what should we do?...What should this company do for farmers?"* The farmer directors suggested the FPC should work *"for the betterment of farmers"* and *"help financially"*, but aside from some short comments, much of the meeting involved Prakash speaking. The comments by the farmer directors were also heavily facilitated and prompted. For example, after a suggestion of financial help, Prakash elaborated on what financial support could mean, and questioned *"...is money only enough to do all the tasks for the farmer community?"* The issue of organic production, mentioned by

a farmer and Prakash, was also presented by the latter as a form of financial and environmental 'improvement': *"If will have more production we can save more money or if we will spend less then we can save more money. Organic improvement also comes under financial facts...Environment...it will make the land good."* This was then expanded upon by Prakash to illustrate the FPCs intended focus on finances and the climate.

I detail these specifics of conversation in order to draw out the dynamics between the farmer directors and Prakash as a senior 'professional', who was also acting as the CEO of the FPC. The focus of the FPC was expanded in the board meeting to include health and education, animals and society, alongside financial and environmental issues. Under 'society', the chair mentioned, *"We must do something for farmer society...we have to look after them...[they]...need health, education...he...[farmer]...should have enough money to get...treatment...do you all agree that we have to work for the society?...this is our dream."* The issue of water scarcity was also mentioned by the chair, in terms of *"how to use that in a better way so that with less water and less expenses we can have better crops."* All of these issues were being written up by the chair on a whiteboard (see **Figure 4.5** below), to represent the institutional development of the FPC; both the relationship of the FPC with other organisations, as well as issues of vision and strategy. Alongside this, Prakash introduced an argument against the practice of child marriage as another focus for the FPC, ensuring women have equal status to men, while also proceeding to tell a story of a visit to a village, in which he encountered generational problems stemming from debt. In contrast to the presentation of the 'superior' business focus of MK vis-à-vis NGOs as a promoter of FPCs (and in contrast to its intentions), it appeared that MK was taking on aspects of the role of a development agency.

**Figure 4.5 Photograph of a whiteboard diagram, FPC BoD meeting (north Jhabua)**



One of the five farmer directors responded to Prakash's speech at one point to say "Sir if we talk about society then there are many", while in response to a question from Prakash about whether 'improvement' has taken place, another farmer director said, "I feel but there is no improvement taking place". Dowry as a practice was also discussed, with one farmer director detailing the significant amount of money that his family had spent on organising a wedding, for which he had taken a loan, as well as, controversially, a stand against paying future dowry payments. Prakash summarised his approach to the FPC, in stating: *"I am planning for such a farmer community who is independently on his own feet in terms of financial or health or education or land. Self-sufficient...And all these farmers are dependent on organic farming."* This broad remit of focus for an FPC to address a raft of 'development' issues appears to stand in contrast to an understanding of farmer producer companies – and the co-operation that appears through them, as primarily business-focused and commercial in nature. During an interview I carried out with rural development academic Professor C. Shambu Prasad, he reflected on the way in which FPCs have moved to the limelight of rural development policy and practice: "...[FPCs]...are now seen as the alternative for all the problems that farmers face...everything is put on the burden of the...[FPC, they]...are going to solve agrarian distress." This 'panacea' type approach to FPCs is reflected in emerging literature upon them, as I discussed in the *Literature Review* (Puzniak and Cegys, 2011; Mourya and Mehta, 2021).

While, on the one hand, the first meeting of the FPC promoted by MK provided space for Prakash to expand his own social development 'vision', it also proceeded to focus largely on the key areas of 'business' that the FPC should address. In order to achieve this, Prakash suggested organising a *"programme for awareness...to educate them and...tell farmers again and again to do this on time."* Central to the vision and governance of the FPC was to be 'pure thinking'. One farmer director suggested that *"thinking should also be good"*. His suggestion was that organic farming should be linked with religion: *"in organic farming and religious rituals...if religion will get connected to organic farming..."* Prakash expanded on this to forward a view that FPC leaders and members should be *"pure by heart. Because if he thinks right then he will do right. He should have pure thinking...So we are differentiating with any caste or religion? Whosoever comes if he is good at work then everything is good."* This social development vision appears linked to a focus on the importance of leadership qualities and 'thinking', in promoting co-operation, reminiscent of dominant trends within management-oriented approaches to co-operatives and FPCs in literature, as discussed previously.

The 'business' of this FPC in this first board meeting was also discussed, heavily facilitated and directed by Prakash. Through an 'awareness' programme, the FPC would ensure farmers had timely access to the 'inputs' needed for crop production, such as (organic) fertilisers and pesticides. Prakash emphasised that *"the profit of the farmer it should be profitable to the company...[FPC]...also."* Prakash continued at length to suggest areas of business, specifically the buying (from member farmers) and sale of different types of crops, but ones *"which give a little bit more benefit...company should give training to grow that crop. Should provide its seed and then buy it and also provide market to it."* Among suggestions were turmeric, marigold flowers, onions, beetroot as well as cotton. Prakash stated that his role was being *"to find customers in the city...I will tell you the source of funding for the company and about all ongoing projects."* This focus of the CEO (and promoting organisation) on finding customers, or establishing market and supply chain links and contracts, was something I found to be common in other FPCs. During an interview with Abhijit, a development professional and CEO of a federation of FPCs in Gujarat, he emphasised to me the challenges and constraints for small and marginal farmers in fulfilling the role of a director in an FPC:

*“With...[small]...farmers...very few are able to deal...with the growth of the FPO...In terms of intervening in the market, identifying new markets, developing new products. Most of these farmer board members will not be able to provide much...input into these aspects.”*

*“That is where the design failure occurs. Most of the NGOs want to set up FPOs which are made of small and marginal farmers, which have very small landholding or forest produce...in Gujarat there is a tribal belt, in the eastern part...poverty level is higher...They cannot take any leadership in an organisation, because they don’t have any time...their concern mostly with their own problems.”*

During my interview with Professor Prasad, he reflected on the national level policy and practice implications of government targets to promote FPOs of small and marginal farmers. Professor Prasad noted that the government is *“not able to make a distinction between a 500 crore<sup>6</sup> company and something that’s struggling to make even a crore. To reach a crore of turnover for any of these farmer producer organisations sometimes can take up to...five years...or more...If it’s in a tribal part of Madhya Pradesh it becomes more difficult.”* To return to the initial board meeting of the MK-promoted FPC in west MP, Prakash stated that their target for the first year will be to do *“business of five crore rupees...[we]...will save at least 5 percent of five crore for the company, means twenty five lakh<sup>7</sup> Rupees.”* This figure of five crore rupees, Prakash noted, was *“very less because in the first year, most of the amount will be given to farmer society so that he should feel good and he keeps associated with us.”* This level of business depended upon farmers joining the company, as well as buying its ‘inputs’, as Prakash stated: *“...we will provide services by associating others and...this whole profit can be routed to the company.”* Prakash set a target of associating one thousand farmers in a year. Increasing the number of shareholders, and especially of ‘active’ shareholders (those paying member fees, doing business with the FPC and participating in it), was a pressure and challenge regularly communicated to me during my fieldwork by FPC directors, members and NGO staff, as I discuss later.

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<sup>6</sup> One crore equals ten million, written as 1,00,00,000

<sup>7</sup> One lakh equals one hundred thousand, written as 1,00,000.



During the FPC meeting the issue of a premium for organic cotton production and sale was also mentioned. Prakash noted to me that the issue is the *“need to establish right supply chain medium. That...[MK]...has to take responsibility...So all mediators will be removed to get the better price.”* He continued to note that through the federal premium for organic cotton, *“five per cent...will go directly to the farmer...There is no other premium, the only thing is that they are able access directly to the market. So they can earn two times of the earning of the market...whatever will be sold at market rate that will be more than 20 per cent of the market rate from our customers.”* Organic produce attracted a higher price by default, and MK aimed to sell produce from the FPC members directly to other companies, in an effort to cut out (the cost of) ‘intermediaries’. Prakash mentioned that getting a premium from the market was *“easy to shell out to farmers”* and the *“conventional way of organising”*, while the amount that reaches farmers he deemed very low. Their approach, presented in the language of transaction costs (Williamson, 1979), was to *“train farmers to make the average costs of cultivation reduced.”* MK sought to ‘integrate’ their supply chain, buying produce from farmers directly and, in the case of cotton, producing fibre or garments themselves in contracts with multinational textile brands.

I discuss such emerging forms of supply chain arrangements and changing forms of FPC structures (and associated forms of co-operation) in more detail in *Chapter 7*. At this stage it is pertinent to note that Prakash emphasised to me that, *“in the end, the premium makes a small difference to farmers”*, in which he was speaking specifically of the premiums offered by textile brands, intended to cover the cost for farmers in switching to producing organic cotton. He continued to note that, because the amount that reaches the farmer is relatively low, *“we are looking at other commodities also organic...where some value can be added and returned to the farmer.”* This focus on commodities which *“give a little more benefit”*, i.e. so-called ‘high value’ crops or commodities, sits in-line with reflections in emerging literature on FPCs, as discussed in the *Literature Review*. Such reflections focus on the ‘opportunities’ for smallholders and FPCs in ‘integrating’ more firmly with markets, especially through producing high-value commodities (Birthal et al., 2007, p. 425). As I discuss in *Chapter 7*, where platforms were accessible, small farmers themselves actively called for premium levels to be raised.

FPC literature emphasises their role in “reduc[ing] transaction costs to both firms and farmers”, because existing supply chains are “long and are dominated by...intermediaries...indicating high marketing costs and margins” (Ibid, p. 431-37). As noted in the *Literature Review*, this new institutionalist and economic understanding of FPCs and of co-operation, is linked quite firmly with management-oriented approaches, which emphasise the importance of ‘professionalism’, leadership and ‘optimal’ organisational design or functioning. Aditya (2015) notes that such challenges are “...only natural and only a professional management will be able to ensure that adequate commercial benefits accrued to all stakeholders” (Aditya, 2015, p. 12). With regard to the FPC meeting chaired by Prakash, it was interesting to note his emphasis on the overriding and ever-present role of MK in ‘managing’ the environment in which the FPC was to operate. While he was the CEO at that time, he mentioned that “*after three years, the company will decide if they want to keep me or expel me. So we should get self-sustained in three years.*” When I asked the farmer directors some questions during the FPC meeting, such as why they wanted to start the FPC, there was hesitancy, before one director mentioned to receive benefits, in the form of extra income. I realised afterwards that the question may have appeared somewhat confusing, as Prakash later informed me that the FPC was ‘induced’, i.e. started by MK. The director farmers, he mentioned, “*were selected...[by MK]...due to community interest and skills.*”

My experience of the FPC meeting and my conversations with Prakash, Santosh, FPC director farmers and others appeared to present a situation in which a narrative of FPCs as self-sufficient, business-focused organisations was deployed alongside acknowledgement of the overriding and underpinning role and presence of the textile firm and promoting organisation, MK. Such accounts provide detail to abstract notions of co-operative designers (Shah, 1996) and may indicate the importance of “institutional details” (Ostrom, 1990, p. 22). However, the above accounts illustrated how elements of prevailing approaches to FPCs within literature and policy were reproduced in legitimising practice, such as an emphasis on leadership and management, as well as a primacy placed on the role of FPCs as business organisations, reducing ‘transaction costs’. However, accounts also pointed to the contestation of this ‘formal’ narrative, of inequitable power relations between promoting organisations, CEOs and FPC directors, as well as a level of cultural and economic capital

needed to perform roles of 'leadership' (1986). Such 'informal' reflections indicate processes of 'contextualisation' (Latour, 133-7), as well as the manner in which co-operative promotion is an "authoritative process, shaped by relations of power" (Cleaver, p. 49). An emphasis on the 'panacea' role of FPCs points to a new institutionalist emphasis on the role of "optimal institutional solutions" (Ostrom, 1990, p. 14), in which market access through professional business-co-operatives leads to wider societal 'goals'.

### CEOs, farmer directors and narratives of co-operation

Within the formation of FPCs, appointing a staff member of the promoting agency as the CEO of the FPC (as in the above examples) appeared to be relatively commonplace. The 'Minutes' from the first meetings of the Board of Directors of a CSD-promoted FPC formed in 2012, in Ratlam district, also illustrates this. These minutes record that "In order to run the company smoothly, a proposal was passed by every single member, to select...[CSD field office manager]...for the post of...'C.E.O.'...". Reflecting another common situation, the minutes for the first board meeting of another CSD-promoted FPC in Ratlam record a decision to make an agreement with CSD for the NGO to pay for "the salaries of the C.E.O., HR support and other...expenses". The minutes also note that a discussion occurred on the "work of the B.O.D., their position in the company and about their roles in the business". In this discussion, the CEO "told us all that we will be starting our business in the future...All the members were asked to provide their village's requirements...[for agricultural input purchases from the FPC]...so that future planning could be done." Many of the 'decisions' presented in the official minutes of these and similar meetings are recorded as having been unanimously agreed to, with little record of differences of opinion.

As indicated above, many of the farmer members of the FPCs I encountered in west MP had low levels of literacy. During the Annual General Meeting (AGM) of a CSD promoted FPC in Alirajpur district, I recorded the following exchange between two CSD workers and the assembled FPC members:

CSD worker 1: *Do you write your name or use thumb impression? Thumb impression? You study in 10<sup>th</sup> standard and still using thumb impression?*

CSD worker 1: *So how many of you know how to write name? Raise your hands.*

CSD worker 2: *Sir, they are able to write their own names, but can't write other person's name.*

CSD worker 1: *Everyone should know how to write the name. Otherwise, they will get your thumb impression over forged documents. Then what will happen? Your whole land will be gone.*

CSD worker 1: *Should I give you a paper and will you read it? You won't be able to read.*

FPC member: *I have read.*

CSD worker 1: *No, you won't be able to do. Does anyone know how to read?*

During this AGM, as well as others I witnessed, the FPC members, largely women, signed documents written in Hindi and English using a thumbprint, because the vast majority of members had a low level of literacy in Hindi, while English literacy was very rare. Many of the FPC members in the above-mentioned FPCs were from Adivasi 'Bhil' communities in western MP, many of whom spoke 'Bhili', an Adivasi language related to Gujarati and Rajasthani. While many FPC members could also understand and speak in Hindi, this depended on the individual (and the area they lived in), and, as indicated in the *Methodology*, gender played a role as well. During a discussion in a village in Ratlam district, with male farmer members of a CSD-promoted FPC, I asked how they felt about the FPC they were a member of, with one farmer responding "*How do we know anything about company? We people are illiterates*", but noted the "*behaviour...[of the FPC]...is good*". When set beside comments by NGO professionals that FPCs are 'induced', initiated by a promoting agency, issues of literacy and document creation become part and parcel of the power relations in the process of co-operative institution building. The process of creating the written record of FPC meetings – one of the 'acts' of co-operation, in my experience, was undertaken by a CSD field officer, in Hindi or in English. Many legal company documents needed to be in both languages.

Alongside the issue of literacy in the understanding and creation of written documents, the above-mentioned FPC meeting minutes indicate a situation in which the CEO takes a leading role, vis-à-vis farmer directors. The CEO explains to the directors about their roles and

responsibilities, the FPCs future areas of work. The directors are asked to present their villages' 'requirements' for agricultural input purchases. In essence, a large part of the role of directors is to ensure that people from the villages they live in buy from or sell to the FPC. The CEO is also in receipt of a salary from the NGO, while the directors can receive reimbursement for expenses, but do not receive a salary. While I discuss political and governance issues in the next chapter, it is also important to note that meeting minutes such as these indicate frustration on the behalf of CEOs with a perceived lack of participation on the part of some elected directors. In one CSD-promoted FPC's board meeting in Ratlam in 2013, the minutes record the CEO asking why *"Many BoD members have not attended a single meeting, and they don't know anything about the company...if they don't want to be in the company, they can submit their resignations"*.

The power dynamics in these relations between CEOs, promoting organisations, farmer directors and members, appear to stand in contrast with 'formal' narratives of FPCs as farmer-led, 'professional' co-operative business organisations, able to become self-sufficient in a handful of years. Such 'official' narratives, as discussed, are forwarded within policy circles and by many promoters, despite often informal acknowledgements by promoting staff that there are many challenges to achieving such 'self-sufficiency'. To paraphrase the CSD worker at the start of this chapter, a 'formal' narrative of self-sufficient market-focused co-operation appears both as an idea in a policy and ideological sense, but also as a dream. This 'vision' or 'dream' narrative of the FPC expands beyond the 'business' focus that farmer producer companies are noted as having, to become a panacea for the problems facing small and marginal farmers. As noted, what appeared of equal interest was the manner in which 'formal' narratives were adhered to and reproduced, while being simultaneously disavowed. The CEO's 'frustration' with a lack of participation, or 'professionalism' on behalf of the Adivasi farmer directors appealed to formal narratives of FPCs as business-focused institutions typified by rules and procedures (North, 1991; Ostrom, 1990). However, it also illustrated the organisational power relations (between the promotor, CEO and farmer directors and members). Such power relations were further confirmed by informal reflections on the low levels of literacy among farmer members, a form of 'cultural capital' (Bourdieu, 1986), crucial to undertaking FPC 'leadership' work. The 'translation' of co-

operative action into written documentation was an “authoritative” if well-intentioned, process (Clever, p. 49).

### Building a ‘business case’: FPCs as efficient (collective) businesses and farmers as entrepreneurs

To return to the issue of FPCs as primarily about ‘business’, Prakash emphasised the relatively ‘superior’ nature of a private company as an FPC promoting organisation, vis-à-vis an NGO, due to a perception that the former has a greater focus on business planning and commerce. In this sense, he was appealing to (and emphasising) the narrative of FPCs as business-focused organisations, albeit co-operative ones. As noted, a key aspect of the rationale for FPCs in both policy and practice, is their alleged greater commercial and ‘professional’ focus (SFAC, 2019). This was often emphasised to me by NGO professionals as well as by others. During an interview with Kishore, an executive from Gujarat Kapade (GK), a large textile firm based in Gujarat (which had procured cotton from FPCs in MP), he emphasised this ‘formal’ narrative:

*“...producer organisation is a...different model...but the motive and the aim of...cooperative and producer organisation, is the same...Whatever benefit they earn, they will distribute among their stakeholders...[FPC]...I prefer, more autonomy. They can hire...they will also have that type of professional to grow their organisation.”*

*“...producer companies are working with these types of corporates and if corporate is going to have this type of producer company then it is definitely going to help small farmers. It is...a business case for the community...a win-win situation for the farmers...for the corporates...we can increase the livelihoods for these type of communities...”*

This ‘formal’ narrative of the need for a ‘business case’ for greater participation (and integration) of small and marginal farmers in markets and supply chains, through FPCs as more ‘business-focused’, commercially-minded, autonomous and ‘professional’ co-operative institutions, was something that, as indicated above, I encountered frequently. As Professor Prasad reflected during my interview with him, the GoI places FPOs as central to

its pledge to 'double farmers' incomes', situated within a wider policy shift towards conceiving farming *"as an enterprise...that till now we've looked at farming as an issue which is the farmers need to be supported through...incentives and subsidies. It is better for us to shift from that paradigm to one which will treat farming as an enterprise."* In this logic, Prasad suggested, FPOs *"make some sort of...sense. It doesn't answer...questions about...power relations in value chains. It is...politically naïve and neutral about...those questions. But...that's the dominant kind of narrative."* Understanding the role of FPCs as situated within such a paradigm shift in policy narrative provides some further detail to the manner in which 'formal' narratives tend to disembed them from social, institutional and political relations (Mosse, 2005), thus rendering them technical (Li, 2007)

This wider context partly explains the ever-present focus on the need for a 'business case' for FPCs, primarily viewed as market-focused collective organisations. This narrative was emphasised by NGO field officers as well as those in senior or management positions at FPC promoting organisations. During one of many conversations with Sudhir in a CSD office in Ratlam district, we were discussing the nature of FPCs. Sudhir asked me what the purpose of an FPC was. My response, in the form perhaps of an NGO volunteer seeking to learn about FPCs, was along the lines of 'supporting livelihoods of farmers'. Sudhir responded to say however, that the *"the main thing is business."* To emphasise his point, Sudhir drew a diagram on a piece of paper representing the aspects of an FPC as a reference point. Continuing, he asked, *"Why join an FPC if you are not doing the same business as people in it? If the company is for one activity. Business scope is very important, and having a business plan. If not, then farmers will see no benefit, who is responsible if it doesn't work? The promoter, as farmers will receive a loss."* Sudhir mentioned that *"First importance is business, then co-operation. Co-operation and mobilisation needs to happen for the company to do well."* During a conversation with Sudhir and other field officers in a different CSD office in Ratlam, they also emphasised the importance of farmer groups or organisational relationships existing prior to starting an FPC, in the context of the building trust: *"...[CSD]...has to build trust with the community, so it is important to have an organisation there before the company. Farmers have low literacy and skills so they need help, as well as finance."* To illustrate this, the FPC diagram was referred to.

This focus on the importance of business and business planning for FPCs, along with a secondary emphasis on 'mobilisation' was emphasised to me by Abhijit with regard to his work with FPCs in Gujarat:

*"If there's an efficient business...then there is more interaction of farmers with their company. Automatically you can ensure a level of ownership. But if you do not have a concrete business activity, the farmers' interaction with the company will be to a minimum. Or negligible. Hence, there can be no ownership in the company.*

*Otherwise, you have funding, and you hold regular meetings, trainings of farmers, regularly interact with them, in that way farmers know that they are part of this company. But the better way is the business thing. It's more sustainable."*

In-line with some of the arguments of Shah (1995, 1996), on the importance of 'design' and linking this to the 'domains' of co-operatives, Abhijit continued to emphasise the need to design the FPC to focus on solving a 'problem' in the market, encountered by farmers: *"A farmer could invest between five thousand to...two lakh rupees. If they see that the problem is getting solved, if they have confidence and trust in you...Even with this...any businessman, he does one business and he grows in that, but what the FPOs are trying to do...Mainly depends on who is coordinating them, who is taking decisions."* Such 'problems' Abhijit defined in terms of production or market access 'barriers'. As noted previously, the importance of 'management' and 'leadership' is often linked to an understanding of co-operation in new institutionalist terms. Abhijit had significant experience in supporting FPCs, and his reflections were borne out of this. He illustrated his point by reference to an example in which he described addressing the problem of lack of irrigation, which was needed by farmers to produce pomegranate, in Gujarat. Abhijit noted how the FPC he was working with first sought out the specifics of the production and market activity and proposed a 'solution'.

In particular, Abhijit mentioned that during harvest of the pomegranate crop, "there were four grades...[some]...sold at a very low rate...We set up a processing unit...they said if we trust you, and if this problem is solved, if we get better prices, we will invest." During the



course of my fieldwork I interviewed Professor Shah, who emphasised to me what he deemed the adaptability of design made possible by the FPC model, though for him, this had only been illustrated by FPCs in the dairy sector (see Shah, 2016). He argued that the FPC model, or what he termed 'new generation co-operative', "offers certain more flexibility in designing your byelaws. I think they have tried to retain the co-operative ethic...[they are]...better for competition with multinationals and so forth." For Shah, this flexibility in design means that FPCs are "able to ensure that their members act and behave in a manner which adds to the muscle power of the organisation to deal with competition...The managers are able to secure compliance of the members to norms and rules, which they need in order to compete in the marketplace." Professor Shah contrasted this with the traditional co-operative model, in which the "entire burden of fighting competition...is left to the professional managers."

To illustrate his argument, Shah noted that in the dairy FPCs that have emerged, "members are divided into three clusters...They have data on the business...every member did with the co-operative. Based on that, the members' position every year gets revised. Incentives to move...[between clusters]...". In this manner, Shah noted that one of his key design principles is achieved: "patronage cohesiveness is ensured by making sure that the members who have a strong stake in the co-operative business...get elected to the board. The norms are such...investment in member education...about their role..." Professor Shah also reflected on the need to 'achieve scale' to become self-sufficient as an FPC:

*"The problem with most of the FPCs is that all of them are very small. Unless you grow...they have a business of 15 to 20 crores, if you want to get a reasonable life as a manager to run your business, but if you keep doing 10, 15, 30 lakhs, then it's the NGO that's promoting you, who is going to provide your core management services? You can never be independent."*

In the *Literature Review*, I discussed Shah's work in the context of wider management literature on co-operation, as well as his inclusion of new institutionalist conceptions of co-operative institutions. His emphasis on the role of a relatively more flexible design (and the managers of dairy FPCs) in creating 'incentives' for members and ensuring adherence to norms, is very much in the vein of these approaches. The above-mentioned comments by

Abhijit appeared influenced by this strand of thinking, with his focus on the importance of an 'efficient business' in creating ownership, as well as addressing 'problems', which would then ensure trust by members (organisations affecting 'domain conditions'). As I discussed in the literature review, there was significant debate between Shah's evocation of 'design principles' and the political economy work of Attwood and Baviskar (1988, 1996). Professor Prasad reflected to me during my interview with him that Shah's principles "were...set in a pre-liberalised framework", after which markets have "become highly liberalised, post 1992 onwards" in India. Concepts such as forwarded by Shah "sound very great", noted Professor Prasad, "but it's very difficult for any of the field...NGOs, leave alone some of the more struggling co-operatives." Co-operatives today and FPCs don't have the "same kind of scale...numbers of members..." reflected Prasad, while research on co-operation "has come down, there are no debates...all the theory...has been based on dairy co-operatives".

The emphasis on the need for a 'business case' for FPCs and a conception of them as primarily business-focused organisations reproduced an *apriori* dominant narrative of them as building 'entrepreneur' farmers. Such a narrative was reproduced through practice, in the creation of diagrams to represent FPCs, while also being reflective of the market-based environment in which they operated, in which farmers may face 'loss'. Emphases on the importance of 'design', 'efficient business' and 'leadership' in building 'trust' and 'ownership' also appeared to place an onus on the role of FPCs in affecting what Shah termed their "domain conditions" (Shah, 1996). This *apriori* separation of institutions and their 'context' paved the way for panacea-type narratives on the role of FPCs as 'solutions' to the wider livelihood challenges faced by smallholders. While some critical reviews have raised concerns about the applicability of a 'blue-print' type approach to FPC promotion (Prasad and Prateek, 2019), the deployment of 'formal' narratives of FPCs in policy and practice has also resulted, as Professor Prasad noted, in "the wrong kinds of actors get pilloried, including many of these NGOs that were working...to set up FPOs...They are being told now that you guys don't know business."

### Building a 'business mindset'

मेक उप' माइन्ड होना चाहिए— A 'make up' mind is needed

In response to such prevailing approaches to FPC policy, the NGO director and others, Prasad noted, “*will say but let’s look at the records of those guys who say they’re doing business well and we can prove that they are not.*” The importance of ‘business’ and ‘business planning’ is thus appealed to as a narrative of FPCs by different actors, whether companies promoting FPCs, NGOs, academics or those in government or policy arenas. The focus on ‘business planning’ as paramount within formal narratives of FPCs, in their design, initiation and functioning, or in leading to ‘successful’ FPCs, was also linked with an emphasis on creating a ‘business mindset’ among FPC members and leaders. During my fieldwork in west MP, I accompanied CSD workers to a meeting with a senior local government official in Ratlam district council, termed ‘zilla parishad’. The meeting was part of CSD’s work to engage the local government administration in supporting their work on FPCs as well as other areas. During this meeting, Sudhir presented the FPC concept, which the local government official was previously unaware of, and key to this presentation was Sudhir’s emphasis on FPCs as being ‘different’ to co-operative societies, the latter having politics and being ‘difficult’ to join (for small farmers). As I discussed in the literature review, such an approach sat within the forwarding of a ‘narrative of decline’ regarding co-operative societies, typified by state interference and ‘elite’ capture.

A key part of CSD’s presentation was emphasising its work through FPCs in “creating a business mindset” among farmers, as well as “*value chain linkages, backward and forward linkages to markets*”, as Sudhir noted. Following a discussion on organic agriculture, the CSD area manager for west MP, Suneet, emphasised that “*make up mind*” is essential for FPC work, to which Sudhir and Akhil, who had travelled from CSD’s head office, nodded in agreement. Suneet continued to emphasise that “*If you don’t make up your mind then no business plan and no planning, so FPO will fail.*” This representation of FPCs as business and market-focused organisations, particularly when compared with the older co-operative societies, chimes with the ‘narrative of decline’ approach to co-operatives within literature on co-operatives and FPCs, as discussed in the literature review. My conversations noted above with Sudhir regarding the primary importance of ‘business’, after which came mobilisation and co-operation between farmers, also accords with this narrative. The representation of FPCs as primarily ‘business’-focused organisations, linked to a perceived need to bring about a ‘mindset change’ among farmers was illustrated in an interview with

Samir, a research officer from a philanthropic organisation that provides funding to FPOs, usually via NGOs:

*“There are couple of challenges...it’s a farmer producer company but it’s a company...to be profitable you have to do a lot of work...farmers who are not...much educated as you will find in private companies, they are a part of the board...How do you bring that amount of...business knowledge...how do you make sure that it can start functioning as a business entity.”*

While this process of ‘mindset change’ and creating a ‘business mindset’ among the members and leaders of FPCs was emphasised by those working for FPC promoting organisations, the journey back in a jeep following the above-mentioned meeting with the local government official pointed to a series of ‘challenges’ to these processes. Suneet and Akhil emphasised the difficulty and long duration of legal and bureaucratic ‘compliance’ procedures in establishing and maintaining FPCs. Sudhir emphasised the main difficulty for farmers being ‘compliances’, and working with farmers on this area, as well as the level of working capital needed to start and run an FPC, the latter of which they all acknowledged. To provide an insight into the wider context of the meeting, the CSD officers had initially sought to meet with the District Collector, and I had joined as well. However, after waiting outside the Collector’s office we were informed by an official that she was away ‘on tour’ and that perhaps tomorrow we will be able to have a meeting. When the following day arrived, the Collector was still ‘on tour’ or unavailable, and so attention was moved to another official, the Chief Executive Officer of the zilla parishad.

The main purpose of the meeting from the CSD officers’ perspective was to achieve the release of an instalment of funds, as part of their role as an implementing ‘CSO’ (civil society organisation) for the India-wide ‘CFT’ programme. This GoI initiative created ‘cluster facilitation teams’ (CFTs), trained by CSOs to (in the GoI’s words) “...improve the implementation of Mahatma Gandhi NREGA in backward areas” (GoI, 2019b, p. 3).<sup>8</sup> After a

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<sup>8</sup> The Mahatma Gandhi National Rural Employment Guarantee Act (or MGNREGA), was enacted in 2005 by the then Indian government, focused on the guarantee of a ‘right to work’, providing at least 100 days of wage employment per financial year, see Masiero and Maiorano (2018).

few hours of waiting, we were informed to return the following day. Our attempts to ensure a meeting happened was also aided by CSD 'contacts' with two local government officials, one of whom used to work for CSD. The following day the CSD officers managed to secure a meeting with another senior official of the district council (SO) (described above). One of the CSD officers' contacts was in attendance, who introduced and 'vouched' for CSD. During a conversation with Akhil afterwards, he said that the Collector *'is like a king or queen in a district'*, to which I questioned what role they have with regard to FPCs. In contrast to narratives of FPCs as relatively more 'autonomous' and non-political bodies when compared with traditional co-operative societies, Akhil mentioned that the Collector, or zilla parishad CEO can have *"direct and indirect"* power, they can *"give funds"* to FPCs, but they *"can also influence others"*, such that the FPC's business, or more specifically, its reputational 'standing' gets better.

During the meeting, CSD officers took steps to 'showcase' their work, and much of the conversation was focused indirectly around the topic of the fund request. I also took the opportunity to ask a question as to the SO's thoughts on key livelihood challenges in the district, to which she stated *"awareness"* among the *"tribal communities"*. The dynamics in and around this meeting pointed to the ways in which FPCs and their promoters are enmeshed in political as well as economic relations. Promoters actively sought to cultivate these relations, to exert their 'conditional' agency (Bourdieu, 1987) within wider institutional power relationships. A focus on the need to 'raise awareness' among tribal small farmers, was linked with the 'solution' of 'creating a business mindset', by NGO staff and local government officials alike. Due to the local government official's questioning of the CSD officers regarding CSD's work (and vis-à-vis FPCs), it was also interesting to consider that, while central (and state) government policy and practice guidelines existed regarding FPCs (see Gol, 2013b; 2020), CSD appeared to need to carry out a lobbying and influencing campaign at a district level to ensure not only political influence, but also that officials were made aware of FPCs as 'new' generation co-operatives. This process of meeting with local government officials was coordinated by CSD in all of the districts that they worked within.

The issue of farmer 'mindsets', and particularly 'building a business mindset' was, as indicated, emphasised by many who worked with FPCs. During my interview with Ravinder

regarding his work in Gujarat, he emphasised that, *“...because farmers still tend to think of themselves as either producers or consumers, but never as owners or entrepreneurs. If you don't invest in that, whatever you may do, the company is not...going to succeed. The change in outlook, that I am not just a producer, or a consumer of seeds...I am also an owner...an entrepreneur.”* Ravinder continued to reflect, *“Unless that comes in, it does not really make sense...The...[FPC]...will be driven by a professional, and not by the farmers.”* Building a ‘business mindset’ was therefore linked with building ‘ownership’, as noted by Abhijit above (also based in Gujarat), who drew a comparison between focusing on ‘business planning’ and/or ‘mobilisation’, with a preference given to the former, in building an FPC. Abhijit drew a direct link between a focus on building the business of an FPC and the need for ‘good leaders’ and leadership, in the context of the relationship between the promoter and the FPC:

*“...you get the FPO lifecycle. After birth, they grow...NGOs support them for one or...three years...most of the leadership at the initial phase is provided by the NGO. Because they are much more aware and knowledgeable than farmer.”*

*“...In some cases...where they have been able to identify good leadership...the farmers have taken the leadership and try and grow the organisation. But where there have not...they have to phase out after three years, when the funding is over, those FPOs have almost become defunct...”*

*“...One aspect is the...knowledge of the NGO in how to promote, make it sustainable within a specific period of time, what needs to be done at the governance level, leadership level, management level...What kind of business activities...”*

*“...we need very good leadership in all FPOs, who understand...these people...drive change...any person going to a farmer and saying...you should shift to organic, the farmer will not agree. But a real motivator, a real leader, he will be able to convince two or three hundred farmers to convert to organic.”*

A focus on leadership, as discussed in the literature review and above, is key to predominant approaches to co-operatives and FPCs in India. Abhijit also emphasised the importance of 'design' and 'design failures' vis-à-vis promoters and FPCs. In an interview Akhil from CSD, he noted that leadership is *"very important...[but]...is not only for one person. Leadership should come in overall BoD...[Board of Directors]...overall RGC...[Representative General Council]...and even village level. It is very important for leadership to come in overall members, and especially for BoDs."* When I asked him about participation in FPCs, Akhil added that *"active members" are "fifty to sixty per cent. Not more than this. If you say leadership in the FPC members that is only fifteen to twenty per cent. Leadership they are speaking of capability. They have their decision-making capability, their writing capability."* As indicated above, the 'capability' to provide leadership was also underwritten by access to cultural capital (of literacy) or, as I discuss later, of social and symbolic capital of relations with the FPC. While the above accounts illustrate the reproduction of aspects of 'formal' narratives of FPCs as 'solutions' to co-operative societies, emphasising 'design', 'leadership' and 'business scope', they also place FPCs in a wider web of institutional and political relations, unexplainable by reference to 'domain conditions' (Shah, 1996) or informal 'constraints (North, 1991), but rather as "sites of social and institutional reproduction" (Mosse, 2005, p. 16).

### Building ownership to build business, and co-operation

Alongside the process of building a 'business mindset' and a formal narrative of FPCs as 'business-focused' co-operatives, were the business transactions of the FPCs themselves. During my interview with Professor Prasad, he reflected, *"...most of the existing FPOs...they're nowhere in a position where they can say they're major competitors for existing institutions...we don't have those financials...Without understanding the context, getting into passing a judgement may be a bit unfair..."* My fieldwork experiences did appear to concur with Professor Prasad's observation, in that many of the FPCs I came into contact with were facing financial challenges. The minutes of a meeting of the board of directors from a CSD-promoted FPC in Ratlam, one year after it had been established recorded such challenges: The CEO *"informed us...[directors]...that it has been one year since this company has started, but still the number of shareholders is low, to keep this FPC*

*working...to get profit we need to do some business with manure...[an 'input' sold to farmers]...all the FPC members should buy the manure and seeds from us."* Pointing to further issues in this business activity, the notes record, "We might face difficulties but the whole team must work together to get the profit..."

These FPC board meeting minutes point towards a low level of interaction between the farmer members of the FPC and the FPC itself, in terms of buying the farming 'inputs' it is selling, or in other cases, selling their crops or commodities to the FPC. An interview with a farmer director of an FPC in north Jhabua noted that his FPC buys cotton from the member farmers in the 'Kharif' season, but "*After that, our company won't have anything...We do not have any funds.*" This comment pointed to a difficulty facing farmers and FPCs alike in many of the areas in west MP reliant on rainfed agriculture. After growing cotton in the Kharif (monsoon) season and wheat in the 'Rabi' (Winter) season, Hitesh, a CSD worker also present in this conversation, noted that there is "*scarcity of water...after harvesting of wheat...if there would be irrigation facilities, then they could grow vegetables...*" During these months, as also noted by the farmer directors of the FPC established by MK, many farmers were compelled to migrate to nearby states to work in a range of largely labouring jobs. Financial challenges were also very apparent during several AGMs of FPCs that I observed in west MP.

During the AGM of a CSD-promoted FPC in Alirajpur district, a meeting with approximately 70 FPC members, Satyajit, a senior CSD officer who was leading the meeting, emphasised to the members that the FPC was facing a dire financial situation: "*Last year we had loss of thirteen thousand six hundred rupees and we are eight hundred members, so you can estimate loss per person. Each member suffered loss of one hundred to one hundred and fifty rupees...a huge loss.*" Satyajit continued to emphasise the 'benefits' of the FPC, providing the farmers with a 'premium' payment and saving costs on transportation: "*the seeds will be provided to your place*". This effort to link to the farmer members with the fate of the FPC was something which was emphasised continuously in AGMs and other meetings and training sessions between NGO staff and FPC members. During the same AGM, Satyajit emphasised the role of the members: "*Because the company is made up of members and you are the members and who is the owner that is also you.*" Extending this emphasis on



building 'ownership' among members, the NGO officer told the members that *"You need to inform farmers associated with you that we have to sell yield to the company...only because if we will be capable of doing business this year, then...we will have expenses...If we do business, you will get the benefit next year in the form of a premium."*

During a journey in a CSD jeep after the AGM, Satyajit reflected to me, that in CSD's 'model' *"we sensitise the small farmers...In the meeting earlier I was hammering that if you don't participate how will the company survive?"* He also noted that *"where communication and awareness are higher then the meetings are more lively..."* Ranbir, a second CSD officer also present said that in his perspective, *"the main challenge is farmer ownership, getting from the start to it. If people can only do a thumbprint not a signature, how can they do business and marketing?"*. Ranbir continued, adding that CSD's response was to carry out *"regular trainings and workshops"*, referring to a diagram he was drawing to represent the process of mobilisation, *"I say get from here to here. You have to do so people understand."* This focus on building 'ownership' and 'mobilisation' of farmers was illustrated in a further FPC AGM in Alirajpur district that I attended, in which Satyajit emphasised to FPC members the wider shift in agriculture that was happening:

*"You might have not heard anytime, in all the huge meetings, ministers come, Modi ji...[Prime Minister of India]...comes, they all say...we have to make agriculture a business of profit...This means like we used to do previously, we do not have to follow that. Now we have to do in such way that our income increases. There are two ways to increase income, either your income gets increased and secondly you cut shot your expenses."*

Satyajit continued to emphasise, *"You are the owners, members of this company. You are the ones who will grow, sell this and get the profit...Sometimes there is a problem with farmers they want it from outside...but if we try a bit then company which is your group, your temple will reach to a strong situation."* The NGO officer later emphasised that the *"company is unwell and we need to get it well and who will do it. You only will do...the people here from...[CSD]...will help...from where will you get your good seeds...fertilisers?...your good rates? After that, whatever be your cotton or soya bean you will not sell it in market you will sell it to company, won't you?"* This focus on encouraging farmers to buy and sell only with

the FPC, as noted above, was a continual focus of CSD staff working with FPCs. Each of the AGMs I witnessed ended with a pledge by members, in which the audience members all stood up, after having been seated for the meeting, stretched out their arms and in unison, were asked to take oaths, commitments as members of the FPC. As illustrated below by the words of the senior NGO officer leading the AGM:

*“Everyone will speak, these will read and whatever we read we will tell you. We all, farmer producers of...[area in Alirajpur]..., members of company, we take the oath that we people add more people from our village to the company as members. From our village we will take the registration amount from new members of our village, which will take this company further. We all, members of the company will purchase the products related to our farming like fertilizer, seed etc., from our company only in cash. In the same way the production also will be sold to the company only. We all, members of the company, take this oath that we all members together will gather the amount that is in loss.”*

These oath-taking ceremonies appeared to represent an effort to institutionalise collective action norms, encouraging farmer members, in both their actions and ‘mindsets’, to link themselves inextricably with the farmer producer company. I will explore relations between NGO staff and FPC members and leaders in more detail in the next chapter, including issues of participation in the FPC, in terms of governance as well as economic activity. At this point, it is pertinent to note that the financial challenges facing many FPCs, in the form of a low level of working capital, appeared to be compounded by an acknowledgment by many CSD field officers, of a low level of economic and political interaction by FPC members with the FPC. In such situations, rituals such as oath-taking and efforts to ‘build ownership’ appeared aimed both at addressing the financial status of FPCs, as well as, in a more abstract sense, as part of efforts towards building a ‘business mindset’ among farmer members and leaders of FPCs. Such efforts of practice at ‘building’ co-operation, or collective action norms, at once reproduces ‘formal’ narratives and understandings of co-operation, as discussed above, while such ‘representations’ are embedded within relations between promoting staff and FPC members, and more widely, between a range of ‘actors’ involved in co-operation.

## Conclusion

The focus in FPC AGMs and other interactions with FPC members (largely by CSD staff) on encouraging members to “gather the amount that is in loss”, as well as to increase the number of members, may be understood within a wider effort to build collective action ‘norms’ as well as a ‘business mindset’ as an ‘ideational’ shift (Blyth, 1997), crafting ‘common understandings’ around “rules in use” (Ostrom, 1990, p. 40; North, 1991). However, these processes were also socially embedded in relations of power between FPC promoting organisations and FPC farmer members and leaders. Moreover, they draw attention to the interrelation between power relations, organisational working practices, and institutional ‘success’ or performance, which I discuss in the next chapter. The reproduction of ‘formal’ narratives of FPCs and co-operative action, which prioritised farmers as abstracted ‘rational’ ‘shareholders’ engaging in FPCs as self-sufficient, market-focused businesses, served to ‘dis-embed’ such processes from their institutional and social underpinnings (Mosse, 2005, p. 18). The power dynamics in relations between CEOs, promoting organisations, farmer directors and members also sat alongside ‘informal’ reflections by fieldwork participants, of a series of ‘challenges’ in adhering with the ‘formal’ representations of FPCs as set out in policy and literature.

The continued representation of FPCs in ‘formal’ narratives as business-focused, ‘professional’, self-sufficient co-operative institutions was one produced by CSD officers at a field office and head office level, as well as by other FPC promoters. The use of diagrams by CSD officers in which the ‘correct’ understanding of FPCs was drawn out, as well as appeals made to processes of institution building in NGO textbooks, or to legal and policy conceptions of FPCs, formed part of this process. In such a manner, these “authoritative processes” drew on “well-worn and accepted practices” (Cleaver, pp. 49, 46), while also reproducing ‘dominant narratives’ which, as I discuss further in the next chapter, served as abstract ideal to which FPCs, as well as the work of NGO or promoter staff (and their strategies), were judged against. As I discussed above, terminology and key conceptions from new institutional economics (North, 1991) and management-oriented approaches to co-operatives (Shah, 1996), provide a foundation for ‘formal’ narratives of co-operation. In this vein, the ‘challenges’ confronting many FPCs become ‘design failures’ on behalf of the

promotor, a lack of adherence to textbook versions of institutional development, or a 'failure' to build a sufficiently 'business' mindset among farmer members and leaders.

To return to the quote at the beginning of this chapter, (market-focused) co-operation operates both as an 'idea', as well a 'dream'; an idea which steers and is used to represent FPC development (and co-operative action), as well as a dream, both reproduced and contested by those engaging in co-operation. Alongside such 'formal' narratives, as discussed, sits a series of relatively 'informal' understandings of the nature of FPCs, co-operative action, and processes of institutional development. Rahul, CSD's head of FPO work, noted to me that, *"all people talk about design, but ground level implementation is the key area."* As I discuss in this and later chapters, CSD officers, farmer FPC members and leaders, pointed to processes of 'implementation' as being slow, non-linear, somewhat unpredictable, while also situated within institutional and social relations. Such relations include the ever-present role of the promoter and CEO, in the establishment, functioning and governing of FPCs. During an interview with Sourav, he reflected that, of the 57 FPCs CSD had promoted, 20 had become 'independent' (from CSD), but these *"have scale issues, they can't scale up further. Professionals are not high quality. Market links etc., they do not have."* During a session on FPOs at a three-day 'retreat' organised by CSD for its staff, Sourav expanded on this point, reflecting, *"These companies...['independent FPCs']...are CEO dependent. Entirely CEO dependent."*

## Chapter 5 – Promoting Organisations and FPCs: Institutional Dynamics and Politics

*“There are lions and lambs in every society and therefore these lions will capture the power, we have seen this very clearly and decisively in the case of cooperatives and we can see the same thing happening with FPOs.”*

(Sourav, CSD Director)

### Introduction

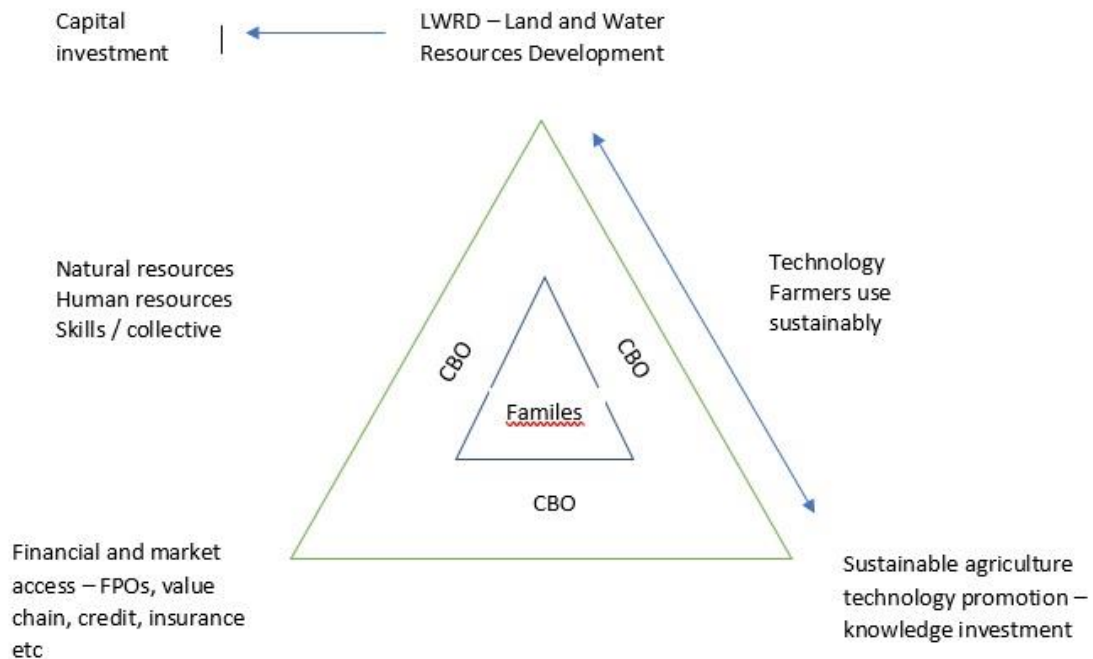
In this chapter I question the role played by institutional dynamics and FPC ‘politics’ in the development of FPCs and co-operative action. Building on themes within the previous chapter, I consider internal working practices and hierarchies within CSD as well as relations between the organisation’s head office and field offices, vis-à-vis the reproduction of formal narratives of FPCs and co-operative action, and their contestation in ‘informal’ reflections by development workers, FPC members and leaders and other co-operative ‘actors’. In particular, I consider the manner in which a series of political, market and institutional processes which challenged prevailing conceptions of FPCs and approaches to co-operation (noted informally by fieldwork participants), were compelled to be ‘translated’ (Latour, 1996) into formal narratives of FPC institutional development and notions of ‘success’. New institutionalist and management-oriented approaches emphasise the role of ‘leadership’, ‘efficient management’, as well as ‘design thinking’ (Shah, 1996) in the crafting of co-operatives and the achievement of “optimal institutional solutions” (Ostrom, 1990, p. 14). I consider how such emphases were reproduced in practice, embedded in organisational hierarchies and ‘proper’ ways of working. In these processes, reflections on political, institutional or market relations were viewed as ‘problems’, ‘translated’ into a lack of adherence with prevailing approaches to FPCs and co-operative action. In contrast, informal reflections pointed to dynamics of leadership wider than as an ‘informal constraint’ to economic behaviour (North, 1991), in the role of cultural and symbolic capital (Bourdieu, 1986) and institutional ‘big men’ (Mines and Gourishankar, 1986). Further, I consider how the ‘solutions’ of ‘design’ are not carried out in “splendid isolation” (Cleaver, 2012, p. 50).

## Institutional dynamics and building co-operation: Formal and informal narratives

In this section I consider how the internal dynamics of CSD informed co-operative action through FPCs and its representation. As a geographical note, CSD's head office (HO) was in Bhopal, the MP state capital, while it had established field offices (FO) in several districts of MP, as well as regional offices for west MP, in the city of Indore, and east MP, in the city of Jabalpur. Central to CSD's approach to rural development was its 'holistic' strategy, within which FPCs were promoted as a key means to implement wider programme work (for example on 'organic cotton'). Alongside market-focused institutional support for smallholder farmers (FPCs, as well as village-level 'primary' groups, e.g. SHGs), CSD was involved in wider work on "natural resource development" and "sustainable agriculture". The latter area of work included projects to establish irrigation, soil conservation, and efforts to "improve farm productivity...that reduces the environmental and social footprint of agriculture", to quote a CSD leaflet. Projects on organic cotton sat within this latter area, including efforts to "certify" farmers as practicing organic agriculture. In my fieldwork experience the presence of these projects differed by district, while CSD sought to connect the programme areas together.

CSD's focus on a 'holistic' or 'integrated' approach to rural development was reflected in comments by Sourav, CSD's director, who noted to me during an informal 'interview', that the *"...foundation of any FPOs are village-level primary groups, they bring the strength to the FPOs...The reason...[CSD]...has...been successful in FPO movement is because, we have had our land, water, and agriculture program and CBO...[community-based organisation, e.g. SHGs]...all in place. We just had built on it..."* This focus on 'connecting' the programme areas was also reflected in CSD's use of a triangle diagram in its official literature, such as annual reports and programme documents, as well as internally, through meetings, training sessions, and conversations. During the above interview, Sourav drew this 'CSD triangle', a rendition of which I have included below (**Figure 5.1**):

**Figure 5.1 CSD Triangle**



This triangle (**Figure 5.1**) was intended to represent the different programme areas of CSD at the three points, as well as the connections between them, involving farmers using ‘technology...sustainably’, alongside ‘natural’ and ‘human resources’. At the centre of the triangle were the beneficiary families the programmes are targeted at supporting, with CBOs (primarily FPCs, as well as their federated village-level groups), as the means through which beneficiary families are connected with wider programme areas. Motioning to the triangle, Sourav said, *“We believe that unless you do each one rightly you won’t be able to sustain any of it. Human capital is important.”* Building on prior discussion of the use of diagrams in the previous chapter, this ‘formal’ diagrammatic presentation of CSD’s work appeals to models of institutional (and rural) development established within policy, academia and practice. This process of representation is also an aim, as Sourav reflected on CSD’s “belief” in connecting the ‘points’ of the triangle, together with his reflection quoted beforehand, that where CSD has not implemented a ‘holistic’ approach, they have “miserably failed” in their promotion of FPCs.

CSD’s ‘triangle’ made use of terminology prevalent within development policy and practice, such as ‘natural resources’, ‘human resources’, ‘financial and market access’ and ‘value

chain'. During the above 'interview', Sourav also emphasised the role of "social capital", without which "it will be difficult for you to handle FPOs...". Such terminology and associated concepts, as discussed in the literature review, feature prominently within literature on FPCs, and indicate conceptual underpinnings in new institutional economics and management-oriented approaches to co-operative institutions. FPCs are "new" market-focused institutional "arrangements", needed to "reduce transaction costs" and "iron out coordination problems" in value chains (Cherukuri and Reddy, 2014, p. 8). To achieve this, studies emphasise the importance of 'leadership', 'management', 'design principles' (Shah, 1996) and (to a lesser degree), the role of 'informal' institutional 'constraints' (North, 1991), primarily 'social capital', in contributing to "organisation viability" (Cherukuri and Reddy, 2014; Nayak, 2016; Dey, 2018, p. 45). As also discussed, FPC literature has forwarded a panacea-esque narrative of FPCs as the 'solution' to the 'problems' of co-operative societies, as well as to wider challenges facing smallholders in India (Das, 2019; Kumar et al., 2019). FPCs are presented as 'efficient' and less 'politicalised' than co-operatives, based on democratic "free management and free enterprise" (SFAC, 2019, p. 3)."

In the previous chapter, I discussed the manner in which such 'formal' narratives of FPCs were reproduced (and contested) in processes of institutional formation. In these narratives, FPCs were emphasised as primarily business-focused, self-sufficient, co-operative companies, led by entrepreneurial small farmers. CSD's 'triangle' thus emphasised 'market and financial access' as paramount, while building collective action (including the 'skills' and 'knowledge' of farmer FPC members), were the key means of achieving such 'access'. CSD's triangle also includes terminology from development frameworks such as the 'sustainable livelihoods approach' (SLA) (Chambers and Conway, 1992), prominent in rural development policy and practice in the 1990s and 2000s. SLA focuses projects on achieving 'sustainable livelihoods, on the "capabilities, assets (including both material and social resources) and activities for a means of living" (Ibid, p. 6). Using economic language, 'assets' are defined in terms of human, natural, physical, financial and social 'capitals', represented in a well-cited flow diagram (DfiD, 1999, p. 3; 2009; Carney, 1998, 1999). Scoones (2015) reflects on how SLA drew on the language of economics, in particular new institutional economics, but in doing so adopted an "individualistic, rational-actor" approach to institutions, in which social relations and culture "were defined in terms of social capital" (Johnson, 1997;



Dorward *et al.*, 2002; Scoones, 2015, p. 8). Scoones highlights the need to ‘unpack’ the ‘black box’ of institutions, to go “beyond narrow economic frames” (Ibid, p. 60).

As a representation of CSD’s approach, the ‘triangle’ was also mentioned during internal staff meetings and project work, illustrating how dominant approaches to institutional development and ‘formal’ narratives of co-operative action were reproduced through internal institutional relations. For example, CSD’s HO held two ‘tea breaks’ per working day, often also an opportunity to discuss work in a less formal setting. During one tea break in November 2019, near the end of the ‘Kharif’ agricultural season (in which the kharif crops were being harvested, bought and sold), Sourav was discussing challenges to marketing and procurement of organic cotton by FPCs. This discussion on procurement ‘rates’ of cotton by FPCs promoted by CSD was a topic of intense discussion by CSD staff, and became the primary focus of the FPO team that I was often based within at CSD’s HO (CFPOT). During the tea break, Sourav drew an audience of staff, to whom he was expressing his frustration at the low ‘quintal rate’ of procurement by FPCs (quantities of cotton and other crops were measured in ‘quintals’, or hundreds of kilograms). In particular, the director said that the FPC has to “*advertise in villages...make visible, this is your company, we are buying...If you make it visible, they will come.*” To accompany this point, the director suggested the FOs and FPCs should use “bicyclewalas” (cyclists) to go to the villages and advertise.

Sourav continued to emphasise the seriousness of the situation and the challenges they faced in ensuring the FPCs had sufficient participation from, and business with, their member farmers: “*How can you expect to sell if you don’t advertise? Participation should be a lot higher. All senior people should participate. FPCs should say to them the benefits of the company, this is your company also.*” To relay his frustration, Sourav noted that the “*farmers aren’t selling to FPCs, they are only getting a low amount of produce*”, after noting the ‘quintal rate’, Sourav said “*this is bullshit, compared to what is in the villages*”. Concluding, Sourav questioned “*how to link up...[CSD]...whose responsibility is it to connect the triangle? It is people on the ground...managers are connecting, answering questions on different projects. But senior people should also know, some only talk of their own projects...if you do that people will see you like that.*”

Drawing the attention of the staff present during this informal meeting to CSD's 'triangle', as a 'formal' representation of CSD's work, also illustrated its use as a normative tool, along with other forms of representation, such as the FPO handbooks and manuals noted previously. Conversations and meetings such as this one appeared illustrative of the pressure felt by CSD staff, including Sourav, during the FPC procurement seasons, and the ways in which this pressure was channelled throughout the organisation's structures (and hierarchies). The ways in which this 'pressure' was received and sometimes questioned, pointed to a degree of tension in relations between CSD's HO and FOs. During the tea break, Sourav noted that *"a little stress for them...[CSD FO staff and FPC staff/leaders]...is a good thing. We should push them regularly"*, citing, as an example, a CSD field officer (CFO) who had *"met his target already"*, with regard to an FPC in the district he was based within having procured a relatively higher quintal rate of cotton. I noted at the time that this conversation started in dialogue but grew to something akin to a lecture, appealing to 'proper' methods of holistic working, "accepted practices" (Cleaver, 2012, p. 46), alongside relatively abstract ideas of marketing and advertising as 'solutions', recalling 'formal' narratives of FPCs as 'business-focused' co-operatives, in which efficient management and leadership would lead to organisational 'viability', or success (SFAC, 2019).

The ways in which 'formal' representations of CSD's work on FPCs (and of FPCs themselves), were appealed to and emphasised in CSD's meetings and working relations, appeared to illustrate processes of 'contextualising' (Latour, 1996) the significant challenges faced by FPCs, such as low cotton procurement rates, in terms explained by such 'formal' narratives. Such processes of 'contextualisation' were also embedded in organisational hierarchies (such as between HO and FOs) recalling Mosse's (2005) emphasis on the role of organisational 'exigencies' (Mosse, 2005, p. 16) as driving development interventions, as opposed to policy. During a discussion and presentation (by CFPOT) on FPCs at CSD's aforementioned 'retreat', Sourav mentioned that one "mistake" made was that *"discipline is not there, and staff discipline. We made a system, agreements, now follow...people do not."* Sourav was referencing working practices of CFOs and FPC leaders, as well as FPCs being unable to meet 'agreements' signed with buyers of the produce they had procured, or intended to procure, from their member farmers. Sourav also mentioned that *"proper time is important"* in FPC work. Simultaneously, Sourav emphasised the challenging environment

faced by FPCs, that traders were not honouring contracts or agreements made with them, “despite payment reminders, nothing happens, payment bounced”, so CSD “had to bring pressure to the...[state]...administration...”

Continuing, Sourav reflected on the perilous state of the finances of many FPCs supported by CSD, that for “*some two thirds...[of FPCs]...negative balance is always showing*”, while there is a “*vested interest, resisting the way forward.*” Sourav emphasised the need for CFOs to conduct ‘proper’ “*data checks...who exactly does it...[the work]...who loses, so we can see.*” This focus on data regarding quintals of crops procured, as well as other statistical information was a key area of emphasis promoted by CSD’s HO officers (CHO), to which CFOs were compelled to act upon. As I discuss later, the collection of ‘data’ by CFOs took up a large amount of their time, whether to fulfil reporting requirements of project donors, or for HO to monitor the activities of FOs. Such quantitative information provided a yardstick by which CHOs were able to ‘measure’ the progress of FPCs and CFOs. During CSD’s retreat, I noted that a strong focus on statistics and quantitative measures in many of the presentations, appeared situated within an approach to measuring FPC and CFOs’ ‘progress’ in terms of procurement rates or other figures, so, as Sourav noted, “*we can see...who does it...who loses.*” Such a focus also served to reproduce economic narratives of FPCs as business-focused co-operative companies, with *apriori* notions of ‘success’ based on economic activity alone.

When I asked Sourav to expand upon his mention of ‘vested interests’ following the meeting, he explained to me that his point related to FPCs “*are directed to give cash in-kind but credit is happening.*” Continuing, Sourav speculated the reason was due to “*politics...giving favours or money*”, that FPC directors were giving credit to members, but also CFOs “*don’t do what they said.*” According to the ‘rules’ of an FPC, such as detailed in CSD’s FPC manuals, an FPC can provide loans to its members for financial assistance. The issue alluded to by Sourav was that FPCs had been ‘directed’ not to provide farming ‘inputs’ (such as seeds) on credit, to members, rather than insisting on payment by ‘cash’, but were doing so anyway, and there was a “low recovery rate” on credit provided. As I discuss below, ‘recovery’ of credit given to FPC members was a significant area of work for CFOs, who were expected to report often daily ‘progress’ to CSD’s HO. During an AGM of a CSD-

supported FPC that I attended in Alirajpur district in MP ('AFPC 2'), the audience members were asked to pledge an oath regarding their commitment to the FPC and collective action. Such oaths occurred in all of the FPC AGMs I witnessed, and the encouragement of members to make 'formal' commitments formed part of CSD's efforts to build a 'sense of ownership' (of the FPC), among the farmer members. The oath taken by members consisted of the following:

*"We all, farmer producers...members of the company...take the oath that we...will add more people from our village to the company as members...we will take the registration amount from new members of our village...[and]...will take this company further. We...will purchase the products related to our farming...from our company only in cash...the production also will be sold to the company only. We...take this oath that we...members together, will gather the amount that is in loss."*

After having pledged this oath, Karan, the CFO who was facilitating the meeting, emphasised the issue of a low participation rate among members, as well as the need for 'recovery': *"The groups who are not coming for meetings or not coming to the office...those people please start coming again. If there will be recovery, like bank does they will go to your home...they will get the money back and...they will not give money in future."* Karan continued to emphasise the importance of repaying money to the FPC: *"I am asking you if you return the money slowly...give your money from your profit. Your loan money you can repay when you have cotton or corn but this savings money you should give regularly."* In his efforts to instil a link between the individual farmer members and the FPC as a collective institution, Karan focused on the responsibilities of members and the fate of the FPC: *"...Everyone is working on the group...If you closed the group...your work will get stopped...never stop the group and save the money regularly."*

Instilling links between farmer members and FPCs was also a feature of minutes from BoD meetings of CSD-supported FPCs in Ratlam district from 2014 to 2022. However, the emphasis was often upon the need for such links in order to ensure 'profit', in a context of low shareholder numbers, low levels of members buying and selling with FPCs, and also low participation of directors. One such set of minutes recorded, "there are many BoD members

who have not attended a single meeting, and they don't know anything about the company...they can submit their resignations." During the session on FPCs at CSD's 'retreat', Rahul, the CFPOT leader, gave a presentation pointing to a series of such 'challenges' faced by FPCs, as well as CSD staff in 'promoting' them. Rahul emphasised that FPCs "*are all very different*", but "*handholding we...[CSD]...have to do*", and that CSD's approach to FPC promotion in "*working with the community is very low elsewhere*", referring to the approaches of other FPC promoting organisations. He mentioned that the FPCs were 'learning' but "*unable to do big volumes*", while in negotiations with buyers, the latter try to "*control the mechanism*", for which he was referring to organic cotton 'deals'. Issues of "*quality assurance...[of commodities]...and timeliness*" he noted were particular 'challenges' for FPCs. Summarising, he emphasised the level of work that CSD has to do (and particularly CHOs) in pressuring FPCs to do 'compliance' work, referring to the reporting requirements of FPCs (to the state government): "*we have to push the FPCs to do the requirement. Fifty per cent of times...and push them to do...business and decision-making.*" Concluding, he noted, "*from a business point of view, there are many issues we have to do. Finance taking, we don't track. Priority is low. Recovery is a chapter in itself.*"

Rahul also emphasised "*lending manipulations*", regarding FPCs providing credit and doing so in a manner which meant, "*suspicious were raised, because, without telling, false words were said*", that "*actions are being taken against these people. Recovery did not come.*" Later in this session, Sourav added that FPCs "*don't have working capital for three months storage and processing*", referring to the time needed to store and process organic cotton in order to sell it to buyers. In framing CSD's approach to FPCs however, Sourav opened the retreat session by presenting a wider view of the role of FPCs in society beyond their 'business-focus'. He noted that "*we have to do value creation...The aim is to create value in society and more jobs, better prosperity...*" This would be achieved through "*A multiplier effect, by creating jobs, one rupee will create more, through...[CSD's]...projects, a trickle-up effect*", referring to the CSD's bottom-up, participatory approach. After noting the space for such work "*has become less*", he emphasised that CSD "*has to be unique...do value added. We have to make a model. The government doesn't have one.*"

The focus on a panacea-esque 'vision' to promote FPCs, while intended to motivate CSD staff around an organisational mission, also recalls the dual focus in 'formal' narratives of FPCs, firstly as primarily business and market-focused co-operative organisations run by entrepreneur small farmers. Secondly, FPCs are presented as the 'institutional solution' to the 'problems' of co-operative societies as well as a wider set of challenges faced by smallholder farmers (SFAC, 2019). The means to achieving such wider 'benefits', was through business and market access, in particular by adding 'value', through making a 'unique' FPC model. Through designing 'innovations' (Shah, 1996), CSD, and FPCs can therefore affect their 'domain conditions', and achieve "optimal institutional solutions" (Ostrom, 1990, p. 14). However, the relatively 'informal' acknowledgements of the challenges facing FPCs, developed through CSD's substantial experience, depart quite significantly from these themes. As noted, these issues relate to the finances of FPCs, as well as 'frustrations' with 'lending manipulations' and low participation rates of members (and directors), and in many FPCs, either a low or perceived to-be low rate of business activity between members and the FPC. Simultaneously, while "vested interests", malpractice by traders and the above issues were noted by Sourav and Rahul, the 'solution' to such issues were focused on CSD's internal procedures, and particularly the activity of CFOs.

During CSD's retreat, a CFO working in Jharkhand gave a further presentation on FPC work in that state, pointing to challenges in "real terms trade" and FPC accounts. In response, Sourav questioned the officer's progress, emphasising the feasibility of 'convincing' farmers: *"being a team member is a risk, you have to convince farmers, so few FPCs go. It's a missed opportunity."* Following Sourav's comment, two CFOs emphasised the need for FPCs to have more money, to which Sourav noted that CSD *"has to give money, but also why does the situation happen?"* He continued to emphasise that the FPC has to *"bear the transport cost. Has to make a plan and talk to farmers, create demand...farmers can't manage money."* Within CSD, the 'formal' narrative of FPCs as business-focused, farmer-led organisations, while challenged by 'informal' staff narratives of serious challenges to this idea (challenges acknowledged at all levels of the organisation), was nonetheless upheld as a working target, including a version of its panacea-type 'dream' extension. Within this 'formal' narrative, the focus is placed primarily on the need to 'create value', through staff discipline, and better approaches to advertising, buying and selling.

These processes point to the nature in which FPC institution building is an “authoritative process, shaped by relations of power” (Cleaver, p. 49), in particular that FPC promotion and its representation were embedded in institutional and social power relations, such as CSD’s internal working relations and hierarchies. The necessity for FPC members to pledge formal oaths of commitment, and an emphasis on ‘proper’ working practices may be interpreted in terms of efforts to establish agreement on ‘rules-in-use’ (Ostrom, 1990), around the ‘rationality’ of collective action (Singleton and Taylor, 1992). In my observations, such efforts forwarded relatively abstracted narratives of FPC farmers as rational shareholders engaging in collective action, but these processes were also institutional and social processes (Cleaver, 2012). Issues of members of FPCs buying farming inputs on credit, facilitated by ‘political’ leaders ‘giving favours’, points to dynamics of leadership in a wider sense than that focused upon in ‘formal’ narratives of FPCs and co-operative action. In particular, as I discuss below, the accumulation of the symbolic capital of social status by leaders (Bourdieu, 1986), recalls the work of Mines and Gourishankar (1990) on the ‘institutional’ nature of leaders in India, whose efforts to achieve ‘pre-eminence’ within their communities includes control of “charitable” institutions. As I discuss below however, such ‘challenges’ had to be ‘translated’ into (and explained by) ‘formal’ narratives’ of FPCs and co-operative action.

#### Head Office and Field Offices: Relations of power and narratives of co-operation

Bhavesh (FO): *“I have just visited the cotton area in Petlawad...the...cotton crop...has suffered a lot due to excess cold in the first and second week of January.”*

Rahul (HO): *–“ Every year I hear this excuse. What have we been doing during this time??? What preventive steps did we take...??? So much of field visit still, same situation...Last week I got a plan, it still tells procurement of 500 quintals by 30<sup>th</sup> of Jan. So not sure what to make out of this field situation vis-a-vis procurement plan. I need clarity so that I can plan accordingly.”*

This exchange between Bhavesh and Rahul was through an CSD-wide ‘chat’ group on an

internet-based instant messaging service (IMS), used by CSD staff through their mobile phones. It points to CHOs frustration with cotton procurement levels, including activities carried out by CFOs and FPCs. Rahul's emphasis on the 'procurement plan', and the need to 'plan accordingly' points to a need to fulfil elements of FPO promotion and support as laid out in policy and practice guidelines, such as by NABARD (2015), or in CSD's FPC manuals. NABARD's FPO 'FAQs' document states that "Business planning is essential for growth and sustainability...it is...essential since most of the members will be acting as businessmen for the first time" (Ibid, p. 43). NABARD detail areas of business planning which provide "broad parameters for achieving the goals of the PO", including a marketing plan, which "describes how the product will be sold, how the business will motivate the customer to buy" (Ibid, pp. 43-44).

CSD's 'FPC Manual' also emphasises the importance of business planning, as the "first major task" of the FPC, though places a greater focus on practice-based knowledge. Business planning is to be done "with consultation of the members...a detailed discussion...in the first general meeting." CSD's manual proceeds to detail 'areas' of business that should be addressed: "(physical, social and cultural)...requirement of shareholders...in concern to farming...surrounding markets and competitors. Demand and supply analysis of products to be sold and product to be required..." During the above IMS exchange between Bhavesh and Rahul, Bhavesh was emphasising environmental challenges to growing crops, and the consequent inability of the FPC to procure them from member farmers. However, Rahul, as a CHO, emphasised and enforced the role of the 'business plan', situated within CSD's organisational hierarchy, appealing to a 'formal' narrative of FPCs as business-focused co-operative companies, in which high procurement targets are achievable through (business) planning, despite 'challenges' such as crop failure.

During an informal conversation with Rahul at CSD's HO, he mentioned that there are "so many issues at SHG and FPC level, that the NGO has to *"do all the work"*. This sentiment was reiterated by other members of CFPOT, with one CHO noting that HO *"does a lot of coordination. Implementation is done by field office/FPCs. Warehouse management is not good...we have to do a lot of checking."* Rahul expanded on this point, describing their work



as “labouring work”, emphasising “*आते जाते*” (aate jaate), ‘come and go’, referring to their work as continually ‘coming and going’. He further mentioned, “*I have no time to think...We have opportunity to sell maize today, but it has gone. The area manager and FPCs were meant to do it...but it is not possible. Also there are insects in the warehouses...the crops will fail*”. To conclude his point, Rahul noted that CSD is “*meant to coordinate with FPCs, in selling and buying. Now we are doing procurement, kharif, at the same time, Rabi is coming, planting etc. There are problems at the FPC level, it needs a mindset change. We are having to do more work...*”

As noted previously, Rahul emphasised to me on another occasion, that for FPCs, while ‘everyone’ talks about ‘design’, “*ground level implementation is the key area*”. By ‘implementation’, his specific focus was upon the work of CFOs and FPC leaders. My experience of being based within CFPOT for several months imprinted on me the sheer scale of work they carried out, and the intensity of their daily working schedules. In the areas of marketing including building ‘forward and backward (market) linkages’ (as termed in FPO policy and literature), accounting, legal compliances, documentation work, support in governance, as well as personnel/human resources, CSD carried out a significant amount of work. In fact, each CFPOT member had a work area of responsibility roughly covering each of the above areas. Alongside this, as mentioned previously, CSD paid the salaries of the CEOs of most of the FPCs they supported. The CFPOT member responsible for accounts once expressed his frustration to me that he “*has to deal with the accounts for over 40 FPOs*”. He continued, mentioning that FPOs “*don’t give money to farmers*”, and that farmers are often not giving money to FPOs. This issue appeared to create extra work for CFPOT, and in its relations with FOs. Following a meeting with a local government official in Ratlam discussed in the previous chapter, a development worker from another NGO emphasised to me that mobilising is “*very difficult, but also getting contributions from farmers, they don’t want to pay, they pay but it takes a long time. A long time building FPOs.*”

The above comments and exchanges appeared to illustrate the manner in which institutional relations, and particularly the overriding role of CSD, dominated the work of FPC promotion (and co-operative action). A series of wider challenges encountered within

the relentless work of FPC 'promotion' and 'business' were situated within such relations, in particular between CSD's HO, FOs and FPC leaders. Simultaneously, CSD officers were compelled to explain and 'translate' (Latour, 1996) such challenges through enforcement of, and adherence with, 'formal' narratives of FPCs and co-operative action. As an example, the above-mentioned issue of (overdue) farmer payments to FPCs or 'recovery' as it was often termed by CSD staff, was, as discussed, a key emphasis within FPC AGMs, in particular through members pledging formal oaths of commitment (and payment) to the FPC. Lying behind such efforts at building collective action, lay pressure exerted on CFOs (by CHOs) to ensure farmers contributed increasing capital to FPCs, and that the FPC itself was able to use such capital to meet cotton procurement targets, set by CSD's HO. The presence of such organisational relations and exigencies (Mosse, 2005), indicated their overriding role in FPC promotion, vis-à-vis new institutionalist emphases upon 'design' (Shah, 1996), 'leadership' and 'management efficiency' (Singh, 2008; Mukherjee *et al.*, 2018b).

During an instance in which I was waiting in an FPC office in Ratlam district, an office which was next door to another FPC office, both supported by CSD, Jitendra, the CFO running the office, was speaking with Ramesh, a 'village resource person' (VRP), the latter being village level CSD workers. The close proximity of CSD field offices and FPC offices (the above also acted as a CSD FO), and the regular movement of CFOs between them, represented to me the blurred line between CSD and its FPCs. A CSD sign stood next to the building, and the team working in both offices were all CFOs. In this instance, Jitendra and Ramesh were getting ready to ride off on their motorbikes, I asked if I could join, but Jitendra said they were going for "recovery", that unfortunately I could not join. After some time waiting, they returned, and I asked Jitendra how it went, he said "बदमाश" (badmaash), 'rogue/hooligan', when I asked him to clarify, he said "tomorrow, I'll give tomorrow", paraphrasing the farmers he had visited. I questioned what we should do as CFOs, to which laughter was his response. During other conversations with CFOs, I came to realise that many of the crops had fared badly due to weather conditions in the kharif season (including soyabean and cotton), that therefore farmers were less able to give money to FPCs (largely regarding payments for seeds).

As indicated above, the significance of 'recovery', as well as practices related to it, was emphasised regularly within CSD, at organisational gatherings, FPC AGMs, as well as CSD's HO and FOs. This is illustrated by reference to team meetings of one of CSD's teams in Ratlam district. One meeting in April 2018, attended by Suneet, the west MP regional manager, an accountant, as well as the FO team, includes "recovery" as a key topic of discussion. The notes record that Mahesh, Ratlam CSD team leader, who was also a CEO of a CSD-supported FPC in the district, "discussed with all the VRPs regarding Recovery...it was planned to hold meetings at village level...to complete...recovery." A further meeting in June 2018, in which Sudhir, the new Ratlam team leader (and FPC CEO) had started work, records that, "...due to no buying last season, cotton money was not received from...farmers, out of the villages which don't have much recovery money." The meeting notes state that the VRPs "said that the people are going away. When they will return, the money will be recovered. Those who are unable to pay...will have to pay in the next season or through the upcoming crop." These notes thus indicate the low level of farmer contributions to FPCs was linked with procurement, that as the FPC had not bought cotton from farmers, they did not contribute to the FPC. Moreover, the phrase 'people are going away' referred to the seasonal migration of members of many farming households, usually to neighbouring states, as noted previously.

Alongside such challenges, these meeting notes point to the role of institutional hierarchies and working relations in FPCs and co-operative action. As a corollary to the didactic task of CFOs reproducing 'formal' narratives of co-operative action in which the 'rational' actions of FPC member farmers were linked with the financial status of their FPCs, CSD officers own working roles were linked by CSD's HO, on an individual level, with the 'success' of particular FPCs, represented through recovery or procurement rates 'achieved'. A meeting of the same FO team in July 2018 records that the 'VRP' "who does good work...will get Rs. 1000 encouragement...for that month...so that other VRPs get encouragement..." As well as this, the notes record that Sudhir informed the attendees that a CFOs salary will "be kept on hold if he shows progress less than 50 per cent and that staff will provide self-clarification. Discussions were held on target and achievement..." The aforementioned CSD IMS chat group also revealed regular references to 'recovery', with CHOs requesting updates from CFOs on 'recovery' rates. A key focus of 'recovery' in these meetings and conversations

related to loans that the FPCs had taken, either from a loan facility that CSD had established, or from a non-banking financial institution (NBFI) (the latter facilitated by CSD HO). Below is an extract from one IMS 'chat':

CHO: *"With cotton, it would be good if you all can update on recovery amount..."*

CHO: *"Please update purchase n recovery."*

CHO: *"Daily updates from...[FPC in west MP]...not coming for...procurement, recovery...Pl. Update..."*

CFO: *"Sir Today's recovery Rs. 47000 in cash and also Deposit to...[loan company]...Rs 160433."*

CHO: *"Very good efforts."*

CHO: *"We have to recover...entire loan given to farmers. Pls kep updating...daily..."*

CHO: *"...[Ratlam district teams]...has to increase quantity. U r much less to ur target. Based on ur promise we have made commitments to the buyer. It will be difficult for us to get future funding if we don't fulfil commitment. Everyone will suffer... Hope u understand the importance..."*

CHO: *"Remember...u have lots of money to recover from farmers. We r monitoring progress closely."*

The focus and pressure to 'recover' money lent to farmers was also passed onto the directors of FPCs, as indicated in the previous chapter, illustrated in the minutes of meetings of the BoDs of CSD-supported FPCs in Ratlam district. One such meeting in November 2019 recorded discussion on "how to get speed recovery...if any farmer has cotton or...other harvest...it can be sold and recovery amount...collected and different BoD...given responsibility to visit every village so that recovery can be done as soon as possible, and a plan must be made with everyone's consent." A previous meeting in February 2019 included a similar discussion, with directors informed that, as the Rabi season harvest was occurring, they "must visit farmers of their areas and ask them to pay our loan that they have taken...to do the recovery". A further meeting in April 2019 recorded that the recovery rate was "very low. So, we, the BoD, must be a little strict in the villages...explain that our company is facing losses because you are not paying money." Further meetings recorded that the directors had "approached their village loanees...decided a date when they can

repay...told them that this time seed will not be given on credit.” The latter topic, which also featured in many other meetings, recalls the discussion in the CSD’s ‘retreat’ regarding ‘vested interests’ providing ‘inputs’ on credit, rather than cash.

As indicated, there was a direct link between the activities of ‘recovery’ and of ‘procurement’ by the FPC, procurement of the crops of farmers, such as cotton. I discussed above the focus and priority attached to procuring higher yields of cotton from villages than were being procured by FPCs and CFOs. This featured in internal CSD meetings, as well as CSD’s IMS ‘chat’ group, as quoted above, with formal and relatively abstract narratives of FPCs as self-sufficient, business and market-focused organisations able to achieve ever-increasing yields appealed to and reproduced, alongside (and despite) informal acknowledgement of a series of wider challenges. During one meeting of a CSD FO team in Ratlam district in February 2019, the notes record that recovery was discussed, with staff “told that the time were given to deposit the amount by...[CSD]...had exceeded...We will recover the money through...bulk buying of the farmer’s crops.” Further, that “Every staff has to meet every day with 25-30 farmers for recovery and wheat buying, and also has to provide the information of...farmer along with his mobile number...and the amount of goods he is going to sell to the company.” In this case, the focus of recovery was on recovering the amount in credit given to farmers in the form of seed sales (as opposed to farmers paying in cash).

During the Kharif harvesting season, the procurement of high yields of organic cotton by CSD-supported FPCs became a mission-type focus of CSD, including daily procurement ‘targets’ for particular FPCs and their associated CSD FO teams. The meeting notes for a meeting of the above-mentioned field team in Ratlam district in December 2019 indicate this focus and pressure: “Under the Organic Farming Programme, the cotton procurement...was supposed to be done through...[two FPCs in the district]...target was 1836 quintal...VRP was asked about the arrival of cotton...cotton is low...Staff...told to meet...farmers and gain information about the amount of cotton he is going to sell...” Recovery was also discussed, that “recovery of cotton should be completed.” Future meeting notes included a plan to record incoming cotton amounts, with weekly targets and “farmer wise along with village wise list shared team wise.” The pressure to report cotton

procurement (and recovery) levels was such that a further team meeting recorded that “everyday in the evenings by calling VRPs or staff should communicate with maximum number of farmers and gain information about the amount of cotton to be sold from that village the next day.”

This particular meeting record also noted that staff had raised the issue “of not having funds, because company has a scarcity of funds and the farmer can’t wait for many days.” Lack of funds presented a challenge to FPCs to carry out procurement, made worse by the significant capital demands of procuring and marketing crops such as cotton. The meeting notes of BoDs of CSD-supported FPCs in Ratlam point to this dilemma, especially when FPCs have recently been established. One such set of meeting notes from 2013 recorded that “we need at least 1000 members, or else due to less share money we might not be able to do the business...” Conversations and discussions with FPC members and leaders also pointed towards this significant challenge of funding and capital needs to carry out the ‘business’ of co-operation. During one discussion with a group of male FPC member farmers in Ratlam district, one farmer mentioned to me that the biggest challenge “*in doing company’s work*” was that “*first of all you must have capital...we must have money with us. Then only we will be able to do business.*” This farmer compared the FPC with a local sugar co-operative, the latter having a “*share membership of one lakh rupees. So you need to increase the share capital...[in an FPC]...*” During an informal ‘interview’ with a farmer director of a CSD-supported FPC in north Jhabua, he emphasised a similar need for money to “pay farmers for seeds” and buy cotton from them, noting that they need a loan.

As indicated, CSD staff experienced pressure to increase the finances of FPCs, a pressure also felt by FPC directors, as they were included in efforts to increase procurement yield levels or recovery rates, as illustrated above, in being told by CFOs (and FPC CEOs) to be “a little strict” in the villages, and along with CFOs, to gather daily information from farmers. During one conversation with a member of CFPOT at CSD’s HO, he looked at a spreadsheet I had produced as part of the early planning stages of CSD’s project to build a second-tier organisation (STO), or ‘federation’ of FPCs (which I discuss in *Chapter 7*). The officer said “Good, but where will the money come from?” Another CFPOT member emphasised that “*We have to immediately pay the money to the farmer. The main issue is capital.*” The

informal reflections of CSD officers and farmers indicated that these financial and other challenges were situated within institutional relations between CSD HO and FOs and FPC leaders and members. During an instance in which I was sat in a CSD FO in Ratlam district, a farmer FPC member arrived, and complained about late payment of his cotton crop, a result of which he said he “sometimes goes to Raoti to sell” (to a local market, rather than to the FPC). Nirmal, the CFO present was attempting to convince the farmer to wait for payment, and sell to the FPC.

While such ‘challenges’ were frequently encountered by CFOs and acknowledged, they were often ‘translated’ or explained in terms of the need for more marketing and advertising, reflecting CSD’s ‘triangle’, in the ‘decisions’ conveyed in FO team and FPC BoD meetings (by senior staff and FPC CEOs), and in comments by Sourav, as cited above. During a conversation with CFOs in a further CSD FO in Ratlam district regarding low procurement levels, Sudhir said that there was sometimes “*low awareness, so need marketing, marketing and manpower, from farmers. We go to villages, discussion, make plan procurement and production. Then leafletting, distribution etc...*”. This focus on advertising and marketing reflects the formal narrative of FPCs as efficient, commercially-minded, market-focused organisations. The ‘solution’ to the challenges of low awareness and low finances, was an abstract notion of advertising, to ‘market’ the FPC to farmers, who are presumed, in such a narrative to be ‘rational’ shareholders/members (Ostrom, 1990; North, 1991), to a greater extent, thus fulfilling the *apriori* nature of the organisations themselves, within predominant conceptions of them, as discussed in the literature review. Such ‘solutions’, along with quantitative measures of FPC (and CFO) performance in procurement or recovery rates, created “socially disembodied generalised models” of co-operative action (Mosse, 2005, p. 16).

The pressure to meet the significant financial challenges of procurement, ‘recovery’ and other aspects of co-operative action through FPCs, were, as indicated, embedded in CSD’s working practices and hierarchies, including relations between HO and FOs. The below extracts from CSD’s IMS group indicate this with regard to procurement ‘targets’:

12/2019 – Sourav to CFO: *“If u r busy then procurement can b done by fpo directors, what’s the problem?...What kind of capacity u r developing bods that without you they cannot do anything!!”*

Sourav: *“Dear All, please upload your target for today. Many didn’t update their target and progress...this is noted down nd will be...dealt with...please do not try to escape from jobs...which you are paid for. Do your work sincerely, show progress...”*

Sourav to Ratlam CFOs: *“Share your...procurement plan. Why you are not sending it regularly?”*

Sourav: *“...fpo hasn’t done any purchase yet? Why not...closed down?...we don’t have free money to distribute...Why there is no progress update from...[FOs]...Pls give reason each one of you...I asked this yesterday nd nobody bothered to respond !! Pls don’t take this lightly. If I am breaking my head for this then there must be a purpose, and that is I want fpo to succeed. I want members to benefit.”*

Sourav: *“Congratulations to everyone for crossing the 1000 MT in commodity trading...Let’s quickly reach the next thousand, we have to reach 7000 MT...”*

1/2020 - Sourav: *“[west MP FOs]...please let everyone know the reason for procuring less quantity than targets...share your...Organic Cotton n other commodity procurement plan...We have to recover the entire loan given to farmers. Pls keep updating on daily basis...”*

05/01/2020 – Sourav: *“Good speed up procurement...develop strategy how to increase quantity of organic cotton...”*

18/01/2020 – Sourav: *“...I request to all Locations...in Organic Cotton procurement need to share...your...procurement plan in morning as well as progress...in evening.”*



28/01/2020 – Sourav: *“If you need any support in purchasing of Organic Cotton then you must tell us but we will not compromise n will not listen any excuse to achieve your planned targets...”*

15/02/2020 – Sourav: *“This is not done...[CFO’s name]...You know...that money is on the way. If you can’t make farmers agree to take payment in 3-4 days then what is this big talk of community mobilisation !! Or this is an excuse of not buying. Look at your targets...and your progress. The data will tell you where u stand!”*

In these exchanges, what is apparent is the significant pressure to achieve procurement or recovery targets, and the frustrations of CHOs at CFO progress. CFOs were encouraged to compete against each other in their efforts to achieve these targets, while the penalties for ‘failing’ to achieve them were made explicit by Sourav. During the CSD’s ‘retreat’, one CFO whose FO had achieved their procurement target was presented with a high achievement award. Earlier this day however, this CFO mentioned to me that, while his team were diligent, there was relatively low competition from other agricultural traders in the area covered by the FPCs supported by his team. Sudhir emphasised to me on a separate occasion that traders had organised and “captured the market” in Ratlam, which, combined with other challenges, led to low procurement levels. The IMS exchanges also indicate pressures facing CHOs and Sourav, focused on their need to repay loans taken by FPCs and to meet agreements made with buyers who had agreed to buy FPC produce. As I discuss in *Chapter 7*, some of these buyers were multinational textile brands, with whom CSD had signed agreements to provide organic cotton within wider ‘partnership’ arrangements. This was the ‘heavy lifting’ work involved in the reproduction of formal narratives, or representations of FPCs as self-sufficient, market-focused co-operative organisations. As illustrated in the above comments, if targets were not met, it was due to a lack of strategy and advertising, not simply in procurement, but in the work to design and build FPCs as market-focused institutions.

To provide a further illustration of the dynamics between CSD’s HO and FOs, a regular practice of CHOs were visits to FOs as part of different projects. During one visit of three CHOs (including Akhil and Suneet) to an FO in Ratlam district (in which I was also present), a

discussion on CSD and government targets took place. The CHOs were emphasising the importance of data collection, that it should be 'like a census', with the number of households and other quantitative data prioritised. The discussion proceeded to one in which CHOs were admonishing CFOs for not working in a 'proper way', as Akhil emphasised, *"everything should be documented appropriately."* In such 'formal' settings (contrasted with 'informal' exchanges before and after), CHOs sought to 'impart' their knowledge to CFOs or FPC members. During my visits to AGMs of FPCs supported by the NGO, there appeared to be a level of status accorded to senior NGO officers, reflected in their introduction to FPC members, and the role they performed. CHOs were given priority in FPC AGMs and other meetings, as Prabir, a CHO who presided over several FPC AGMs in Alirajpur that I attended, was introduced by a CFO as "the chief guest here". Such 'chief guests' also used these occasions to reproduce and emphasise 'formal' narratives of FPCs and co-operative action, including of 'proper' ways of working. Prior to asking FPC members to pledge an aforementioned commitment oath, Prabir noted the formal 'roles' of FPC members in this AGM: *"You have to associate with the company...work...sell...more for the company....all profits...come back to you...This is your company."*

In contrast to the reproduction of 'formal' narratives of co-operative action, as noted, informal acknowledgements of the various financial, participation-based, and other challenges facing FPCs were also made by CSD officers, farmers and FPC leaders. During a conversation with CFOs including Sudhir in a CSD FO in Jhabua district, these CFOs were reflecting on relations between CSD's HO and FOs. Mohan, a CFO present noted that FPCs have "no money to buy cotton", that it "takes loads of money to store and process it", while Sudhir emphasised that FPCs need loans, he reflected that farmers *"have to think about food first, then clothes...Farmers need money to give to the FPC."* When I asked about loans available, Sudhir said they are *"but too little"*, to which I mentioned CSD's loan facility. In response, Mohan, Sudhir and Jitendra, who was also in the office, resorted to general laughter about the loan amounts. This informal challenging of 'formal' explanations and narratives regarding FPC performance and 'success' by CFOs formed part of a wider contestation derived from their working practices. As noted above, CHOs and others also arrived at 'informal' reflections, and both CFOs and CHOs were compelled to reproduce narratives of FPCs focused on the importance of innovative 'design' (Shah, 1996),

‘leadership’ and ‘management’, to fulfil a ‘formal’ *a priori* conception of FPCs as self-sufficient, entrepreneurial farmer-led, efficient businesses.

The reproduction of formal narratives of FPCs and co-operative action by CSD workers, as indicated, was a process situated within institutional hierarchies, working practices and relations between CSD’s HO and FOs. The ‘challenges’ to co-operative action were compelled to be ‘translated’ and ‘contextualised’ (Latour, 1996) into such ‘formal narratives’, as ‘solutions’ forwarded by status-infused CHO ‘professionals’ through the organisation’s working hierarchies, in which the importance of marketing, designing innovative models, creating ‘value’ and advertising in villages were emphasised. Such emphases sat alongside efforts to build ‘rational’ entrepreneurial farmer FPC members who would act in accordance with co-operative norms and rules-in-use (Ostrom, 1990), such as buying and selling with FPCs only, contributing share capital, and taking ‘responsibility’, as was termed in the commitment ‘oaths’. Accordance with such norms along with adherence to ‘proper’ ways of working, would enable FPOs to “succeed” and members to “benefit”, as Sourav indicated. This focus on achieving “optimal institutional solutions” (Ostrom, 1990, p. 14), was however contrasted with informal accounts of relations between CFOs and FPC (‘badmaash’) members focused on ‘recovery efforts’, of ‘vested interests’ in the ‘politics’ of FPC leaders giving ‘favours’, as well as in the wider institutional power relations in which such processes took place. As Cleaver (2012, p. 50) noted, drawing on Douglas (Douglas, 1987), institutions create “shadowy places in which the working of power relations remain hidden”.

### Politics and ‘leadership’ in FPCs

As discussed previously, a prevailing trend of literature and policy with regard to FPCs, reproduced in (formalised) practice-based representations, is a conception of them as ‘solutions’ to the ‘problems’ of co-operative societies in India. In particular, FPCs have been presented as less susceptible to government interference and ‘elite’ capture. CSD’s FPO ‘Handbook’ noted that FPCs “have inherent advantages over...cooperatives...there is less government control...the cooperatives...are state controlled.” Studies have emphasised FPCs’ marriage of co-operative “characteristics” with “professional management” (Das, 2019, p. 57), their role in “value addition”, and economic ‘efficiency’ (Venkattakumar and

Sontakki, 2012, p. 154-55), 'breaking' FPCs 'free' of the "inefficient and politicised image of cooperatives" (SFAC, p.3). As noted above, such dominant approaches emphasise "energetic management" and directors alongside business planning (Kumar et al., 2019, p. 43). This legalistic/policy and 'design' level understanding of FPCs as self-sufficient, professional and business-focused companies, as discussed previously, features strongly in 'formal' narratives of FPCs and co-operative action through them.

During an interview with Akash, a senior development worker from the Rural Livelihoods Institute (RLI), an NGO promoting FPCs in Gujarat and MP, he emphasised a 'formal' representation of FPCs, in noting how 'hijack' is *"not possible...[as]...only producers can become members....the governance is relatively better in FPCs...there are some bottlenecks like legal compliances. But as far as governance is concerned, this model is better..."*

Reflecting on his own experiences with RLI and FPCs, Akash noted however that *"there can be human dynamics, people can exploit...be more powerful, rich...influence others to vote as per whatever I influence...those...dynamics are always there..."* This latter comment chimed with informal reflections by CSD officers. During a conversation with Manit, a CHO, about politics in FPCs at CSD's head office, he said that *"Hijack doesn't happen, but influence...We have strict criteria, FPO only parameters. One person, one vote, whether you have a lot of money or little money...But landholding is different, soil quality is different..."* When I asked Manit to elaborate on 'influencing', his response was *"I can show you how to do things in an FPC"*, and mimicked a hand twisting gesture. In this manner, while the formal representation and 'rules' of an FPC in its byelaws or policy and practice manuals emphasise voting rules, 'strict criteria' (the 'rules-in-use', Ostrom, 1990), along with 'advantages' over co-operatives, CSD staff pointed to forms of 'influencing' or politics still occurring.

In a conversation with Sourav in September 2019, he also reflected on politics in FPCs, emphasising the role of a 'neutral' third party promoting organisation, such as CSD: *"It is not free from politics...conflict...corruptions, all vices of any institutions are...present. The role of a good friend is very important. Establishing the credibility of the neutral party is also very important...The FPOs and their shareholders must...realise that some point of time...[CSD]...is only giving, not taking."* Sourav emphasised the need for the 'third party' to 'establish' its credibility by demonstrating its 'giving' nature, which he linked to his previously-mentioned

focus on the role of 'preconditions', a "foundation" for FPCs. Adopting the language of social capital (Putnam, 1993), Sourav represented this relationship in terms of a "*trust factor that is...developed*", through a promotor working with farmers over a number of years. The establishment of 'trust' and 'credibility', will therefore ameliorate the 'vices' of politics and 'conflict'. Such a representation of trust as a 'factor' recalls the WB's notion of 'institutional trust', built by "repeatedly delivering on commitments", enabling the 'shaping' of beliefs and expectations, such that people co-operate to "induce socially preferred outcomes" (WB, 2017, p. 56). In contrast with a 'formal' notion of third party neutrality, Cleaver (2012, p. 50) argued that the "design of mechanisms" to mitigate social inequalities in institutions are "part of the social world they...intend...to modify".

When I mentioned the word 'politics' during conversations, interviews and fieldwork encounters, most fieldwork participants appeared to perceive this in terms of corruption, 'hijack' of FPCs, or the involvement of local politicians. In essence, politics appeared to refer to the pursuit of strategies for individual (monetary or other) forms of self-advancement at the expense of the FPC, and of co-operative action. During an interview with Nilesh at CSD's HO, a development worker cited in the previous chapter, he stated that "*there was no politician...no politics involved*" in the FPCs he worked to promote, he noted that they took the 'precaution' that "*in the Board we will keep only marginal farmers.*". During a discussion with members of an FPC in Ratlam district, a farmer similarly said that "*politics does not happen...the politicians don't get involved.*" In a conversation with Sudhir following this meeting, he said that local politicians cannot do anything, FPCs have "*small farmers but...have the right documents. FPC is not a government body.*" The byelaws of FPCs usually negate the possibility of a director holding a political office, which, along with their registration as companies (albeit through a 'producer company' amendment), are often used to illustrate their 'non-political nature'. The 'Articles of Association' for a CSD-supported FPC in Ratlam district stated: Directors "should not hold...any responsible position in any political...[office]...He /She should be socially accepted in their local community...should not involve in any activity that is either conflict of interest with the company's business or harmful for the...[its]...growth or performance..."

A focus on prioritising such formal documentation as byelaws as an indicator of the political

nature of these co-operative companies would provide a view in which the representation of them as business and market-focused, farmer-led, self-sufficient organisations becomes a self-fulfilling tautology. As I have argued previously, such a 'formal' narrative of FPCs, which emphasises their solely 'business' focus and non-political nature, is nevertheless forwarded within processes of institutional development. The byelaws of FPCs thus act in a similar way to the NGO's 'triangle' and FPO policy and practice manuals/guidebooks, as representations of co-operative action; representations which are embedded within organisational dynamics and wider power relations. The 'design' of FPC byelaws is carried out, Sourav mentioned to me, in discussion with "opinion leaders", to ask if they "like to change it" or not. However, he noted that the "majority of the constitution is the same...a cut and paste job". In my fieldwork experience, most FPC byelaws were very similar, and almost always in English, including other 'official' FPC legal documentation. The above-mentioned FPC 'articles' were entirely in English, with only the signatures of the directors in Hindi, recalling discussion in the previous chapter concerning literacy among FPC members, the implications for engaging in FPC work (including suggesting 'changes' to byelaws), and associated power relations.

FPC byelaws, along with other documents were appealed to by CSD and other development workers as representing the 'proper' ways of doing things, as "moral world views" and "well-worn practices" noted by Cleaver (2012, pp. 48, 46). Within an FPC AGM I attended in Alirajpur district, Prabir was explaining the process (and rationale) for holding an election for FPC directors, as well as the roles and responsibilities of members and leaders. Rather than referencing constitutional documents or practice manuals however, he provided an analogy from village level community institutions, in order to 'translate' and encourage adherence to formal constitutional 'rules':

*"...like in company, to run a family we need a head. To run a village...we need a chief...a head is important, that person will work on behalf of everyone...anyone can not be head so...we elect our chief. Today we have few members, they could be old or new those were elected as chief of your group. They will lead your village. You can discuss with them that what is being purchased by the company...what has come to sell, at what rate...if anything is provided by...[CSD]... What do we need to pay for it. You can discuss with these people about all these matters. Your responsibility will be that the new system has been started...their responsibilities*

*will be that you people must come to...[a particular]...village once in three months to have a meeting.”*

The importance of ‘leadership’ and cultivating leaders to manage and run FPCs, as indicated previously, was given much importance in CSD’s capacity building work, as well as being highlighted within the perspectives of CSD workers and others. During an interview with Abhijit (cited previously), who worked in FPC promotion and as a CEO for a federation of FPCs in Gujarat, he reflected:

*“Some companies have done well and some...have...become defunct. It depends on the kind of leadership you develop, the kind of business activity they are linked with and the type of governance structure, the people taking leadership...the management...Some FPOs...even after doing well...become defunct. Because of...allegations regarding management...or corruption...Some FPOs have not picked up because of poor governance...no one is able...[or]...ready to take ownership of the company...lead it into business...take it a step ahead. In...cases...where they have been able to identify good leadership, good leaders...the farmers have taken...leadership and try and grow the organisation. But where there have not been able to...when the funding is over, those FPOs have almost become defunct.”*

The emphasis on leadership and management chimes with the emphasis upon this area within the growing literature upon FPCs, as discussed in the literature review. In CSD’s FPO handbook, an “energetic management team and...BoD” is emphasised as one of the ‘factors’ for ‘high growth’ of FPCs. Linked with this is an emphasis on business planning: “a clearly identified business opportunity that gives a high RoI..[return on investment]...”. In the last chapter I discussed the overriding focus on ‘building a business mindset’ among farmers by CFOs, which sat within a wider approach towards building ‘ownership’ and collective action norms linking individual farmers with FPCs (formalised in commitment ‘oaths’). These processes involved roles given to FPC directors, as well as, more broadly, the cultivation of ‘leaders’. Rahul emphasised this to CFOs in a comment to CSD’s IMS ‘chat’ group during the Kharif ‘procurement’ season: “Without involvement of BoDs & SHG leaders you will not achieve ur targets as well as they are not feeling sense of Ownership of FPOs.” The importance attached to ‘building leadership’ among FPC members was emphasised to me throughout my fieldwork. Sourav mentioned during one ‘interview’ of the need to “provide

*opportunities...[because]...there are dormant leadership qualities, they don't surface naturally...You just have to trigger it with something...a chance to participate in the SHGs...a chance to perform in the FPOs...giving them a microphone..."*

Continuing his reflection, Sourav said that through such "lifechanging events", CSD had been "been able to trigger hundreds and thousands of new leaders." During the same conversation however, Sourav reflected on the presence of 'natural leaders', encountered by CSD throughout their programme work. These 'leaders' are "so natural, so much potential in them. You try to do anything in the village they will...come up and...Because they are the people who are forward looking." This distinction between facilitating or building leadership, and working with 'natural' 'forward looking' leaders, was something which would also appear within the politics and leadership structures of FPCs, vis-à-vis the role and work of promoting organisations.

I discuss in the next chapter the manner in which development workers represented the use of community-based analogies (and Adivasi 'culture') in FPC development in an instrumental sense, as a 'tool' to build member 'ownership' and (business) engagement with FPCs, including with regard to the commitment 'oaths' noted above. In a similar vein, building leadership was represented in formal spaces as a 'high growth' factor for FPCs, critical to procurement and member (business) engagement, as well as to address 'corruption'. Such representations recall new institutionalist conceptions of 'tradition' as an 'informal constraint' of economic activity, determining the 'choice set' of rational actors, as well as transaction costs (North, 1991; Haller, 2002). It is important to recognise this as a narrative of representation, informed by prevailing understandings of co-operative institutional development.

A focus on the "deeper processes"(Attwood and Baviskar, 1987, p. A-57) of leadership vis-à-vis FPCs, as I discuss below with regard to 'informal' reflections, points to the role of material and symbolic capital accumulation (Bourdieu, 1986), as well as to wider leadership dynamics in which "big men" seek control of FPCs as "charitable institutions" (Mines and Gourishankar, 1990, p. 762). Efforts to embed FPC leadership structures in the minds and experiences of members also appear similar to Cleaver's (2012) emphasis on the way in



which new institutional arrangements are “naturalised by analogy”, presented as the “right way of doing things”, through reference to ‘tradition’, “pre-existing ways of doing things” (ibid, p. 48, 47). Though such processes sat within a didactic compulsion to build ‘business mindsets’ and ‘energetic management’ in FPCs.

### Elections, leaders and hijack

The FPC byelaws I encountered commonly stipulated election procedures, voting rights, roles and responsibilities of members and leaders as a near carbon copy of such templates in legislation and policy guidance (Gol, 2013; SFAC, 2019). As discussed in the literature review, Shah (2016) took issue with this ‘lack’ of “design thinking”, but supported the thrust of the legislation, including the ability to link voting rights with a “threshold of patronage” (ibid, p. 18). The voting rights of FPC members in my fieldwork experience, were often not equal, as per the ‘one member, one vote’ principle core to international co-operative standards such as detailed by the International Co-operative Alliance’s (ICA, 2015). In the above-mentioned bye-laws of a CSD-promoted FPC in Ratlam district, new members held no voting rights for the first six months, unless they were ‘active’ members, defined as those who “actively participate in...[FPC]...activities / business / services..” or governance. In a similar vein, directors were to be elected only from those members “considered as an active member”. Thus, from a new institutionalist perspective, participation, ‘active’ membership and leadership was sought to be crafted and designed both through formal rules as well as informal ‘constraints’.

Despite such stipulations on election procedures and voting rights in FPC byelaws, emphases which reflect narratives of these organisations as ‘marrying’ co-operation and corporate governance (Dey, 2018), my attendance of FPC AGMs, and wider fieldwork indicated a more complex picture, typified by the ever-present role of the promoting organisation. As noted by Sourav, CSD played what he and other CSD staff saw as a critical role in facilitating the governance and politics of FPCs. CSD provided returning officers for FPC elections, coordinated and organised the AGMs, including the processes of ‘elections’. During an AGM of an FPC in Alirajpur district, Prabir, a CHO, mentioned that “*selection not voting happens for directors*”, that CSD “*has criteria to select them...but members select them*”. He also

emphasised the need for 'public acceptance' of the directors. In introducing the AGM, Karan, the CFO facilitating the event defined the roles and responsibilities of directors, in a manner which suggested these aspects were not widely known by members. The meeting began with a ceremony in which garlands of flowers were placed around the necks of the directors of FPCs, with a prayer and blessing accompanying it:

*"After the prayers to Goddess Saraswati...The company of yours...what those people...[directors]...did in the last three to four years. They helped in running it. You all come once in a year. Right? But these are like if we ask them...they come and help us. The meetings...[and]...conversations we do, if we have to go to Bhopal...Indore then we go."*

*"These people are a shield for you...these people handle all the activities, complete company tasks...It is our duty. These people say what we need to do...It is our responsibility to honour them. It should not be like have tea and take the money and then start for Bhopal...we would like that people among us, we will call out few names, they will come and we will show our respect. We will exchange the garlands..."*

Following this introduction, Prabir asked Karan for the names of the current FPC directors, whether they were present at the meeting, and which ones were 'new' and 'old', referring to any changes in the BoD. Karan said, *"Old I think we have...[name of director]...only, four others we are changing."* The names of directors were then called out and these people came to sit at the front of the room, separate to the audience. Karan appeared to present the situation in terms of CSD taking a lead in selecting the directors, saying to Prabir with regard to one director, *"we are getting her here as the main director...The plan for those two...[directors]...is if...they go...we will keep them here. We will add them."* It was unclear when the 'election' of the new directors happened, but the members were asked to confirm and support the directors at end of the AGM, in which Prabir also emphasised the right to recall directors (stated in the byelaws):

*"Some of our didis who joined in the beginning, they are going to become our board members...Your responsibility is to support all elected board members in the progress of this company...if you feel that these members are misbehaving...you have right to ask him to mend his ways otherwise he would be expelled."*

During the above FPC AGM, Prabir was also discussing with Karan his observation that some villages had “lost representation” (from the FPC). A further FPC AGM I attended, also in Alirajpur district, saw the CFO presiding over the event appeal to the FPC’s byelaws and FPC policy to encourage members to elect new directors, rather than leaving old directors in place:

*“Policy tells us...when we have a meeting of company...in the presence of the old board members...we will elect new board members...Everybody welcomed you that is great but as of today whoever were the BOD...before...you have become BOD in their absence. When I asked people...they said when old people will go then only new can come...This process seems...awkward. In future...your responsibility is that there are old members as well as new ones. Chair is not at one place it keeps on rotating. Right?”*

The appeal of Prabir here is for members to participate in the elections and governance of FPCs, as well as to adhere to the ‘formal’ rules as laid out in byelaws as well as published policy and practice guidance. The byelaws of the above-mentioned FPC details that each elected board has a three year term, but two years into each term, one third of the directors “shall retire and be eligible for reappointment, if found regular and sincere in the meetings and business of the company”. This issue of directors continuing in office beyond their ‘term’ and not ‘standing down’ was emphasised to me by several development workers and commentators, often in the context of a lack of adherence to the ‘formal’ rules of co-operation. My interview with Abhijit shed some light on this issue, in which he elaborated on his reflections on a lack of leadership due to ‘poor governance’, management and corruption. He noted that, *“...where there is collective leadership and emphasis on growth...at management...governance level...there is...rotation of...board members...But these people who have taken leadership position from the...beginning, and they are told to step down, they usually do not like it.”* Continuing, he reflected on experiences within the federation he had spent several years promoting, that *“Our Chairman...[of the board]...we had to ask him to step down, to do...rotation. He didn’t like it, and we had to face a lot of consequences...We are in a...real problem, he wrote to...complain about us...”*

According to the byelaws of most of the CSD-promoted FPCs, chairpersons were elected by the BoD for a one year term, although, as with other formal rules, it did not appear to represent the political situation in many FPCs. Abhijit continued his reflections to note that, he, as the federation's CEO, along with the NGO promotor, "*had to put him...[chairman]...in rotation...these problems could be in every FPO.*" Summarising, he emphasised the importance of designing appropriate governance policies and systems: "*It is better to continuously tell them that there is a Board rotation policy...[and]...the rationale...There could be a cooling period...one year...There should be a system of re-election also.*" This focus on the importance of designing and communicating governance systems sat within a narrative in which instances of non-adherence to FPCs' rules-in-use (Ostrom, 1990), was seen as 'abnormal'. Rather than linked to institutional or social relations of power, such reflections on 'political' issues, as leaders not 'standing down', or providing farming 'inputs' on credit as "favours" to members, were compelled to be 'translated' (Latour, 1996), by development workers and FPC CEOs as amenable to designing 'out'. Thus Abhijit continued to highlight the need for a "*very well designed process to identify...leaders and nurture them.*" While this highlights the reproduction of 'formal' narratives of FPCs as non-political, self-sufficient, co-operative businesses, including the role of 'design' (Shah, 1996), 'leadership' and 'management', it also highlights new institutionalist concerns with building shaping "beliefs and expectations" to achieve "better development outcomes" (WB, 2017, p. 56).

A focus on the presence of 'politics' or 'corruption' was also something reflected upon by Sourav during one informal interview with him. politics and conflict. Summarising his experience of FPCs through CSD, he summarised, there are "*two types of conflicts...One for...pure monetary reason...to make illicit money. The second...somebody wants to have control for demonstrating power.*" Sourav continued to reflect that both 'types' of conflict happen "*when the producer companies have developed a certain degree of credibility and wealth.*" This reflection chimed with Abhijit's experience as CEO of a federation of FPCs, which had grown to become a state-wide presence in Gujarat. Sourav also mentioned that 'conflicts' don't happen immediately but "after a while":

*“Those who have...worked hard in the beginning to build the company, normally these kind of things are seen within them only. They think, it is their hard work which has built this company. If the person is honest, he would like...control over the...[FPC]...just to have the power. So he doesn’t want to resign from the president position...he has already printed a visiting card...[and]...started telling many places that he is the president of such a big company.”*

Reflecting on the role of CSD as a ‘mediator’ to ensure adherence to the formal rules or norms of FPCs, Sourav continued to note, *“those who only want the power, not money...It is easier to...convince...[to ‘stand down’]...those people are kind. They have also developed a kind of ownership, a soft corner for...what they have built...there’s a gentleman...[in a particular FPC]...he is a watchman....He says in the meeting that I have given everything to build this company, I will see that nobody makes any harm to it. He is not holding any position, but his ownership is so high. Today he is not a position holder, because we wanted him to step down to give chance to others, he immediately complied...But his involvement is intact.”* These ‘watchmen’ leaders, Sourav mentioned, are the ‘natural’ leaders he mentioned beforehand, *“natural benefactors”*, those who *“love to work for the society...for others.”* This focus on leaders as ‘benefactors’, ‘watching’ FPCs, chimes well with Mines and Gourishankar's (1990, p. 762) aforementioned emphasis on the role of institutional ‘big men’ in performing leadership through control of “charitable institutions”.

Alongside the ‘watchmen’ leaders, Sourav also drew attention to ‘conflicts’ based on leaders pursuing monetary benefits: *“those who are a little corrupt-minded, money, it is difficult...to remove them. We had to take certain steps to remove...people...We played the politics, because being a neutral third party we had to balance the power equation within the system...”* A focus on the pursuance of monetary benefit was also emphasised by other CSD officers, such as Rahul, who mentioned to me following a visit by CFPOT members to Ratlam to investigate “warehouse issues”, that “many crops are spoilt”. When I asked whether weather was the culprit, he responded to say *“rain...and human. Some people take money from the FPCs for themselves, they personalised it and mobilised it. So many things are messed up, there are problems.”* I asked Rahul whether the role of CSD (especially CFPOT) in ‘coordinating’ FPCs was linked to these ‘problems’. He responded to emphasise the

difficulties in combining 'NGO' and 'business' work: *"Yes, if you prioritise one thing then something else loses. People have to do FPC work...[and]...other projects at the same time. In NGO work you have to prioritise, but in business you have to produce things timely, if you don't then no profit. So how can we do it?"* He continued to note that FPC's receive money but it *"is not being used"*, when I questioned why, he said *"Some bad people...[CSD]...cannot do everything."*

In a related conversation I asked Rahul and his CFPOT colleague Manit whether co-operation can be difficult in areas in which political, social or other 'tensions' may exist. In response, Rahul said that *"There are problems at the FPO level, political people are in FPCs. Many multiple issues. If political people are at the local level then there are issues."* It was in this conversation that Rahul emphasised the importance of *"ground level implementation"* versus 'design' with regard to FPCs. Continuing his reflections, Rahul iterated a narrative of FPC (Adivasi) member vulnerability in the face of such 'political' and other tensions (which I return to in the next chapter): *"Adivasi people have low skills and education, low skills and money. Exploitation happens."* In emphasising such issues of 'politics', including cases of 'conflict' vis-à-vis leadership dynamics in FPCs, Rahul noted that 'problems' at the *"FPO level needs a mindset change"*, recalling the above discussion on the role of institutional hierarchies and working practices in informing narratives of co-operation. These 'political' reflections may be set beside previously mentioned comments by Sourav, Rahul and others regarding *"vested interests"*, the *"giving of favours and money"* in lending *"manipulations"* by FPC leaders. Rahul noted to me during CSD's 'retreat' that these *"political, powerful people had taken for granted the loans, we have to be strict"*.

These relatively 'informal' reflections on political dynamics in FPCs appear to stand in contrast with dominant conceptions of FPCs as non-political, professional, business co-operatives of small farmers (SFAC, 2019). It also appeared that such 'informal' reflections on 'leadership' in FPCs emphasised the importance of status as separate to, but often linked with money-related 'conflict'. During an interview with rural development academic, Professor Sukhpal Singh, he reflected on leadership in FPCs: *"Those people...[directors]...do because it gives them...non-monetary benefit. You're seen as a leader...as leading...groups...we found everywhere...They had recognition, that if you want to become a*

*Board member, you should have promoted so many farmer groups...so many farmers should support you. Everybody and anybody can't become Board members."* As per FPC legislation, directors in FPCs are not supposed to receive salaries (just expenses), as opposed to appointed 'professionals' (including CEOs). Singh stated that to be a director, you have to be a *"local leader or at least acceptable to a large number of farmers...that influence you should have."* During my interview with Abhijit, he emphasised the need to recognise and work with existing community leadership structures and dynamics of status and 'respect'. He mentioned there are people who *"will invest their time...are...respected...in the community...in village you will find people who are enthusiastic but nobody listens to...or respects them. It is not...thoughtful to give them leadership positions..."*

Building on previous comments, Abhijit noted that when an FPC grows in size and scale, expectations among staff of salaries increases, while BoD's expectations "also increase". As a result, a key challenge for him was *"how to align all these interests and expectations"*, that while in private corporations, they *"pay huge amounts to Board members, they have shares"*, but in FPCs, regardless of size *"they get nothing."* As such, Abhijit reflected, *"they need recognition. They need leadership...in some community...some region...it's tricky how to handle it."* The formal byelaws of FPCs, as noted, stipulated that directors should have 'social acceptance' in their communities, and the 'translation' of this through FPC institutional development, appeared to revolve around a need for recognition and status, as well as the prior accumulation of these forms of 'symbolic capital' (Bourdieu, 1986) through becoming 'natural' watchmen. Simultaneously, positions of leadership provided opportunities for the accumulation of material capital, through the manipulation and non-adherence with the formal 'rules-in-use' (Ostrom, 1990) of FPCs. The latter recalls Mosse's (2005) emphasis on the manner in which "men of influence" can mobilise participation to win public support for private interests, using their capital of authority to "represent as community needs".

### Elections and symbolic capital

As noted above, the dynamics of elections in FPCs included an overriding role for the FPC promoting organisation. In the FPC initiated by the textile firm MK, discussed in the previous

chapter, the MK executive Prakash told me that the directors were ‘selected’ not elected, for their “skills” and “community interest”. Moreover, they were “not political people”. While Prakash said that MK aimed for elections to happen in the future, informal conversations between CSD officers at FPC AGMs noted above, and comments afterwards suggest a blurred line between ‘elections’ and ‘selections’ in practice. Such a blurred line was reflective of the overriding role of CSD in the institutional development and functioning of FPCs, including relations of power between CSD officers, FPC leaders, CEOs, and members. Returning to the FPC AGMs in Alirajpur district may enable a closer analysis of the “deeper processes” of elections in FPCs. In one AGM, Karan announced an ‘election’, using a community-based analogy to ‘explain’ and ‘translate’ the process to members, indicating that such processes were not widely known about or participated in: *“We do meeting in our village in our groups. Here we have organised a big meeting. We have called everyone from their village...Today we are going to elect the executive members...Like these people are sitting here now, may be anyone from you will be sitting here. So all the work to be done is first discussed with them and then they discuss with you in your village...”*

Karan proceeded to introduce the existing FPC directors, providing an overview of their roles, responsibilities vis-à-vis their eligibility as candidates, in essence, campaign speeches, although given after the election/selection:

*“Then there is...[director name]...He is from village..[village name]...He was elected as head from this village. Now they...[directors]...are sitting here...I will tell what will be their responsibility.”* Karan described in length the experiences of the directors, some of which I quote below:

*“We have two...[CSD]...workers who have left work with us and...now they are Sarpanches of some village...[welcomes them]...let me introduce you all...[director name]...has worked for almost fifteen years. He has been...a Sarpanch for the last five years...I believe that working with...[CSD]...the experience he got...he did...many good works...The School board he got here is really good at such a village level, which I have only seen in a few other places...If your child will study...it will lighten up his Future. In today’s world we cannot run our house just with agriculture...In our village what we need the most is...education.”*



Karan continued to introduce a second director: *“Now after this we have...[director name]...with us. He is a member in Indore office and he has also been associated to...[CSD]...for the last sixteen years. He is valuable resource of...[CSD]...”* Following this, Karan provided an overview of the role of the chairperson, (the ‘head’) as well as other directors: *“The new member who is elected as head is sitting...here. I will brief you about your and his duties. His duties are to understand your needs from production till trading, fertiliser, seeds,...[crop]...medicines...Their responsibility is that in the meeting held in one month they will update you. We do not have to tell them, they should be aware. They are independent to take decisions.”* At a later point in the meeting, the first of these directors was encouraged by Karan to ‘come forward’ and tell the members about the FPC, as well as *“works he did for the company”*. The director responded to state:

*“They form members by taking 200-200 rupees, then formed federation. I worked at group level, at federation level. I want to keep associated with...[CSD]...Whatever I did, I did it free of cost. I didn’t take any money from anyone. I learnt this from...[CSD]...I got experience of every work from...[CSD]...only. I want to keep working like this in future.”*

The introductions and speeches made during this AGM appeared to indicate the importance of the directors’ prior working experiences (and ‘leadership’) in the FPC, especially their relationship with CSD. To clarify this director’s statement, his reference to ‘federation’ referred to the FPC BoD and RGC (Representative General Council, a wider body of members linked to the BoD) level, while ‘group’ level referred to the village level farmer groups, including SHGs. The director emphasised having not ‘taken money’ (pointing to a need to show adherence with the formal rules of FPCs), while he and another director were also ‘sarpanches’, elected heads of gram panchayats (village councils). Much of this reinforces above-mentioned points about the role of symbolic capital (status) accumulation in FPC leadership dynamics, that ‘community acceptance’ in practice becomes having prior ‘leadership’ positions, such as sarpanches, as well as ‘leadership’ roles within FPCs, including the public ‘performance’ of rule adherence (Mosse, 2005). As noted, ‘speeches’ also point to the manner in which such ‘strategies’ of capital accumulation were carried out vis-à-vis the central role of CSD. In contrast with formal representations of CSD’s (and other FPC

promotor's) role by development workers as 'neutral' third parties, informal reflections pointed to promoters as "strict" enforcers of the 'rules' of FPCs. To enforce the byelaws in efforts to achieve prevailing understandings of FPCs as self-sufficient, farmer-led co-operative businesses, promoters "played the politics", reinforcing Cleaver's (2012, p. 50) point, that such efforts to 'design' mitigating 'mechanisms' "do not function in splendid isolation."

During the discussion in an FPO workshop at an RDI, participants drew attention to the relatively "*more privileged*" directors vis-à-vis other FPC members, the former often owning more shares in FPCs, leading to "*iniquitous power within the FPO. A privileged few and a larger tail end.*" This power relationship, one participant reflected, was reinforced by the fact that "*most training goes to the BoD*". Another participant stated that, following Shah's (1996) arguments, "*sacrificing equity can be efficient*", we "*shouldn't be creating islands of exclusion and inclusion in otherwise member-based organisations.*" During the same workshop, Ravinder, an NGO professional and CEO of Kisaan Samridhi FPC (KSFPC), a second state-wide FPC federation in Gujarat, noted that "*elite capture*" was the "*biggest issue*" in the BoDs they supported. Specifically, he reflected that large farmers contributed relatively more to the FPC in monetary terms, "*so they wanted to control it.*" He mentioned that with regard to leadership and entrepreneurial skills, it is "*very difficult to find selfless people who have high leadership skills, it is usually the opposite...*" While FPCs are aimed at small farmers, larger farmers are not prohibited from joining as members, something I return to in the next chapter.

### CEO-BoD power relations

One critical dynamic that I have mentioned previously is the relationship between the CEO of an FPC and the elected directors, as well as any appointed professional staff. The 'articles' of the above-mentioned FPC in Ratlam district detail that the CEO cannot be an FPC member, but will be an "ex officio director of the Board having voting rights equal to any other Director, but he shall not vote in the election of the Directors or Chairmen..." These byelaws provide for the appointment of professional staff termed 'technical directors', defined as "subject matter specialist[s]...or Business Management professional[s]..", and

also non-members. Such 'technical directors' can also "participate and vote for the all kind of business related decision taken in BoD meeting..." The rules also for technical directors to become CEOs if the position becomes vacant, as well as the 'chairman' (usually an elected position). In essence, the 'formal' rules illustrate a blurred line between the roles, responsibilities and powers of elected member directors and 'professional' staff, despite formal narratives of FPCs as small farmer-owned co-operative businesses.

During an interview with Ravinder, he emphasised to me the power dynamics behind this 'blurred line'. He noted, that, "*The original role of the directors is to govern...But what happens is that CEOs are...qualified...Directors are not...ideally the relationship should be director here, FPO manager here...[motions to the desk]...But because...[CEO]...is powerful, qualified...directors don't have that kind of confidence and capacity to direct and review.*" Ravinder continued to reflect that, "*Unless the person...[CEO]...is...sensitive towards the community, it is difficult...if you are not sensitive...empathy especially...They can manipulate, they can misappropriate, anything can happen.*" As with comments by Sourav, Ravinder emphasised the role of the promoting organisation in designing processes to address such 'problems' vis-à-vis the 'rules' or intended focus of FPCs: "*We have many process-driven organisations...we...[need to]...solve this, because...CEO comes...within one year...in the phase of delivery...he leaves...Then...we need to restart.*" In addition to this, he emphasised the high turnover of people in CEO roles, that "*people are in search of jobs, they join, and as soon as they get a job in city or some town, the turnover is high.*" Ravinder's comments also indicated the wider 'career' dynamics of CEO professionals, whose aspirations may lead to leaving the role or 'misappropriation'.

Comments such as these and by other FPC promoting professionals, emphasise the basis of power relations between CEOs and directors in FPCs as beyond that stipulated in byelaws. In particular, the cultural capital (Bourdieu, 1986) of 'qualifications' and 'business' know-how appeared to underline such 'inequitable' relations, giving rise to greater roles in decision-making and/or 'manipulation'. However, as above, institutional and social power relations were compelled to be 'translated' (Latour, 1996) by development workers into 'formal' narratives of FPC institutional development. In this manner, issues of 'politics', 'manipulation' or 'conflict' were to be addressed by the design of governance systems, and

the active role of a 'neutral' third party promoting organisation. Ravinder emphasised that for KSFPC they had designed a structure that could not be altered by the BoD: "...we have a three tier thing...", highlighting their work in "strengthening" the different 'tiers' of the FPC, from village-level groups to "cluster" level meetings. As Ravinder noted, "We tried to invest...in developing these systems, for governance, finance, administration..." These systems "could not be owned by the Board. Not making it so fancy and sophisticated that only people from...[the promoting NGO]...could address...Only the CEO, because sometimes the CEO also gets too powerful and does not listen to the Board...We tried to balance this...focus...on developing systems...and...good governance...mechanisms."

Such emphases on the design of governance systems to address issues of 'conflict' and 'politics', as termed by CSD and other development workers, appealed to prevailing approaches to co-operatives which emphasise the role of "design thinking" (Shah, 1996) in creating incentives to ensure adherence with a set of 'design principles', as discussed in the literature review. However, as noted, 'informal' reflections revealed that such systems were not carried out in "isolation" (Cleaver, p. 50), but by promoters whose institutional hierarchies and working practices were intertwined in the social and power dynamics of FPC promotion. During an interview with Professor Sukhpal Singh, he emphasised the existence of FPC 'hijack', in contrast with prevailing conceptions of them as less susceptible to such dynamics: "there have been a few cases of...hijack of PCs, by CEOs or leaders, and even financial corruption...We came across one case where the CEO ran away with the money and leaders couldn't do anything, or the leaders themselves were also corrupt..." During my interview with Abhijit, he highlighted the particular 'politics' BoD-CEO relations as critical, that a CEO is "an anchor...for taking...decisions, for management and everything...I have a Board, I need consensus." He emphasised that a CEO has "to build consensus I need to be good with the Boards...I cannot directly say that this should be how it is." Moreover, he noted that BoDs often have factions within them: "there is groupism within the Board...some three to four members might be...linked with each other...they might have their own ideas."

This focus on the need to "maintain cordial relations with the Board", according to Abhijit, meant that as a CEO "I cannot separate from them, then my position becomes difficult...There are some very good Board members who have contributed...I cannot say that

*you will have to retire.” In a similar vein to previously-cited comments by Sourav, that cases of ‘hijack’ increased when an organisation gains a certain level of credibility or wealth, Abhijit pointed to the way in which the politics of the Board becomes more visible “when the organisation grows...When there is nothing, nobody will ask any questions.” Abhijit recalled an example from the federation of FPCs that he supported (and acted as CEO for), the Gujarat Marketing FPC (GMFPC), in which a former CEO was appointed and asked to leave. Abhijit reflected that the CEO is in a “peculiar position. He doesn’t really have full security of his office”, because “nobody has a fixed right. The whole thing depends on consensus, voting system.” This creates an interesting contrast with the ‘rules’ as stipulated in FPC byelaws, that in practice depend upon political configurations. In the case Abhijit recalled, he noted that they “wanted a new kind of leadership. From the corporate sector, who could take this company to a new level...I put a guy who had international exposure...He came on a lower salary, but he said that I will take incentive and we will work out the incentives.”*

Continuing his recollection of the appointment of this CEO from the corporate sector, Abhijit noted that *“This guy...[CEO]...came with a very different intention, he wanted to be appointed a leader. He wanted to appease the CM...[state Chief Minister]...and bureaucrats and get awards...He got promises from government...[but]...ultimately resulted in a lot of issues and distress for the FPOs. Slowly, he also started...corruption activities...he forged some...documents that got signed by our Board Members who did not know...English. They also don’t know Hindi...Then we...did not renew his contract. He put a lot of allegations, legal notices...He was removed in one year.”* Finally, he reflected that, being as the CEO was in his first year, he was more able to be removed, but had he stayed longer, it would have been more difficult. Most FPC byelaws I encountered did not specify limits to the ‘terms’ of CEOs. In the above example, the CEO was removed by a vote of the BoD, although this was buttressed by the political configuration of ‘consensus’ along with the role of the promotor as an established development NGO, and its institutional relations with and beyond the FPC.

During the above-mentioned ‘FPO workshop’ at RDI, Ravinder described politics in FPCs as a *“balancing act, between the governing board, the professionals and the shareholders, and the tussle between the three.”* The role of the promoting organisation can be added to this,

their ever-present role illustrated in the level of work carried out by CSD workers at a HO and FO level, including the role of some CFOs as themselves CEOs of FPCs. Alongside this, as noted previously, CSD and other promoting agencies provided funding to cover the salaries of CEOs, 'HR support' and other areas, alongside carrying out the bulk of a series of areas of work from accounting to FPC marketing. During a meeting with farmer member directors of a CSD-promoted FPC in Jhabua district, I asked them whether it was difficult for the FPC to retain CEOs. One person answered that it "*depends on how well company is doing*", while another person added, "*If money/trading is good then can offer a salary, if not, have to take a loan.*" During a conversation with a CSD VRP in Ratlam district, who I later discovered was also a CEO of a CSD-supported FPC, he emphasised that in 'company elections' "*people with skills and knowledge about organic cotton, the company, become leaders*". He noted that the FPC faced problems but could not "solve all problems, like fighting between people."

## Conclusion

The political world of FPCs illustrated by informal reflections from development workers and other co-operative 'actors' on power relations between 'professionals', elected directors and CEOs points stands in contrast with 'formal' narratives of FPCs as non-political, self-sufficient, farmer-led co-operative businesses. Such reflections pointed to the role of the 'cultural capital' of skills, qualifications and professionalism in enabling CEOs to take greater responsibilities and powers in contrast with stipulations in the formal 'rules' of FPCs in byelaws. Simultaneously, the cultivation of the 'symbolic capital' of 'social status' by FPC directors, in the provision of "favours or money", refusals to 'stand down', and a desire for status and recognition, emphasised conceptions of 'leadership' beyond that noted within dominant approaches to FPCs and co-operation (Mines and Gourishankar, 1990). New institutionalist and management-oriented emphases on the role of 'leadership', 'efficient management' and 'design' in "shaping beliefs and coordinating expectations" (WB, 2017, p. ), were reproduced in practice by FPC promoting organisations. In such a way, both 'political' and 'institutional' power relations as discussed above, were compelled to be 'translated' (Latour, 1996), in terms of a lack of 'design', 'poor governance' and leadership. In contrast, informal practice-based reflections by development workers also questioned such conclusions, pointing to a level of uncertainty about the feasibility of efforts to

“efficiently craft institutions” (Cleaver, 2012, p. 48).

As also argued above, the reproduction of formal narratives of FPCs and co-operative action by CSD workers was a process situated within institutional hierarchies and working practices, including relations between CSD’s HO and FOs. I pointed to the manner in which informal reflections on challenges to FPC procurement and ‘recovery’ practices, while themselves set within power relations, were also compelled to be ‘translated’ into ‘formal narratives’. This ‘relentless’ work of ‘contextualisation’ by development workers, involved the forwarding of ‘solutions’ to such ‘challenges, which emphasised abstract business narratives of the need to create ‘value’, engage in greater advertising and marketing, in order to achieve higher procurement targets. Such narratives were forwarded within organisational hierarchies, from HO to FOs, with associated pressure to adhere with ‘proper’ ways of working (Cleaver, 2012, p. 48), and to ensure FPC member adherence with co-operative norms, rules-in-use (Ostrom, 1990), as well as to carry out their *apriori* role as ‘rational’ FPC shareholder members. This chapter also pointed to the overriding role of CSD and other FPC promoting agencies, and their embeddedness within the (power) dynamics of FPC promotion, presented formally in terms of their ‘neutral’ role in designing systems of incentives (shah, 1996) to mitigate problems of politics and ‘leadership’.

## Chapter 6 - Co-operative Companies and Social Relations

*“That is the challenge...any company or...institution, especially this kind of community institution...enterprise will have. Same challenge...the cooperatives...had...From...day one they had to manage the power structure, whereas a private limited company switching over to a public limited company, the power structure never changed...”*

(Sourav)

### Introduction

In this chapter I consider the manner in which co-operative action through FPCs was shaped by, and constitutive of, wider social relations in which members, leaders and promoters were situated, in particular relations of caste and tribe (Adivasi). I explore how ‘formal’ representations of these dynamics by development workers reproduced prevailing economic approaches to FPCs (and co-operation), as business-focused, small farmer-led co-operative companies, disembedded from their social relations. I question the new institutionalist and management-oriented underpinnings of such conceptions, as social relations were framed instrumentally as ‘factors’ or ‘social capital’, viewed with regard to their propensity for building participation in the governance and business of FPCs, and in achieving “optimal institutional solutions” (Ostrom, 1990, p. 14). I explore the manner in which aspects of social relations were compelled to be represented formally as ‘problems’ of ‘governance’, to be addressed through the design (Shah, 1996) of ‘systems’, the building of ‘trust’, ‘leadership’ and the creation of ‘market opportunities’. In practice, such ‘systems’ and opportunities needed to be ‘ensured’ by a ‘neutral’ third party promotor, but such assurance was never ‘neutral’ (Clever, 2012, p. 50). In contrast, informal reflections by fieldwork participants pointed to dynamics of leadership and politics (including cases of ‘hijack’ and ‘conflict’), as based in wider caste and community relations of power (the latter of which formed ‘boundaries’ around co-operative action), as well as processes of symbolic and material capital accumulation.



## Social relations and FPCs

During an informal interview with Sourav, after four months of being based with CSD, I asked for his perspective on the social 'context' of FPCs, a framing that I later realised may have reflected my immersion in FPC policy and practice manuals. Sourav noted, "*social context definitely plays a role. Economic empowerment and pulling up business, can address internal governance issues that are linked to social context.*" The wider topic of the conversation was CSD's work to build a 'second-tier' organisation to work with FPCs, which I discuss further in the next chapter. Sourav continued to reflect that this 'company' "*...can't shy away from social engineering*", after which he detailed some linear steps in the company's development, beginning with "*mobilisation*", which, together with other steps would ensure that "*business grows, social norms change*". The 'company', "*would play a role in neutralising...[governance] issues...ensuring the right path.*" By using "*economic tools*", Sourav stated, "*governance issues can be tackled.*" The 'company' would "*have a strong economic tie up with FPOs...[and would]...enter the social engineering space of FPCs, with a business interest for both partners.*"

Sourav's emphasis on the role of the new 'company' (and CSD) in "social engineering", in changing "social norms" through "economic tools" appears strongly reflective of new institutionalist approaches to the role of 'informal constraints', such as 'social capital' (Putnam, 1993) in mediating economic (co-operative) activity (North, 1991). Moreover, such a focus on the amenability of social 'context' to 'engineering' or 'design' appeared reflective of dominant trends in literature on FPCs and co-operation, an emphasis which was shared by other CSD staff members. As discussed in the literature review, studies on FPCs point to the role of 'leadership' and 'leaders' in ensuring "social capital is built" to achieve "success" (Cherukuri and Reddy, 2014, p. 11), as well as the role of the latter as "trust and cooperation" in lowering transaction costs (Nayak, 2016, p. 12). In my wider fieldwork experience, building and 'changing' social norms was a key focus of the work of CSD and other FPC promoting agencies, including, as I discussed in chapter eight, a private textile firm. Moreover, the separation of social relations, defined as 'context', from co-operative action and FPCs, defined in primarily economic terms, reflects a key part of the 'formal' narrative of FPCs as well as wider approaches to co-operation. In such prevailing

approaches, social relations become 'domain conditions' (Shah, 1996), a subsidiary to the design and functioning of co-operatives.

During an interview with Professor Prasad at an RDI, he reflected on the prevailing approach to FPCs in policy, in a 'belief' that all is needed is to 'just' "*teach some technical skills, and communities can...engage in the market*", but that this is "*an absolutely unequal exchange.*" The crux of the issue for Professor Prasad, was that it is "*not just the issue of markets and finance*", but on how to "*combine*" an NGO's focus on "*local issues*" and building "*collective bargaining*", with an understanding of "*how to deal with the market*". In *Chapter 4*, I quoted similar observations from Professor Singh, who reflected on the need for "*professional*", business-focused NGOs. Such observations critiqued dominant policy (and central government) foci on quantitative targets alone (such as the forming of 10,000 FPOs (Gol, 2020)), and chimed with Sourav's above emphasis on the role of social 'context', including mobilisation. Such reflections also qualified 'panacea' narratives of FPCs prevalent within literature and policy, in which they are presented as combining the "tenets of cooperatives" with "professional" and commercial "management" (Prabhakar *et al.*, 2012, pp. 428–29). As I discussed in previous chapters, practice-based 'informal' reflections indicated such 'unequal exchanges', as well as the role of social and institutional power relations. However, development workers, FPC members, leaders and other 'actors' were also faced with the didactic, (and relentless) task of working to reproduce new institutionalist, management-oriented approaches to FPCs and co-operative action.

As noted previously, the majority of farmer members of the FPCs supported by CSD in west MP, in the districts of Ratlam, Jhabua and Alirajpur, were 'tribal' or Adivasi members, more so in the latter two districts (see *Methodology* chapter). During another conversation with Sourav, he mentioned that, prior to CSD's establishment of its HO in Bhopal, he, Gayatri, CSD's deputy director and others were working in the neighbouring state of Gujarat, close to the west MP state boundary. This area was also an area in which Adivasi communities lived, and Sourav noted that he learnt the Bhili Adivasi language during this time, as part of his and others' immersion in the area. This understanding of social relations also appeared to be linked to the stated 'participatory' approach of CSD, which Sourav discussed with me, one month after I started volunteering with CSD. In this conversation, Sourav reflected on CSD and their initial work in watershed development: "*Mobilising people to harvest*

*rainwater...having meetings...telling them...why can't we build another tank...[reservoir]...[or]...a stop dam...[dam in a river or stream to harvest water]...with contributions of your money, labour?"* However, he relayed, *"we realised that...they...[farmers]...were still growing four—fifty year old varieties...[of seeds]..."*

Sourav then recalled, *"we realised there's a huge gap between what researchers...are telling and what people are practicing...called a gap between lab and land"*. To address this gap, Sourav noted how they decided to trial a "participatory evaluation" of a selection of seed varieties from the agriculture universities, asking farmers to grow a small section of their plots, and carrying out an assessment in the harvesting season. Through these trials, Sourav reflected, *"over three, four years you find that...there is a willingness to change their older varieties"*. Crucially, he said that they realised that any "introduction" of agricultural "technology" has to be done *"in the context of local situations and there has to be participation of the people"*, otherwise people *"will not adopt"*. However, Sourav continued, while they experienced farmers adopting new varieties of seeds and other "technologies", poverty, did *"not seem to be going away."* In this manner, CSD moved their attention onto market relations, in particular a realisation that the *"extra money"* farmers were earning due to water and seed "technologies", *"informal moneylenders were filing their coffers with]..."*. Sourav added that the main reason was that farmers were compelled to purchase additional equipment to use these technologies, such as motor pumps for to draw water from wells.

As a result of these practice-based realisations of 'unequal exchanges', Sourav reflected, they decided that they had to *"build farmers' co-operatives...to link them with the market...the credit system...information system...insurance system...the external world on an equal footing"*, otherwise, he said, *"this exploitative system will not allow them to come up."* Alongside this, was Sourav's previously discussed emphasis on the need for FPC 'preconditions', including village-level farmer groups to build "social capital", 'mobilisation' work, wider *"agricultural production system"* work, under CSD's holistic 'triangle' approach. What struck me through these conversations and wider fieldwork was the level of anthropological depth conveyed by Sourav and other CSD staff regarding their experiences and understanding of the social, economic and political world in which farmers' co-

operatives were 'developed' (including Adivasi communities). In contrast, the representation of these experiences in CSD handbooks, in the more 'formal' interactions between CSD staff, as well as in some 'interview' settings and conversations on 'FPC development', were largely in instrumental terms, with regard to the role of social 'context' as 'factors' in organisational (business) "viability" (Dey, 2018). As indicated above, this also reflects the emphasis of prevailing approaches to FPCs in literature, in which studies consider the weight of different "attributes" towards institutional "success" (Cherukuri and Reddy, 2014, p. 2).

This understanding of the importance of social relations (as 'context') in institution building, and of Adivasi community and culture, was reflected in the work of promoting organisations in building 'ownership' among FPC members. As discussed previously, efforts to engage members in the business and governance of FPCs, as well as to train members in agricultural methods (e.g. in organic agriculture), often used cultural or religious analogies and rituals. During an AGM of an FPC in Alirajpur district that I attended, the meeting was started by Karan, the CFO, who stated, "*we have to try so you make this understood by as many people as possible, so we can increase...purchasing...Let's pray to Goddess Saraswati. Then we will introduce the executive members.*" All of the AGMs I attended were initiated by prayers, followed by presenting the FPC directors as well as guest speakers (CHOs, as well as myself), with garlands of flowers. During an AGM of another FPC also in Alirajpur district, Rakesh, a further CFO, started the meeting by invoking religion: "*...we ask Laxmi Vandana to give us strength so that we can work in a better way. I am Brahman, I believe if Saraswati comes then Laxmi will come automatically...The program ahead, it is our responsibility that the company of ours, you were chosen as head.*"

Training materials also appealed to religious or cultural rituals or practices to embed 'new' procedures. One notice for creating organic fertiliser that was pinned to the noticeboard of a CSD-supported FPC office in Ratlam district, and distributed around villages, was titled "Cowshed prasad", meaning 'holy offerings at the cowshed'. The "procedure" for the 'prasad' was detailed in relatively formulaic terms in contrast with the ritualistic title, "In the evening, sprinkle water...in the morning, sweep the cowshed...collect water and waste in a container", after adding more water, mixing and filtering the water out, an 'organic'

fertiliser and pesticide was thus produced, providing “nutrients for the field” and “controlling” moths. This is one amongst many such training materials that I encountered. During the AGM of the latterly mentioned FPC in Alirajpur, the members were encouraged to sing a song in order to encourage participation and confirm agreement to the building of a well: *“If anybody quits...[the well project]...we can inform you...If we can help we will...Now you tell us. You can sing a song if you want to tell. What is the situation of crops?”* Following the event, Prabir, a CHO I was travelling with, told me that the songs were sung because there were *“people from different villages so songs...[are sung]...for harvests or social events. You can see all from the same community.”*

Songs were also sung in other FPC AGMs that I attended and all were sung in the ‘Bhili’ language of the Adivasi members. During a conversation with Sudhir, CSD’s Ratlam district team leader, I asked him about the role of social ‘context’ and Adivasi culture vis-à-vis FPCs. He said that *“social doesn’t affect producer company work”*, but in response to my question about the presence of Adivasi songs and cultural analogies in FPC meetings and interactions with farmers, he emphasised that, *“songs have to do...[CSD’s]...work, to get more people to join...when you go to the field you have to make things into people’s language and understanding.”* In a meeting in a CSD FO in Ratlam district on the previous day, Sudhir himself sang an Adivasi song, to emphasise to the CSD staff present of the *“motivation, for getting more people to join...[FPCs]...”* After speaking with Sudhir, he sent some Adivasi songs to me from his mobile phone, while also noting that FPC business is mostly about *“seeds and there are fewer interactions...it is a business thing mostly, belonging is less.”* In a similar vein to other development workers and commentators, he mentioned that the Adivasi small and marginal farmers were *“illiterate, and it is very difficult for them to know these things...[FPC business]...They have to be supported.”*

In the previous chapter I discussed the politics of FPCs, part of which involved the use of analogy and cultural reference points by CSD staff in their efforts to engage FPC members in FPC elections and wider governance, such as comparing FPC directors to village ‘chiefs’. The emphasis on Adivasi community and culture was reinforced during FPC AGMs by regular references to terms such as ‘Adivasi’ by CSD workers, and in ‘call and response’ questions to the audience, as illustrated in the following: *“Company belongs to whom? Raise your hands.*

*It is ours or...[CSD's]...?...Tell this to everyone..."*, to which an audience member replied *"It is ours"*, in a Bhili-inflected dialect of Hindi. The regular inclusion of cultural reference points was also explained to me by Santi, a CHO who worked in the area of education and skills: *"In relationship building with villagers...[CSD]...is not only for economic aspect of farmers. It also touches social aspect...Farmers have more trust with...[CSD]...instead of Government department...[CSD]...represents in that place for eight to ten years, some areas fifteen to twenty years."*

In chapter eight, I discussed literacy levels among FPC members, including reliance on thumbprints to sign collective action 'oaths' in AGMs. During this time attending AGMs, Prabir mentioned to me that despite CSD being in west MP for 20 years, it had been *"unable to ensure people can write their signature. It is very difficult. Government line departments don't have manpower so they don't go to villages."* This wider livelihood challenges faced by many farmer members of FPCs, was often linked, by development workers, with narratives of farmers having 'low awareness', and thus in need of training and support. During a conversation with Anita, a CFO in an FPC (and CSD) office in Ratlam district, she mentioned to me that *"most farmers are illiterate"*, and that whether they increase their skills after having been involved in an FPC (which was my question), *"depends on if they are...[literate]...or not."* As a result, *"it is very difficult for farmers to know these things...[FPC business]...they have to be supported."* The *"main meaning of the company for farmers"*, according to Anita, was , that they *"don't have to go to the market, transportation is not required, and also some more money."*

The representation of social relations of 'culture' and community as 'factors' in institutional development, and as necessary 'tools' to build ownership and engagement with FPCs, adheres with new institutionalist concerns with the role of 'informal constraints' on economic (co-operative) activity (North, 1991). A concern with 'translating' things into people's "language and understanding", building "trust" with promoters, may emphasise approaches to collective action that provide a role for 'community', such as the work of (Singleton and Taylor, 1992). However, aside from representations of aspects of community as 'useful' for institutional 'success', such narratives present social relations as 'separate' from institutions, producing "socially disembodied generalised models"(Mosse, 2005, p.

18). What appeared as important, as I discuss, was a need for development workers to 'translate' a body of practice-based anthropological experience (emphasised through CSD's presence in some areas for over two decades) into terms legible within such 'generalised models'; with 'formal' narratives of FPCs and co-operative action. As Latour argued, rather than replacing projects "in their context", what is required, is to "study the way the project is contextualised or decontextualised" (Latour, 1996, p. 133, 137).

### Adivasi community, FPCs and co-operation

In my conversations with development workers from FPC promoting organisations, staff from textile companies sourcing cotton from FPCs, commentators, as well as other 'actors', narratives of 'low awareness' among FPC members were interlinked with understandings of 'Adivasi' communities. As Santi noted to me, "*the main concept behind FPO is to link the market for farmers. Farmers who are very weaker section of society, especially for the tribal...indigenous people...[CSD]...is working in select tribal areas...[with the]...same lack of awareness...of anything.*" This 'lack of awareness' was linked to an acknowledgement of exploitation in agricultural markets and hence the need for FPCs, "*There are problems in markets...many commission agents...they...[Adivasi farmers]...do not have bargaining skills.*" As quoted beforehand, Rahul emphasised a similar sentiment to me at CSD's HO, that, due to "*low skills...education and money*", "*exploitation*" happens to Adivasi farmers, while in CSD's work to train farmers for FPC director roles, the "*selection of BoDs*" was "*carefully done*". Such reflections chimed with similar themes articulated as 'challenges' within emerging FPC studies, in which low member 'awareness' and illiteracy were linked with problems engaging in FPCs (Cherukuri and Reddy, 2014; Singh and Singh, 2014; Chauhan, 2015; Mukherjee *et al.*, 2018b).

This focus on the 'low awareness' of Adivasi communities was also emphasised during conversations on literacy among farmer FPC members, as noted above, while local government officials such as the SO, quoted in *Chapter 4*, stated "*awareness among tribal communities*" as the key challenge to livelihoods in Ratlam district. As I discussed in previous chapters, NGO (and promoter) work around FPCs placed a strong focus on building 'business mindsets' among farmers, alongside building leadership, within the forwarding of a 'formal'

narrative of FPCs as market-focused, self-sufficient, small farmer-led co-operative companies. Narratives of 'low awareness' among Adivasi FPC members provided a rationale for such institutional development, as well as for the pre-eminent role of the promoting organisation. In some discussions and interviews with farmers, I encountered such perceptions even among farmers themselves. During one village meeting with FPC members in a block of Ratlam district, I asked people how they felt about the FPC, to which one man replied "*How do we know anything about the company. We people are illiterates*". I also asked these FPC members whether they knew to whom the FPC sold their cotton (cotton which the farmers had sold to the FPC), one man replied to say, "*Don't know, but the company does it*".

During CSD's 'retreat', Sourav introduced the session on FPCs to state that "*producer companies are not able to manage their own company. The members and directors are small, tribal, Adivasi farmers.*" The terms 'small, tribal, Adivasi farmers' appeared to operate in a similar manner to Escobar's (1992, p. 47, 1995) argument concerning the 'production' of 'development subjects' as "underdeveloped". However, while such reflections provided a rationale for the (ever-present) role of CSD and other FPC promoters, they also served to question 'formal' presentations of FPCs as run by entrepreneurial, business-minded farmers, including programmatic work aimed at ensuring the 'self-sufficiency' of FPCs through building 'business mindsets', cultivating leadership and social capital. During my interview with Ravinder, he mentioned that the "tribal cluster" of KSFPC (of which he was the CEO), was "very different" from other clusters, that "*in Meghraj...which is our poorest and tribal block, people have very little, they have subsistence agriculture, to bring in shareholders...was not...easy.*" This recalls the discussion in *Chapter 4*, regarding the uncertainty and difficulty encountered by promoting staff and FPC leaders in initiating FPCs, as well as reflections by development professionals and others on the challenges for small Adivasi farmers in taking leadership positions or dealing with FPC (especially marketing) work.

Simultaneously, an understanding of Adivasi communities as in some sense 'easier to work with' also featured among informal reflections of fieldwork participants. During an interview with Sourav, he reflected that, "*...we have largely worked in Adivasi areas...we have*



*developed few producer companies in non-Adivasi areas...there is a difference".* Elaborating, he noted *"when Adivasi area FPO takes longer time in terms of its internal organisation of the systems, processes, the leadership thing is little introvert so they take their time to come out...Adivasi by nature they...introvert people, they don't speak up..."* However, in non-Adivasi areas, Sourav said, *"...the progressive people come forward first and they try to grab the opportunity...the conflicts we have seen are mainly in the non-Adivasi areas."* During CSD's 'retreat', a discussion on the social 'context' of CSD's work took place, in which Sourav made the point that in "selection of areas", *"you can see areas on a map where they are poorest, so we went to tribal areas...it is easier to work with tribals."* Sourav's reflections appeared to concur with literature detailing the presence of caste in rural collective action, including the manner in which development interventions (such as FPCs) become situated within efforts to mediate "access to scarce but necessary credit, state schemes, markets or jobs" (Kumar, 2016b; Mosse, 2018, p. 426).

In a further interview with Sourav in early 2020, he mentioned that in Adivasi areas, *"if it is a homogenous community, and Adivasi leaders are the FPO leaders etc...it is better, but we have seen that Adivasi and the non-Adivasi together forming a community, the non-Adivasi's they always dictate."* In 'Adivasi areas', Sourav continued, *"...you will see a leader which is not very aggressive...I have seen many Adivasi leaders with a fantastic organising capacity, but not necessarily articulate or...noisy."* In *"Adivasi...Board meetings or in the AGM...they have a very unique problem-solving mechanism. Very seldom we have seen conflict in Adivasi FPOs...very inclusive...They just...take a longer time to come out with a solution."* This notion of Adivasi communities being 'homogenous' with particular mechanisms of 'leadership', as well as being 'easier to work with', chimes with literature emphasising the greater level of 'social capital' (and benefits for co-operation) in tribal communities D'Silva and Pai (2003). Within FPC literature, some studies similarly emphasise the importance of focusing institutional development on "smaller groups", for whom "strong social ties" enable more "successful...[FPC]...functioning" (Bikkina et al., 2018, pp. 23–24; Cherukuri and Reddy, 2014; Dey, 2018; Pandian and Ganesan, 2019; SFAC, 2019).

During an interview with Akash who worked for the NGO RLI (cited in previous chapters), he reflected on 'conflicts' in FPCs: *"...when it is tribal area, most of the community are*

*homogenous and same type of community so such problems are not there. But you go to central Gujarat, and Sourashtra, then the caste and creed is very much an issue. Different community groups are there. Not very well involving with each other.*" While I discuss some of these 'conflicts' below, it is important to qualify statements on the 'homogeneity' of Adivasi communities, with the discussion in the previous chapter on politics and leadership within FPCs, on the role of social status and symbolic and cultural capital around the provision of inputs on credit, non-'recovery' of loans or elections/selections to FPC director roles; dynamics which operated within 'homogenous' FPCs. To deepen the analysis of Adivasi community vis-à-vis co-operative action and FPCs, it is pertinent to consider some of the comments of Adivasi farmers during interviews and discussions a little further. During one group discussion meeting with eight farmers (and FPC members) in an area of Ratlam district, all of whom were men, I asked whether all of the people in the FPC were from the same community. One farmer said *"Not in the same caste. They are from different caste."*

The above-mentioned comment in the group discussion appeared to contradict the comments of CFOs in the district, who had regularly emphasised to me that the majority of FPC members were Adivasi. During a conversation with Raju, a CFO in Ratlam district, he emphasised that *"All members of FPC are Bhil"*, meaning from the Bhil Adivasi community. Similarly, Mohan, a CFO based in Jhabua district, said to me during a conversation in an FPC (and CSD) office, that *"All small farmers or most are Adivasi."* However, particularly in Ratlam, as opposed to Jhabua or Alirajpur, CFOs noted that FPC membership also included non-Adivasi members, as Sudhir relayed to me: *"...[CSD]...is mandated to work with poorest and has an Adivasi preference...but not all are Adivasi."* However, to return to the above-mentioned group meeting with farmers in Ratlam district, the same farmer emphasised to me that *"all...[members]...are tribals"*, when I asked which community people were from, he responded to say *"Bhil community...[but]...they have different clans."* The word the farmer used was 'gotra' (गोत्र), which roughly translates into English as clan, or kinship group. This farmer said the name of his 'gotra' is *"Mehuda"*, while another was *"Dewda"*, *"like this we have different gotra."*

Continuing this topic of conversation, I asked a little more about the 'gotras' in the Bhil community, to which the farmer mentioned, *"in between gotras there is a relation, like for marriage"*. I questioned whether he thought that the social relations like marriage between gotras affected co-operation between farmers, such as in becoming FPC members, to which he said *"yes, co-operation is easy."* Following this meeting, I returned with Sudhir and Raju to a CSD FO (also an FPC office). I asked them about their thoughts on social relations and co-operation among the FPC member farmers. Sudhir, with whom I had built a rapport since my time staying in Ratlam, responded along a similar vein to the farmer I had spoken with, mentioning that farmers may live in different villages and 'gotras' but know each other, that there is a 'sambandh' (संबंध), a relationship. In response to my question about whether this relationship made FPC work and co-operation 'easier', he said *"yes...if there are different villages and water...[levels]...are different in different places, so how will you do it? It may be more difficult if people don't know each other."*

During a conversation with Jitendra, a further CFO in Ratlam district, he also emphasised that there is *"one Bhil community but different gotras"*, and that marriage and other things happen between gotras, he said that *"trust exists between gotras"*, and that trust is *"very important for company work"*. This existence of relations between gotras, he also said, *"makes things...[FPC work]...easier."* This focus on 'trust' I have noted previously with regard to the reflections of development workers, and the importance placed on the relations between promoting organisations and farmers in building FPCs. During a conversation with Suneet, CSD's area manager for west MP, he mentioned to me that starting FPCs *"is the most difficult...challenge, you have to convince farmers, go to villages...spend a lot of time. You have to emphasise that this is your company. You have to build trust with farmers, which is very important. Farmers alone would be very difficult."* This focus on trust was reiterated by Sudhir, who said that *"...[CSD]...has to build trust with the community, so it is important to have organisations...[local groups or projects]...there before the FPC."*

During this conversation with Sudhir, he continued his point to note that trust exists between gotras but *"depends on need in different areas. Trust is very important for company work, as farmer you are giving money."* He noted that if *"some relationship"* exists

between gotras before an FPC is established, *“then it is easier to build trust...[by CSD]...”* He further emphasised that it is important for farmer FPC members to know each other and/or live in the same area. However, as discussed in the first chapter, Sudhir and other CFOs also emphasised the importance of FPCs as primarily ‘business-focused’ co-operative companies, reflecting the formal narrative of them in policy, literature and practice. He emphasised to me that farmers have *“no activity-based connections”*, that gotras are *“for marriages and other things”*, and that with FPCs, *“people come together around a common activity...[CSD]...does help and slowly...trust is built.”* Sudhir also mentioned to me on other occasions that while co-operation is ‘important’ for FPCs, *“business is primary”*, an emphasis discussed in previous chapters. Simultaneously, Sudhir reflected that, *“people are used to meeting”*, and that being in the *“same community but different families...[gotras]...”* led to their being fewer *“issues”* in forming or running FPCs, such as in elections.

In these encounters, social relations of Adivasi ‘gotras’ were primarily represented by development workers with regard to their role in contributing to ‘mobilisation’ efforts, conveyed in the social capital language of ‘trust’. Trust was useful to build ‘ownership’ in and ‘grow’ FPCs, and to support the ‘proper’ business functioning of (economic) co-operative action through them. As such trust was an ‘informal constraint’ (North, 1991), cultivated through “energetic” leadership and management, a theme prevalent within FPC literature (Kumar et al., 2019, p. 43; Cherukuri and Reddy, 2014; Mukherjee *et al.*, 2018b). However, development workers also indicated the wider social relations in which FPCs operated, in the ‘conflicts’ between Adivasi and non-Adivasi farmers, pointing to Cleaver’s (2012) emphasis on the role of caste, “kinship or marriage” in collective institutions, that people’s agency to engage in institutional development, or ‘bricolage’, is “shaped by people’s social relationships and circumstances”. Building to a wider point, Cleaver argues that people do not act “purely or even primarily as ‘resource appropriators’” (ibid, pp. 47-48). Informal reflections by development workers on the ‘low awareness’ of small, Adivasi farmers, who were also ‘less aggressive’, with ‘unique’ decision-making ‘mechanisms’ also appeared to be highly influential in the everyday and programmatic work (and decisions) of CSD and other FPC promoters, such as in reflections on the inability of FPC members to manage FPCs. Skaria (1999, p. 278) has traced the colonial origins of ‘tropes’ of tribal

communities as “primitive”, along with post-independence narratives in which these communities were “to be helped out of their primitiveness”.

### Bhil and Bhilala communities, FPCs and co-operation

A final issue of importance with regard to Adivasi community relations and FPCs that I encountered during fieldwork in west MP, were the different Adivasi communities themselves, within which were ‘gotras’, or clans/kinship groups. During a group meeting in February 2020 with FPC members (of a CSD-promoted FPC) both men and women, in a village in Ratlam district, the issue of Adivasi communities arose. I asked the people in the meeting, which was a group discussion organised by Jitendra, whether people in the meeting and nearby area belonged to the same community. One man said *“yes, there is only one community...Bhil community.”* Another man responded to say, *“Mostly people belong to Bhil in Jhabua...Bhilala community people exist...in Alirajpur. If you go towards Barwani then there Barela community live.”* This farmer mentioned that the Bhilala *“speak another language”*, while another man sat next to him added, *“...but that language doesn’t differ much. It is similar to our language.”* The language of the people in the group was Bhili, which was also mentioned to be the main or only everyday language of many of the Adivasi FPC members I met with in Ratlam and Jhabua districts. In a further discussion with FPC members in Ratlam district in which the topic of gotras arose (cited above), one farmer noted that they can understand Hindi, but have difficulty in speaking it, *“we reply back in village’s language.”* This conversation was in Hindi with some Bhili words, the latter translated by Jitendra.

Interestingly, during a conversation with Sudhir, he mentioned that the further away from cities you go, *“the more traditional it is, people’s language changes and clothing, older people wear turbans. Near Ratlam they are still Bhil but...[the language]...is some Hindi, Gujarati, Bhil mix, but Petlawad area, more Bhil language and less Hindi.”* During a long informal interview with an FPC farmer director at his house near Petlawad, I asked him about ‘Bhagoria’, a festival held in west MP, and usually associated with Bhil communities. He invited me into his house, which was a brick built, one room, single story building, and from inside the door he retrieved a bow and arrow. With a gesture towards me, he showed

them to me and said that they are “for Bhagoria”. Encouraged by the FPC director and Jitendra, I held the bow and arrow and thanked the farmer for the gesture. I had read of and heard from CSD colleagues that bows and arrows were important in Bhil culture, and it appeared that the ownership of them held a largely symbolic importance. The centrality of the bow and arrow to Bhil culture has been documented by ethnographic accounts from the 1960s (Haekel, 1963), and mentioned in the reports of colonial officials (see Benjamin and Mohanty, 2007), though both should be set alongside historical analysis of narratives of Adivasi and ‘tribal’ identity and culture, such as discussed by Skaria (Skaria, 1999).

For the purposes of my fieldwork, it was interesting to note that farmer FPC members who lived in villages in Ratlam district considered themselves as existing within a ‘Bhil’ community, but did not have a close relationship with the ‘Bhil’ Bhagoria festival, whereas farmers in Jhabua district were more likely to. During a discussion with a group of male and female farmers in Ratlam district, one man said “*Bhagoria is coming soon, but isn’t held near Ratlam, it is held near Jhabua, Jobat*” (Jobat is a town in Jhabua district). The key point being that terms such as ‘Bhil’ or ‘Adivasi’ require placing within a wider understanding of social relations. CSD colleagues also emphasised to me of the changing ‘lifestyles’ of Adivasi communities. Sudhir said to me that Bhil “*lifestyle has changed, people buy clothes, bikes...[motorbikes]...from the town and get jobs, in the last twenty years.*” The distinction between ‘Bhil’ and ‘Bhilala’ communities, was also something that Sourav mentioned to me during conversations and interviews, vis-à-vis CSD’s work and FPCs. He said, “*In Adivasi area, even if they are from different clans, we haven’t seen that kind of very aggressive...like with the upper castes...That distinction itself...[clans/gotras]...is very thin...you might come across...only one clan, or...two or three, but...that is not the kind of caste stratification we see in the non-Adivasi areas.*”

Continuing the conversation, and my question about whether Bhil and Bhilala communities are often members of the same FPC, Sourav reflected that “*rarely actually, their settlements are different. They live in different areas...Alirajpur and Rajpur are more Bhilala, Jhabua is more Bhil...Even the Bhil villages are different than the Bhilala villages...it’s a clan-based habitation...it’s not like in the same village you will find one house is Bhil and the next house is Bhilala.*” Moving onto relations between Bhil and Bhilala communities, Sourav noted,

*“There is a distinction between Bhil and Bhilala. Bhilala will always consider themselves a little kind of superior than the Bhil. Because they consider themselves a kind of an alliance with the Rajputs...Bhilala will not drink water in the hands of the Bhil and all...”* During a different conversation with Sourav, he emphasised that *“The Bhilala will not shake hands with Bhils. They sometimes live in the same village but in different tolas...[hamlets]...Bhilalas consider themselves higher up in the ladder.”* On a local village level, Sourav noted that for farmer groups such as SHGs, *“they are small, when you make it you ensure that it is homogenous, one economic caste.”* In comments such as these I was again struck by the depth of ethnographic reflections among CSD colleagues, borne out of two decades of development practice. Sourav’s comments chimed with anthropological accounts which emphasised such a ‘ritual’, caste-type distinction between Bhil and Bhilala communities (Baviskar, 2004; Skaria, 1999). Simultaneously, the development work of ensuring ‘homogeneity’ in FPCs appeared to reflect a tendency to ‘design out’ caste-type ‘problems’ of social relations, and more easily build ‘social capital’, adhering with prevailing approaches in FPC (and collective action) literature.

### Caste, co-operation and FPCs

‘Formal’ narratives of FPCs in literature and policy, reproduced in elements of practice, included, as discussed in the literature review, their role as a ‘solution’ to the ‘problems’ of co-operative societies. Such ‘problems’ included those of social and political relations, of “political interference, corruption, elite capture” (Venkattakumar and Sontakki, 2012, p. 154). ‘Professional’ management along with a more ‘homogenous’ membership, restricted to ‘primary’ producers (farmers), was to enable FPCs to achieve ‘efficiency’ in the “immediate business environment”, as well as Shah’s ‘design principles’ of co-operation (Singh, 2008, p. 23; Dey, 2018; SFAC, 2019). In contrast, community and social identity, as noted above, featured strongly in the capacity building work of FPC promoting bodies, as well as in co-operative action, and its (informal) representation. During the AGM of an FPC in Alirajpur district that I attended, Rakesh, the presiding CFO presented the premise of the FPC to the assembled members in terms not only of collective action in the abstract, but of community identity:

*“...this...[CSD]...team. They are working for us...Because few things we could not understand. There is such a thing that is strength to organisation...for that reason we created the...[local]...groups. We say that group meetings are very necessary...Because we have got our identity from the group. That this group from this area, that group that area, Patel group in that area. So what will happen, in...[FPC’s area]...there are as many groups as needed...”*

This focus on building collective strength through group ‘identity’, linked to existing social relations (e.g. the Bhil community), was emphasised with regard to other group ‘identities’ and their ‘strengths’, such as the non-Adivasi ‘Patel’ caste, historically prominent in agrarian (dairy) co-operatives and politics in the neighbouring state of Gujarat. While development workers often represented such uses of cultural reference points as instrumental ‘tools’ to increase member participation in the governance and, primarily, business of the FPC, such emphases also indicate reflections on the caste and community basis of co-operative action. Such foci recalls Attwood and Baviskar’s (1996, p. 11) focus on the role of caste as a ‘cultural identity’, which can “strengthen the ideological basis for cooperation”. These authors’ ‘hypotheses’ included the need for a “common cultural and political identity” (exemplified in a focus on ‘middle-status castes’) in nurturing “successful cooperatives”, while co-operation would be inhibited, they argued, in regions where caste divisions “reinforce economic ones” (Attwood and Baviskar, 1987, p. A-47, 1996, p. 15). The reflections and actions of development workers, along with those by farmers themselves, appeared to point to the manner in which co-operative action through FPCs was at once an economic and social process, bounded and mediated by relations of caste and ‘tribe’ (Adivasi).

An acknowledgement of the significance of community dynamics for co-operation, particularly in terms of the people co-operating being from the same community, arose throughout my fieldwork. As quoted above, Sourav emphasised an intentional ‘design’ focus on restricting village-level farmer groups to one “homogenous”, economic caste. This was accompanied by further reflections by development workers on the wider ‘homogeneity’ of Adivasi areas, an emphasis on the non-aggressive nature of Adivasi leadership and decision-making, as well as the absence of ‘conflict’ in ‘Adivasi FPCs’. Ravinder, an NGO worker and CEO of KSFFPC, an aforementioned FPC ‘federation’ in Gujarat, reflected on the different ‘tiers’ of the organisation vis-à-vis communities. He stated that they “invested a lot in social issues”



and “developing a common vision”. Firstly, they “formed...these homogenous groups of farmer clubs or women, then out of those different villages had representatives and...[we were]...forming different clusters...Then came the producer company...” Ravinder mentioned that in KSFPC there were “five clusters, the tribal cluster...Meghraj. Meghraj...was very different than the Dari cluster...in Saurashtra, which was very different than the Visnagar cluster”, alongside this, “most of them...[farmers from different clusters]...had not met...”

These ‘clusters’ “came together” at the FPC ‘state’ level, but, questioned Ravinder, “Why should a farmer from north Gujarat go to a tribal area or visit Saurashtra...Why do farmers from a tribal area...why should a farmer from Visnagar, which is a highly caste-prone area, why should they be interacting with a small and marginal farmer from Meghraj?” The process of building this federation of FPC ‘clusters’, involved “Bringing...in equitable representation, based on the numbers...The first thing we did was not to talk about business at all. We talked about what makes a good governing body.” However, this process was “very, very difficult”, noted Ravinder. As well as the issues between communities, Ravinder noted that, “Within the community they had their own dynamics. First to solve that, then interacting with people from other communities. Trying to bridge together...was quite difficult.” Reflections on internal community ‘dynamics’ appear to question relatively unproblematised statements on the ‘homogenous’ nature of small farmer communities, and chime with reflections by Sourav on ‘watchmen leaders’, which I discussed in the previous chapter with regard to the accumulation of the symbolic capital of social status. Such leadership ‘dynamics’ occurred within ‘homogenous’ Adivasi and other FPCs. These reflections also convey a narrative that social ‘dynamics’ are ‘problems’ to be “solved” in order for an FPC to function (economically). Such a focus chimes with prior discussions on building social capital (trust) and leadership (social ‘engineering’) among FPC members, to achieve “optimal institutional solutions” (Ostrom, 1990, p. 14).

Ultimately, Ravinder stated that KSFPC was able to come together because the farmers “realised that because of other regions coming in...[they had]...a better market...some things were produced only from one area...other things...in another area...This exchange and production of goods...could happen only if we involve new areas. If we had just limited it to one...the company would have been very vulnerable.” However, Ravinder also emphasised

that each 'cluster' within KSFPC was very different, in terms of production processes, pricing for 'inputs' and crop procurement sales, as well as the way in which the supporting NGO (LRC) related to the FPC and how FPC leaders engaged with members: *"Our...outlet in Meghraj is...different than...other areas...the outreach also. Other places, there is high competition, and even though they are members, the members sell their produce outside, or buy it from outside"*. In addition, he said that the *"sense of ownership"* in 'non-tribal areas' is lower than in Meghraj, *"...because they have better options...for selling...produce and buying..."* In Adivasi areas, they have a higher sense of ownership, due to *"very negative...experiences with private players...The traders...cheat them..."*. Ravinder noted that their *"marketing strategy changed...with tribal farmers...they have very different paying capacity..."*.

During my interview with Akash from the NGO RLI, noted above, he said that *"conflicts happen...[in the FPCs]...then...your role is very crucial as a civil society."* In a similar vein to Ravinder, Akash noted, *"we are very careful...there should be equal representation from all segments of society...[in the FPC leaders]...we keep in mind very deliberately."* But he noted, *"initially there may be conflict...people going against each other but...[through]...constant facilitation, in the end people realise what is needed, why we are together...we explain...motivate them...what you are getting...we discuss that by doing this...[conflict]...It is lose, lose, lose...You have to be good conflict resolving person."* Akash continued to make the following reflection:

*"Initially Dalits will not speak, even if they are sitting on the same table...say you're from upper caste, I am from lower caste. Though because...[RLI]...is saying as a promoting organisation, we are sitting on different seats, but I will not speak a single word against you...The role of civil society is to build capacity, to build confidence in the person to speak. Speak about yourself, don't speak about this guy...Initially, whoever speaks, speaks for his hundred farmers only. Sometimes it happens that his Dalit side, he has an even better...[point]...than the other person, so gradually they also learn that irrespective of caste and creed, important thing is...the content up for discussion, and implementation."*

The focus placed by Akash, Ravinder and others on the importance of the promoting organisation as a mediator, of the importance of governance systems, as well as building the

capacity of the poorest (and Dalit/Adivasi) farmers, chimes with comments made by Sourav. During one conversation, Sourav mentioned to me that, with regard to FPCs, *“you have to ensure you have no discrimination in your programme, but it does happen. You ensure people don’t take over. We are not scared of saying we have a preference for the downtrodden.”* The role of the promoting organisation is thus presented as both ‘neutral’ ‘designer’ of systems and processes to address “internal governance” issues (related to ‘conflict’ or ‘hijack’), as enforcer of the proper ‘rules-in-use’ of FPCs and co-operative action (Ostrom, 1990), as well as protector of the ‘downtrodden’, building their confidence to ‘speak’. Such efforts also emphasised the role of ‘design thinking’ as critical (Shah, 1996). Ravinder summarised his comments in reflecting, *“What challenges are coming and what are the risk mitigating solutions. That we need to be keeping in mind while designing. We are failing to design, we are planning to fail. We are designing to fail. So the design should be right, and we should be well-thought, before we design.”* However, in contrast to relatively abstract notions of a ‘neutral’ designer, Cleaver (2012, pp. 49-50) drew attention to the manner in which the ‘design’ of mitigating “mechanisms” to prevent the “reproduction of social inequalities” in institutional development are also “part of the social world they are intended to modify”.

During an interview with Rohan, a professional from a philanthropic foundation which provided funding for FPC development, the issue of communities vis-à-vis FPCs arose. Rohan recalled that, *“From my own personal experience of a...project where...[an NGO]...had formed eight FPOs for a drip irrigation programme...one of the recommendations from an external expert was to merge all the FPOs into one FPO because...it makes business sense. But in that meeting we faced a very strong resistance from the ground teams, because of these social issues.”* Continuing his reflections, Rohan noted the ground teams said that *“it’s not possible, because one FPO is from a particular community and then the others are from a particular community, if you bring them together, it will not work. They all forget their separate entities but it’s not like any other company where you bring people in and suddenly it starts working as one company.”* Summarising, he reflected, *“those things play an important role...there might be gender dynamics...social inclusion...even the caste hierarchy will be involved.”* As indicated above, Sourav reflected on these ‘dynamics’ within FPCs with both Adivasi and ‘non-Adivasi’ members: *“we have seen such kind of caste conflict or these*

*dominant farmers...more in the non-Adivasi areas.” Sourav drew attention to Bundelkhand, a region in north MP (and south Uttar Pradesh). CSD had promoted FPCs in this region: “...In Bundelkhand...in FPO...those belonging to the higher castes like Brahmins and Chatriyas...they try to capture the leadership positions. For the reason that they do have the articulations...leadership qualities..”*

In a similar vein to Ravinder’s reflections, Sourav noted that farmers *“from the weaker caste, they don’t speak out much...evident by their behaviour...”* Continuing, he noted that with regard to situations of *“conflict”*, *“basically we intervene...The conflicts are normally around...a leadership...[issue]...”*. Sourav proceeded to relay a case of an FPC in Bundelkhand, *“one of four FPOs that we promoted...had a serious leadership issue, basically the Brahmin guy he wanted to capture, and all of these things. We had to intervene...we found a solution, we had to finally work with that Brahmin guy.”* When I queried the specifics of the case, Sourav added that *“He...[Brahmin guy]...didn’t intend to steal money, he is anyway a rich man. He wanted to have power and then recognition, so we slowly worked with him and now he is stepping down from the FPO leadership position, and then a new member will be elected.”* Interestingly, when I asked if this “Brahmin guy” FPC leader was a small farmer, the director responded that, *“No he’s basically not a farmer, he’s a businessman, he has business in the stone quarries. But he also has a piece of land, so that’s how he...got himself included in the FPO and then he became the chairman.”*

Summarising CSD’s approach to this and similar cases, the director noted that *“these things have to be handled by creating a policy of involvement which doesn’t allow a leader to stay in for a longer time...a rotational policy of leadership...it is known on day one that...after two years of service you have to step down....we have created representative governing councils...[RGCs]...new Board members are chosen from the RGC.”* These reflections by Sourav follow in the vein of comments by Akash, Ravinder and others on the active role of the promoting organisation in mediating in such issues of ‘conflict’, as well as in designing policies and systems of conflict ‘mitigation’. Sourav continued to note, *“a lot of these things have to be managed through a policy and your strategies, and that’s why the design is very important.”* In a further reflection on whether FPO leaders can be ‘proxies’ for dominant community or caste interests, he said that, *“I would say...we haven’t experience such...things*

*so far, but...I'm pretty sure that once these FPOs...go beyond a point in terms of their growth, becoming prosperous...Such situations will emerge...there are some dormant leaders...we can even identify them. Certain circumstances...opportunity...prospects for them to try their luck, whether they can hijack it."*

The ability to "take corrective actions" to such situations, Sourav reflected, depends on "how vigilant you are, how good is your design, and how connected you are with this community, with the development of community institutions." Moving on, he said, "I am not a believer that community institutions...with an economic agenda...in the context of India, can run on their own, especially with the farmers, in the current situation. There are lions and lambs in every society...these lions will capture the power, we have seen this very...clearly...in the case of co-operatives and we can see the same thing happening with these FPOs...if we just leave it like that." The "antidote" to such a trend, is finding "a third party, a neutral organisation or an institution which has a strong interest in the business with that group...you take it to the...market platform...it neutralises these things, or you allow institutions like...[CSD]...to continue to provide support and provided that they find some revenue sources..." A focus on the presence of cases of 'conflict', 'hijack' or similar growing as FPCs themselves grow was something also pointed to by Abhijit, CEO of the GMFPC federation in Gujarat:

*"FPOs which are more active...interact with their shareholders more...have a higher business turnover...In that case, shareholders interact more, and there is likelihood that there might be some mis...differences and all that thing. Currently...not many FPOs are working at that level...So...they are not very active members. These issues have not come to the fore, but when it grows there is likelihood that these things will come up."*

In previous chapters I quoted Abhijit with regard to his comments on increasing 'ownership' of members in FPCs through either business activity or capacity building, with a preference on the former, and thus adhering with 'formal' narratives of FPCs as business-focused co-operative companies. Interestingly, the above comments by Sourav, Ravinder and Akash emphasised the role of business and market opportunities through building market links or platforms, as the means to "neutralise" such 'mis-differences' of social 'context'. This

emphasis on 'market access' through well-designed institutions (including of processes to address 'conflict' and 'governance' issues), sits well within new institutionalist and management-oriented emphases on the importance of designing both 'formal' rules and 'informal' constraints on economic (co-operative) behaviour (North, 1991), to reduce 'transaction costs' and "get institutions right" (Rodrik and WB, 2006, p. 979). An understanding of the importance of 'homogenous' communities within such efforts at design is also reflective of dominant trends within FPC and wider collective action literature, such as Singleton and Taylor's (1992) emphasis on the role of 'community'. It is pertinent to note that development workers emphasised the need to ensure communities were kept separate 'by design', in federations of FPCs or within separate FPCs, thus 'mechanisms' to address 'governance' issues, may have unwittingly participated in the "reproduction social inequalities" (Cleaver, 2012, p. 50).

Comments by Sourav, Ravinder, Akash and other development workers on cases of 'conflict' and 'hijack' such as by the 'Brahmin' guy in Bundelkhand, pointed to the manner in which, rather than social relations viewed as 'context' factors that may affect FPCs (as in 'formal' narratives), 'economic' co-operation through FPCs was also a social process. As in the previous chapter, this person had sought 'power' but not money, "recognition", in the form of the social status of being an FPC chairman. Such strategies of 'hijack', appear to concur with Mosse's (2005, p. 87) observations on the manner in which village "big-men" sought to control the "material or symbolic rewards" of development schemes, as their power was based on the control of "knowledge and social connections". This also recalls Mines and Gourishankar's (1990) articulation of the 'institutional' nature of such 'big-men' in India, performed through their control of 'charitable' institutions (such as FPCs). That the 'Brahmin guy' was not a farmer, but had manipulated the 'formal' rules of the FPC (which state members must be primary producers), aided by his presence as a "rich" businessman who owned stone quarries in the area, indicates the role of caste as underpinning the social and cultural capital enabling him to 'hijack' the FPC and become its 'chairman'. Thus the 'non-Adivasis' have the "articulations", as Sourav noted, they do 'speak up'. This recalls literature pointing to the role of caste as a resource, a form of capital" (Jodhka, 2018, p. xxi), though in the sense articulated by Bourdieu (1986).

This sits alongside a narrative forwarded by development workers on the role of a “neutral” third party promoting organisation intervening and mediating situations of ‘conflict’ and ‘hijack’. A strong thrust of the FPC promoting organisations was, as noted, on the importance of institutional design to promote systems and processes as a ‘solution’, as iterated by Abhijit with regard to KSFPC:

*“...there should be a mechanism for solving these problems. There should be efficient, proper systems, which individuals could not bypass and imply their ownership...it should be in the charter of the organisation, which every individual should...[unclear]...in it.”*

In practice, such “mechanisms” to ensure ‘efficiency’ and “proper systems” were compelled to be continually enforced (and encouraged) by a promoting organisation, while existing within a field of institutional and social power relations, as discussed in the previous chapter. While both institutional design and the role of the FPC promoting organisations were emphasised by fieldwork participants, it is notable that support by promoting organisations was intended as short-term, while formal narratives of them emphasise their self-sufficiency, farmer-led aspects, business-focus and the absence of the ‘problems’ of co-operative societies. The GoI’s policy to promote 10,000 FPOs conceived of “handholding support” by promoters for five years (GoI, 2020a). The producer company (PC) legislation also presumes such ‘handholding’ support will be short-lived, in stating that PCs may *“reimburse to its promoters all...costs associated with the promotion and registration of the company...”* (GoI, 2013a). In contrast, informal reflections by FPC promoters were that FPCs were unable to *“run on their own”*, due to ‘low awareness’ among small farmers and wider social relations characterised by “lions and lambs”.

#### ‘Traditional support’ and FPCs

While studies by Baviskar (2004) and Thakur (2018) detail the existence of forms of labour sharing and co-operation among Bhil Adivasi communities in the hills of the Narmada Valley, termed ‘laah’ or ‘laha’, as discussed in the literature review, my fieldwork pointed to a relatively mixed picture in this regard. Baviskar emphasised ‘laah’ within Bhilala communities as a form of co-operation in which labour-intensive tasks which exceeded the

capacity of a household were performed collectively, yet this form of co-operation was “diluted, even undermined” by status distinctions and the accumulation of the symbolic capital of “honour, prestige and goodwill” (Baviskar, 2004, pp. 125–126). Baviskar’s ethnography (primarily focused on Bhilala communities) also emphasised distinctions between the Bhil and Bhilala, in which the Bhilala “define themselves as adivasis in opposition to bazaarias...[market traders from caste communities]..., within Adivasi ranks they assert their superiority over Bhils” (Ibid, p. 132). Thakur’s work, detailing three distinct Bhil communities in the Maharashtra side of the Narmada Valley, notes the “relatively homogenous nature” of the “Bhils of the Hills”, for whom a “degree of cooperation is high among the hill communities”, illustrated by the tradition of ‘laha’, in which an entire hamlet “gets together to help with the harvest of one family’s field...repeated for every family.”

My fieldwork encounters, interviews, conversations and observations pointed to the existence of labour sharing among small and marginal Bhil Adivasi farmers, centred around households providing labour to other households, during harvesting of crops, or lending of animals such as bullocks. The framing of this co-operative action by CFOs indicated it as occurring, but not of ‘instrumental’ value with regard to FPC engagement, or development. A conversation I had with Saroj in a CSD FO Ratlam district began to address this topic, when I asked his thoughts on co-operation between farmers and their relationship to FPCs. He said *“there is no bond between farmers and FPC. They have been already doing traditional work. They support each other. FPC didn’t need to involve in it...our main objective is to motivate people to reduce the cost of agri inputs...”* I further asked whether he thought it is difficult to start an FPC if there is no ‘traditional support’ between farmers (e.g. forms of co-operation). He responded to say *“No, it is not difficult. It is part of their nature to support traditionally. There is no need for us to motivate them. That’s why we or FPC don’t need to ask them to support in traditional methods. It’s their habit.”* In this manner, ‘traditional’ support may be seen as a form of habitus, “patterned ways of...acting which arise from our particular position as members of one or several social ‘fields’” ((Bourdieu, 1987, p. 811), while CFOs emphasised the proper ‘business’ nature of FPCs as separated from this.

During this conversation with Saroj, I questioned the wider role of community in farmers’ engagement with FPCs and with each other, to which he responded to say *“Everyone is in*



*one community, and they are associated with each other. They conduct meetings together...so they try to support as much as possible.*" He continued to reflect, in a similar vein to comments cited previously on the 'homogenous' nature of Adivasi communities, that if everyone is in the same community, *"It is a little bit easier...[to co-operate]...If there will be difference in levels of community, then it will be difficult to get support. If there will be outside farmer...he will be reluctant to go. If you belong to same community...it will be easy."* In contrast to Saroj's comments, a conversation with a 'village resource person', a local, village level CSD worker, at a cotton storage building in Ratlam district (a place where cotton sold by farmers' to the FPC was collected), pointed to farmers *"acting alone"*, he said that there was *"no co-operation happening before...[CSD]...projects and the company, in harvesting also."* This VRP also noted that farmers were in the Bhil community, though in different gotras. Sudhir, the Ratlam CSD team leader, also noted to me on one occasion that farmers live in the same area *"but have no activity-based connections"*, just social ones, such as marriages. Such comments appeared to draw a distinction between social and activity (economic) relations.

As discussed previously, Sudhir emphasised to me that farmers need to co-operate for the FPC to function, but the *"first importance is business, then co-operation."* During conversations and discussions with farmer members and leaders of FPCs in Ratlam and Jhabua districts, the issue of 'help', 'support' or 'co-operation' between farmers arose frequently. In a meeting of FPC members in a village in Ratlam district, one farmer told me that *"nobody was helping"* prior to the FPC being started, and that *"there was nothing between farmers"*. However, when I queried whether farmers help other farmers for farming tasks, the same farmer said *"yes, they do. For cutting and all we call other farmers, right?"* He also emphasised that *"support from...[CSD]...is necessary...[for the FPC]...but farmers contribute...give their support, they support in cotton."* During a discussion group meeting with farmer FPC members in north Jhabua, who were also the board of directors of an FPC supported by CSD, they emphasised that before the FPC, an SHG existed, formed by CSD. As noted in *Chapter 4*, these directors emphasised the difficulty in starting the FPC, that *"it needs to be associated continuously"*, with regard to continual engagement with farmers.

A further group discussion with FPC members in Ratlam district, also of an FPC supported by CSD, pointed to the existence of informal labour sharing among farmers. Jitendra, the CFO present repeated a question of mine to the assembled farmers: *“He is asking that it is traditional here that if the lady of your house is going to work at some other’s place for work then the lady at his place will also come for work at your place?”* Several farmers in the meeting responded to say “yes”, and when I asked whether money was exchanged, they said not. To clarify the situation, Jitendra summarised, as a question to the farmers present, *“So you are coming to my place then I will come to yours, like this it works?”*, to which the farmers confirmed. I further asked these farmers whether the “help” between farmers that existed prior to the FPC, was necessary to start the FPC, to which one man said, *“It was necessary.”* Interestingly, another group discussion of FPC members in the same area of Ratlam district (and members of the same FPC), pointed to a different situation. As with other areas, a village farmer group, in this case an SHG, existed prior to the FPC being formed, but, as one male farmer told me, *“there was no support and link”* between farmers, *“We used to go to lenders, and from market we used to buy products like seeds and all.”* When I queried about tasks like harvesting, this man said *“nobody supports, we do it all alone.”*

The first meeting of the BoD of an FPC initiated by MK, a textile firm, in west MP, which I attended and discussed in *Chapter 4*, also addressed this topic of informal co-operation among farmers. I asked some questions to the farmer directors, all of whom were from the Bhil community. One director said *“yes, informal co-operation happens, labour exchange happens”*, while, in response to my question about the importance of these types of co-operation for building FPCs, one director said, *“It is important for co-operation to be there before.”* During an interview and conversation I had with a farmer director of an FPC supported by CSD in north Jhabua, the same area in which MK was promoting an FPC, the farmer director told me that *“no support was available before the introduction of the company...support from...[CSD]...only.”* When I asked about exchanges or support between farmers, he added, *“The people exchanged things. For example, if you have oxen then you can give it or if other person has ox then you can take it from him.”* He emphasised that *“People used to support each other themselves”*, and that this ‘support’ was necessary *“when the company was started.”*

Finally, while in a CSD FO in Ratlam, a conversation with Jitendra also addressed the role of 'traditional' co-operation. He mentioned that *"co-operation was not happening before the company, only a little harvesting"*. Prior to this, as noted, he also relayed his observation of *"trust existing between gotras"*, making *"company work"* easier, but relations between gotras were only for *"marriage and other things..."* (i.e. not co-operative action). When the above reflections and observations are taken together, they do not appear to indicate that co-operative labour sharing acted as a form of moral economy (Scott, 1976), but did occur within very localised settings between neighbours and extended family (kinship) relations, in the same Bhil community. In the didactic work of FPC development, CFOs were compelled to represent labour sharing as 'traditional support', gotras for 'marriage', and, more widely, social relations of caste and community as 'context', separated from 'proper' (economic) co-operation through FPCs. Adhering with 'formal' narratives of FPCs and co-operative action (as previously iterated), social relations were presented in this manner, or as instrumental 'tools' to be 'engineered' through 'trust' building among 'homogenous' communities. While authors such as Attwood and Baviskar (1996, p. 11) emphasised the importance of a common 'cultural and political identity' (based on caste) in nurturing *"successful cooperation"*, my fieldwork appeared to emphasise the manner in which both Adivasi and caste identities created 'boundaries' around co-operative action, while, together with institutional power relations, were linked with leadership dynamics around the accumulation of symbolic and material capital.

### Large farmers, FPCs and co-operation

Finally, although FPCs are intended primarily for small and marginal farmers, it is worth reflecting on the role of large farmers in FPCs, as well as relations between small and large farmers vis-à-vis community and co-operation. During an interview with Ravinder with regard to his role in supporting KSFPC (and formerly as its CEO), he noted, although some farmer members of FPCs may have more land than others, *"power is vote, and one person, one vote. If there is conflict then the market is limited...farmer of twenty acres may produce more and would like to sell through this platform. But what we do is...every farmer will sell initially, access to market is given to every farmer...Once that demand is consumed, then*

*only...*" While FPCs allow for 'patronage shares', described by Ravinder as "*if I am doing more business, I will be getting more part of the profit proportionately*", voting rights are "*the same...[one person, one vote]...*" As I have discussed in the previous chapter, FPC byelaws also define 'active' members<sup>9</sup> (those engaging 'actively' in the business of the FPC), who are often provided with greater voting rights than other members, while I also pointed to the embeddedness of the politics of FPCs in social and organisational dynamics (including the internal dynamics of CSD and its relation with FPCs).

Continuing this conversation, I asked Ravinder whether members with larger landholdings, who are doing more business with FPCs, may seek more political power, to which he responded: "*Definitely, in terms of financial return they will gain more of the profit. But governance-wise no...they have one vote.*" While this 'formal' representation accords with the gist of FPC byelaws, as well as prevailing narratives in policy and literature, as the conversation progressed, Ravinder reflected, "*big farmers can always invest...there is a great attraction. Once they start investing more, it will...come with a price, of power. One has to be very...careful. But it cannot be an NGO-driven value, it has to come from the people...Therefore by design...when I was the CEO, and now where...[someone else]...is...he makes sure that he attends only the last twenty minutes of their meeting.*" Ravinder had given a talk at a workshop on FPCs at a rural development institute (RDI) that I had attended, and during that workshop he had mentioned an issue of 'conflict' between large and small farmers in KSFPC. I asked him if he could elaborate on this issue:

*"You needed money, beyond their...[members']...share...[contributions]....to run the company, getting credit...is not...easy. It is no good to talk with...the World Bank and...credit institutions, institutional credit from outside comes at a price...When the company is small, it is not able to service loans...So...you need money, you need some favours from within the community."*

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<sup>9</sup> The Articles of Association of a CSD-promoted FPC in Ratlam district defined 'active' members as those who "actively participate in activities/business/services" offered by the FPC, as well as being "willing and participating in all company's affairs, meetings and programmes".

*“There is an inherent tension from people who...have the affordability, and those who don’t...Big farmers can...give you a loan. Initially they did think of that...there was some tension, plus it is a power struggle...to become the president of the company, who doesn’t become.”*

*“When there are bigger farmers, they also have their own businesses. There is often a conflict of interest, that happened in...[KSFPC]...we had to limit that...try and introduce as part of the byelaws, that if you are dealing directly you...cannot become a director. Otherwise, if the director himself is dealing with inputs and has an input shop, what will happen?”*

This issue of the role of large farmers in FPCs was also discussed by Abhijit with regard to his experience in promoting FPCs including the GMFPC federation in Gujarat. In a similar vein to comments cited previously, Abhijit emphasised the role of the promoting organisation in addressing social (caste) inequalities that are reproduced in FPCs: *“It is mostly NGOs promoting FPOs, they ensure that equity is maintained. Between farmers, and people from different castes also...But generally what happens is the leadership, meaning those farmers who are at a stage where they can spend on the activities of the FPO, not every farmer will be able to give that. So it is mostly the large farmers who usually take the leadership and front seats.”* During my fieldwork in Ratlam district, a conversation with Saroj, a CFO at a CSD field office, after a long day spent travelling in the district, pointed to the ‘problems’ for co-operation due to differences in land ownership and ‘community’ (or caste/‘tribe’). He noted, *“If I have 10 acres of land and you have two...there will be less possibility of working together. If we both have equal quantity of land and we belong to the same community, then there will be no problem.”*

In the area of west MP, in the districts of Ratlam, Jhabua and Alirajpur, my conversations and interviews with CSD workers, farmer FPC members and leaders pointed to the existence of large farmers in the area. One conversation with Prabir while travelling in a CSD jeep in north Jhabua following a meeting FPC members, addressed this topic. He said while *“small farmers only are in the FPO. big farmers are in the area, in the same panchayat”*. Continuing, he reflected, *“In some areas the big farmers hijack the panchayats...[village councils]...and*

*the poor fellows...[small farmers]...do not get the government jobs...[through the MGNREGA scheme]...In areas where poverty is so high, poor people do not bother with the government job card, the big farmers hijack them. They steal the benefits that are meant for poor people.”* When I queried how this ‘hijack’ occurs, he responded to say, *“they have their special relationship with the sarpanch...[panchayat leader]...and exploit the others. They register in poor person’s name but they get the benefits.”* When I further asked about relations between small and large farmers, he noted, *“Sometimes the big farmers don’t like the FPOs as they have to pay more to bring labourers from outside, because the small farmers don’t labour...[for them]...anymore. The small farmers can get their government job card and work their own land also.”*

As with Abhijit, Prabir emphasised the role of the promotor in addressing these social ‘issues’, that CSD works *“indirectly to sensitise”* but *“initially sometimes”* sees conflict with big farmers. To begin with, he said, *“we had some problems with moneylenders...because the Adivasi people were repaying their debts. The FPO gets rid of the middleman. But after time it has got better. The aim of the model is to bring everyone up.”* An interview with an FPC director in north Jhabua, previously mentioned, also addressed the topic of relations with large farmers. The farmer director said that *“we have few big farmers but near Petlawad...the Patidar society, Sirvi...[a Patidar subcaste community]...”,* but, when I asked about relations with the Adivasi small farmers, he said, *“nobody exploits us.”* However, he did add that small farmers worked for large farmers in the area, but received low wages, so instead *“we migrate to Rajasthan or Gujarat”* after harvesting of cotton. A conversation with Mohan in a CSD office in Jhabua also covered this topic. He explained that *“Big farmers are in the big villages and Petlawad, the Patidar.”* Continuing, he said, *“there is a link between small and big farmers, small farmers work for bigger ones for wages”,* and that *“most small farmers are Adivasi”*. Such comments appeared to indicate the role of FPCs (and their members) within wider relations between upper caste ‘big’ farmers and marginal and small (Adivasi) farmers. Such ‘labour’ only relations, set within a context of existing inequitable (caste-based) power relations recalls observations by Kunnath (2012, p. 24-5), building on Lewis and Mosse (2006), of a shift from land “patronage” to “brokerage”, which the latter define as “mediating links with state and private development institutions” (Ibid, p. 22).

Further interviews and discussions with farmer FPC members pointed to this labour relationship between large and small farmers in west MP. The farmer directors of the FPC launched by MK in west MP also confirmed that they “*work for bigger farmers*”, while a previously mentioned conversation with a village-level CSD worker, a VRP, at a cotton procurement centre in Ratlam district also mentioned this labour relationship. This VRP also noted that farmers receive “*lower wages than going outside state. People go out of state for work in Summer.*” He further mentioned that the relationship between small and large farmers “*was just working*”, as opposed to a wider social or community relationship. A discussion group with farmer FPC members in north Jhabua, during their SHG meeting, also addressed the issue of labouring work for large farmers: “*...we do harvesting work...of barley, wheat and soyabean, we can do every kind of work.*” They noted that they receive “*two hundred...[rupees]...per day to every farmer.*” On the same theme, during a meeting with a group of FPC farmer members in a village in Ratlam district, one farmer mentioned, “*the poor farmer does labour work at rich farmer’s home. But rich ones won’t labour...as they are already rich...*”

During this discussion with a group of farmers in Ratlam district, the same farmer continued to note, “*rich farmers like Lubana, Gujjar...[caste communities]...live there...[near a town in the area]...*”, while another farmer, in response to my question about relations between small and large farmers, said that “*we work there, they give money, that’s it*”, and that no exploitation happened. A further group discussion with some FPC members in the same area of Ratlam district provided a little more detail on this issue. One man mentioned, “*we go outside...[state]...also and we work here for big farmers*”, continuing, he added, “*we do not get much money...we get only for our basic food and daily routine...It is only labour, no relation...after getting the work done they say so now, we have paid you for the labour...that’s all.*” Summarising the situation, the farmer said, “*Now the work is finished for cotton and all. Now we have nothing, we have to go for labour. After the farming there is a lot of water problem so people migrate.*” A further group discussion with farmers in Ratlam district indicated that these farmers work as labourers only in the area and do not migrate. One farmer said “*we stay here only...in the same city like Ratlam or nearby*”, doing “*some other work or get their house built up*”, the latter referring to construction work. These

comments by farmers appeared to indicate relations between Adivasi and big (caste) farmers as typified by “verbal contracts” rather than past ‘tied’ relations, as noted by Thakur in his ethnography of (changing) Bhil communities in Maharashtra (Thakur, 2018, p. 192-3).

FPCs supported by CSD in west MP appeared to consist almost entirely of small or marginal farmers, and data collected by CFOs as part of the organisation’s organic cotton farming work appeared to confirm this, while also indicating a level of small but noticeable variation between land size and profits from agriculture. One spreadsheet that I viewed in a CSD FO in Ratlam district, of organic cotton farmers disaggregated by FPC membership, stated that out of 130 farmers, all but four were cultivating areas of land under one hectare, and thus, according to the GoI’s definition<sup>10</sup>, mostly marginal farmers. This spreadsheet also indicated that a land cultivation area of 0.3 ha resulted in an annual profit of Rs 12,950, while a land area of 1 ha (and thus a small farmer), led to a profit of Rs 47,500. A further spreadsheet included data from farmers in two separate organic cotton farming groups, each of which covered a ‘taluka’ (a sub-district area of several villages). This spreadsheet revealed that one cotton group, consisting largely of small farmers (owning land between 1 and 2 ha) had an average annual (mean) income of Rs 38,872, while the second farming group’s figure (of marginal farmers), had an annual average (mean) income of Rs 18,930.

The key point I surmised from this office ‘data’ collected by CFOs, is that the difference between marginal and small farmers is relatively small, but something which was present in the membership of FPCs. The director farmer of one (Adivasi) FPC in west MP supported by CSD mentioned to me that as well as a farmer he was a local ‘businessman’, a situation confirmed by Saroj, who the FPC director had come to meet in a CSD FO. I quoted this farmer director in *Chapter 4*, with regard to the extreme difficulty he encountered in the work of forming the FPC). This may be set alongside the discussion in the previous chapter on leadership in FPCs and the accumulation of social status (symbolic capital), linked with the accumulation of material and social capital (Bourdieu, 1986). The role of promoting bodies were also involved in such dynamics, in working to ensure that FPC director

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<sup>10</sup> The GoI defines ‘marginal’ farmers as having ‘operational holdings’ (land) of below 1 ha, while ‘small’ farmers are defined as having between 1 and 2 ha. ‘Semi-Medium’ farmers have between 2 to 4 ha, ‘Medium’ farmers are those with 4 to 10 ha, and ‘large’ farmers have more than 10 ha of land (GoI, 2019a).



candidates were, as the byelaws of one FPC in Ratlam district noted, “socially accepted in their local community”, and thus often existing community ‘leaders’. Finally, as cited previously, there were co-operative societies in the area of west MP, but, as one farmer FPC member said to me during a group discussion in south Ratlam, *“Company is better than society because it approaches every household. But society...[co-operative]...doesn’t help everyone. They help someone but also reject somebody...They involve rich farmer.”* This view was repeated by Saroj, who reflected, *“co-operative societies are for big farmers only. You need more land and money. Politics happens in them”*, while *“water is the biggest problem for small farmers.”*

The themes iterated by NGO workers and FPC members with regard to the role of large farmers in FPCs appeared to confirm previously emphasised points regarding the nature of co-operative action as occurring within social relations (of production). Such social relations included the interlinking of caste and ‘big farmers’, such that ‘rich’ and ‘dominant’ farmers were able to position themselves as providers of much-needed material capital to initiate FPCs. Once initiated, as CSD workers’ informal reflections indicate, the ‘articulations’ of ‘speaking up’, their accumulation of cultural capital, enabled many to ‘dominate’ FPCs and particularly leadership positions, as Sourav emphasised. Moreover, such strategies were in cases more ‘active’, as big farmers sought positions of political power and social status (symbolic capital), in exchange for engaging more ‘actively’ in the business of FPCs. Instances of ‘hijack’ are also referenced in emerging FPC literature, such as (Singh and Singh, 2014), who observed some FPCs in Gujarat including a “one man show...run from a private input shop”, while another was run by an “exporter of grapes”, with no farmers involved. Singh and Singh, as with wider FPC literature however, presented these cases in firmly new institutionalist terms, as these cases diverted from the ‘proper’ role of FPCs in “lower[ing]...transaction costs”, and through an “appropriate design”, FPCs can, these authors wrote, achieve Shah’s (1995) principles of member centrality and control. In these studies, ‘hijack’ occurs because of poor design, poor leadership, and a lack of “social capital including trust and cooperation” among members (Nayak, 2016, p. 12).

## Gender, FPCs and co-operation

While this thesis is not primarily aimed at a discussion of gender dynamics in co-operative institutional development, it is important to discuss some issues of note with regard to my fieldwork. Baviskar's (2004) work on the co-operative practice of 'laah' within Bhilala communities also noted its gendered nature, as the "patrilineal community, as much a creation of women as of men, mobilises to defend its honour, it denies women their agency and identity" (Ibid, p. 131). In a related vein, David Mosse's (2005) work detailed how "men of influence could mobilise participation in a way that won public support for private interests, which they had the capital of authority to represent as community needs" (Ibid, p. 82). Interestingly, much of the development work of the NGO I was volunteering with prioritised women as beneficiaries, for example SHGs almost all consisted of women members, and, as SHGs were federated into FPCs, the majority of FPC members within the FPCs that CSD supported, were women. Men were also members, and were organised into village level farmer groups, usually open to both men and women as members. As Sudhir, CSD's FPO team leader mentioned during a presentation to a philanthropic foundation at CSD's HO, "*men are not ignored, they can participate but most...[FPC]...members are women.*"

During a conversation with Manit, a CHO at CSD's head office, he noted to me that while most members of CSD-supported FPCs were women "*as per land records, males own the land, but actually women do the farming.*" The discussions I had with groups of FPC farmer members in Ratlam and Jhabua districts were either groups of both men and women, as well as some groups of only male farmers. In one of the latter groups, one farmer said, "*both men and women do the farming, and it goes well.*" Alongside this, the vast majority of the FPC members who attended the AGMs in Alirajpur district I have discussed, were women, while some men also attended. The FPC directors that I encountered, for example of the FPC initiated by MK in west MP, often included men, and in this case three of the five directors were male. The meeting notes of one CSD-promoted FPC in Ratlam district in February 2019, revealed that of seven directors, five were male, and two were female, with the chairperson being male. Three of these male directors also had 'caste' surnames of 'Gurjar', 'Patidar' and 'Varma', which, rather than indicating non-Adivasi leaders, may more likely have been part of what Baviskar (2004, p. 133) termed the "internalisation of

dominant Hindu values” . Alongside this, the FPC directors in the AGMs in Alirajpur all appeared to have many women leaders, but also often male board presidents/chairpersons.

With regard to CSD, almost all of the staff working on FPCs in the head office, as well as in field offices, were men. This was true of CSD’s wider staff, which included some women as development professionals (including Gayatri, the deputy director), but they were few in number, with most of CSD’s female staff members working in the HO’s ‘accounts’ and ‘human resources’ teams. Of the CFOs that I encountered in west MP, just one was female, while all of the others from FOs in Ratlam, Jhabua and Alirajpur, from the village-level ‘VRPs’ to the district team leaders and the regional manager, were male. The gender dynamics between (largely male) CSD staff and (largely female) FPC members can be illustrated further with reference to FPC meetings. During one FPC AGM I attended in Alirajpur, the (largely female) members were all seated on the floor, in the first-floor hall of a building in a town in the district. The CSD staff, all of whom were men, were standing at the front of the room, in which a stage area had been arranged, behind which were hung two ‘official’ banners of the FPC. On this stage area, a group of six women were asked to come and sit, as they were confirmed as the directors of the FPC. Much of the meeting consisted of Karan, a CFO, followed by Prabir, a CHO, standing and speaking to the seated women, many of whom wore veils. Karan asked the members to *“come in front and tell...You ladies have a special place in this world. Did people understand? If you did not understand then the brothers who are present here and understood Hindi...will make you understand in your local language...”*

The latter emphasis on understanding Hindi relates to previous discussions on literacy among Adivasi FPC members, and the implications for participating in FPC work, for example in taking on leadership roles. Alongside this is an added gender dimension, in which women from Adivasi communities may have been less likely to have knowledge of Hindi than men. Knowledge of such “articulations”, as Sourav termed, were important in building, and maintaining, the cultural capital and social status to become an FPC leader, along with an established relationship with CSD. In contrast to this perspective, the comments of Sourav during one interview are worth reflecting on, with regard to the CSD’s work with women and FPCs: *“...women’s photographs are pasted all over the village...being the Board member...women aren’t able to see it now. But it is definitely making an impact.”* I later

asked Sourav about examples of women becoming involved in CSD's programmes, taking on leadership roles in local groups and in FPCs: *"It's a process of graduation"*, he reflected. This 'graduation' was also tied in with the role of CSD in 'selecting' leadership candidates, as well as the wider workings of FPCs, as previously discussed. Many of the meetings between CFOs and FPC members were typified by male CFOs standing and speaking, imparting knowledge, training and encouraging participation in FPCs, while the (largely female) members sat and listened, indicative of a wider pedagogic relation of power. Set against this, the women FPC members were simultaneously negotiating spaces in relatively new co-operative institutions, that were, as the Sourav noted, *"normally considered men's realms"*.

The focus on women within the CSD's programmes appeared to be accompanied by an informal narrative of them among FPC promoting organisation staff as being both 'less political' and 'easier to work with'. Sudhir NGO's mentioned to me that *"Politics happens in Adivasi communities, but we work mainly with women, who are not involved in politics."* During a meeting within CSD's FPO team at the organisation's HO, which was focused on a project to build an STO of FPCs (which I discuss in the next chapter), the issue of gender arose. Rahul, the team leader said, *"We set a priority that a female candidate should be appointed as the director...women empowerment should be part of this...women have been doing a good job and their engagement is good. Males leave for other places whenever they get better opportunity. The other thing is family is their priority. They always look for better opportunities for their income."* Interestingly this notion of prioritising women included work on organic farming, as Rahul noted, *"The tendency of males is to just buy pesticides or insecticides from outside and spray it...we always try to save the money as much as possible."*

The issue of gender also arose during an interview with Sourav, who reflected on the rise of women to become leaders in FPCs or communities: *"You just have to trigger it with something...a chance to participate in...SHGs...to perform in the FPOs...giving them the microphone...we have seen lifechanging event....they became such a forceful speaker, a bold leader..."* This reflection was a key part of the CSD's rationale for its development work, which was also reflected in its publications and annual reports, which highlighted the primacy of work with women beneficiaries. In the above interview, Sourav said that it is

*“heartening to see women standing up and making their voices heard...”* He also noted that the wider context should be considered, that agriculture is *“feminising fast, agricultural holdings are small, so men are largely labouring outside, women are taking care of agriculture”*. Reflections on institutional leadership as *“men’s realms”* chime with studies on female council leaders in panchayati raj institutions in rural India. Behar and Kumar (2004, p. 45) note that the *“process of socialisation clearly demarcates spaces: private for female, public for male”*. Becoming a ‘forceful’ and ‘bold’ leader also indicated the manner in which women, ‘selected’ by FPC promoters, were able to engage in strategies of symbolic capital accumulation (and co-operation), to *“manipulate male notions of honour”*, as Baviskar (2004, p. 131) termed it.

The ‘vision’ type focus on empowering women articulated by Sourav, was also something that I found articulated by other FPC promoting organisations, such as the textile firm MK. Prakash, the executive from MK spoke at length during the FPC board meeting I discussed in *Chapter 4*, detailing his observations on aspects of rural society that he encouraged the FPC directors to address. This speech covered several *“malpractices”*, as well as relaying a story of a village he visited in which farmers preferred male over female children. In addition, he covered the need for *“health security”* for women in villages (the provision of toilets), and, summarising, declared, *“If there is no change in society...I will do this alone.”* As discussed, this ‘panacea’ type narrative about the benefits of FPCs was emphasised along with a ‘formal’ representation of their role as ‘business-focused’ co-operative companies, with Prakash noting the need for the firm to establish a secure supply of organic cotton. In contrast, FPC commentators and practitioners who attended an above-mentioned workshop at an RDI that I also attended, emphasised the lack of *“details”* in FPC training manuals in order to meet *“expectations”* of women FPC leaders. That FPCs can include *“inclusion policies for vulnerable communities and gender”*, but there were *“no case studies”* as to *“what happens.”*

During an interview Akhil, a CHO who had worked for CSD for over ten years, he emphasised the need for ‘active’ FPC members rather than female or male members: *“Let it be male or female. It should be both. But they should be active...The one who is active should be kept.”* The FPCs supported by other promoting organisations that I have discussed had a

membership of roughly equal numbers of men and women. Ravinder mentioned to me (with regard to KSFPC), that *“women sell, the men also sell...SHGs and farmer clubs...were involved in the extension work.”* A focus on the need for ‘active’ FPC members reflects the emphasis within FPC byelaws and the focus on the organisations as ‘business-focused’ co-operative companies. However, as I discussed above, such rule or design-based emphases can be manipulated by institutional ‘big-men’ (Mines and Gourishankar, 1990), within wider social relations of power. A focus on ‘active’ members however also chimes with comments by Professor Tushaar Shah during my interview with him, in which he argued against the use of ‘reservations’ for women or ‘vulnerable communities’ in co-operative organisations, who have *“no interest nor...knowledge of the business”*. Instead, he emphasised a need to *“intelligently transpose”* the ‘design’ of a ‘successful’ co-operative (such as the ‘Anand’ dairy co-operatives) and to *“understand the value chain”*, relaying arguments he made in Shah (2016) regarding FPCs, critiqued by Ganesh (2017).

A final issue worth reflecting on of relevance to gender dynamics is mentioning of weddings and dowries as significant areas of expenditure (and debt) by the FPC members in west MP. During one discussion group of male FPC members in Ratlam district, the farmers mentioned that weddings and dowries were the *“main expenses”*, while another group discussion of male FPC members noted that *“people give dowry, it exists in all marriages, dowry is too expensive”*, while *“people buy drinks during marriage”*, referring to the expense of providing alcohol alongside weddings. One farmer in this group said *“the most expensive thing is marriage, then death, and third one is farming like purchase of seeds, manure etc. Sometimes a lot of money is spent on medical treatment.”* A further group discussion with women farmer FPC members in north Jhabua covered the same issue with regard to difficulties in saving money: *“We have many weddings in our community so we need to buy something”*, one farmer noted. A CFO from Ratlam district mentioned to me that farmers take loans for *“weddings, hospital, to do migration, from moneylenders.”* NGO officers often took a pedagogical stance in regard to these matters, emphasising the role of SHGs and FPCs in saving farmers money, though, as indicated above, the wider livelihood conditions of FPC members (including the need to migrate), appeared as ever-present features in my interactions with farmers.

As the discussion above indicates, there was a very practical reason for prioritising women as FPC members, which was that “agriculture is feminising fast”, and that almost all FPC member households included migrating members, in the Summer months especially, who left for work “outside state” and/or worked as labourers locally. Significantly, those migrating were almost all men and boys, something which was corroborated by the spreadsheets of organic cotton ‘groups’ among FPC members, cited above. Such observations recall Agarwal’s emphasis India’s agrarian ‘transition’ being a “slow, uneven and highly gendered” process, in which women now carry out the majority of agricultural work, yet “serious gender inequalities” exist within households, from resources “controlled by men” (Agarwal, 2003, p. 191). Alongside this practical focus, was, as noted above, a broader development focus on women, with informal reflections by FPC promoting staff as to the benefits of FPCs for women, and the benefits of involving women for FPCs, as being “*easier to work with*” and “less political”. This sits within a wider social backdrop indicated in such reflections, of land ownership being a largely male domain, with Adivasi gotras as patrilineal kinship groups, and, within Bhil communities, literacy in Hindi being more common among men than women. The reflections by development workers noted in this section also indicate the manner in which, to paraphrase Jackson (2003, p. 463), struggles for material, political and cultural ‘assets’ (in this case FPCs, or in Jackson’s case, land), were situated within “lineage and caste ideologies” which can also be seen as “aspects of male identities”.

Gender dynamics were therefore present in co-operative action as well as its representation, with panacea-type vision narratives extolled by FPC promoting organisations set alongside ‘practical’ considerations of the need to involve women due to changes in agriculture. As noted in the above reflections, prevailing approaches to FPCs included an “expectation” that women would be leaders, but this sat alongside an emphasis on the primary importance of institutional ‘design’ in cultivating ‘active’ members (regardless of gender) and understanding the ‘value chain’. Such twin approaches appeared to result in a lack of “detail” for development practice (and for development workers), gaps which would be ‘filled in’ by the manner in which institutional (FPC) development was “shaped by social relationships” and “relations of power” (Cleaver, 2012, pp. 48-9). Informal notions of women as ‘easier to work with’, as well as being ‘less political’ also chimed with

'formal' narratives of FPCs as being 'business-focused' co-operative companies, less affected by 'politics' or 'elite capture than co-operative societies (SFAC, 2019).

In a wider sense, based on the informal reflections of development workers and farmers as well as my own observations, gender dynamics appeared to affect the ability to accumulate and maintain social status within FPCs. The wider background of patrilineal social relations (and the consequent likelihood of men having the 'cultural capital' needed to become FPC leaders), may be set beside the efforts of women to navigate (and manipulate) formerly 'male realms', mediated by the ever-present role of FPC promoting organisation. In such a manner, as Mines and Gourishankar (1990) noted, women can also be institutional 'big-men'. However, such observations should be placed alongside reflections on the relatively common presence of men in director roles in FPCs (especially the 'chair' position) despite a largely female membership, as well as NGO efforts to 'cultivate' female leaders. In addition, all of the FPC CEOs and other 'professional' staff I encountered, were always men, and were often also NGO or promotor employees. This 'knowledge' and 'skills' gap between, in the case of CSD, small and marginal Adivasi farmer (largely women) members and professional FPC and CSD (largely male) staff, provided an additional gender dynamic to power relations in FPCs and between FPCs and promoting organisations.

## Conclusion

During the previously mentioned CSD 'retreat', one of the days began with an introduction by Sourav, who provided a history and overview of caste in India. After noting that there are *"four castes, but people don't live...like this"*, he reflected that the *"genius of the caste system is to control people"*. Continuing, he argued that *"low-caste converts"* to non-Hindu religions had not become *"better off"* because they were *"not able to acquire the economic means of production, capital or land and labour is low quality."* In summary, he said *"we are trying to change this situation, it is the reason we are doing things."* The room included CSD staff from across MP, Jharkhand and Bihar, yet most were silent during this discussion, including following a question I asked regarding the role of caste in CSD's work. However, a female CFO from a Jharkhand FO stated, *"caste does affect our work, in SHG groups of women, the 'uppers' won't touch the Dalits, they have to wash after, the uppers always try*



*to dominate the Dalits.*" This discussion was also started by Sourav in English, which may have presented a barrier to CSD staff who were more confident in Hindi, while at the same time, the topic was clearly a sensitive area. The team leader from Jharkhand noted, in a similar vein to Sourav, that it is *"easier to work with tribals"* and the *"selection of areas"* of CSD work related to the most impoverished areas, which also were often Adivasi areas. The two Jharkhand officers reported that, in *"mixed caste areas"* CSD *"talks about the caste system in villages...we explain why we are working with the poorest."*

During an informal interview with Sourav, in which I asked him about FPCs and wider caste relations, he mentioned, *in some places the caste struggle is so extreme people carry rifles after four pm*", referring to parts of Bundelkhand. He noted, *"you can't change this power structure through SHGs...[or FPCs]..."*, pointing to a need for *"wider efforts to stop discrimination"*. However, he also emphasised that, in Bundelkhand, despite the fact that *"some community members are looked down, some are looked up...[on]..."*, people from different castes had been *"living there for centuries...because of a...strong complimentary relationship."* He also recalled an example of a *"huge operation"* in Ratlam district related to CSD's work to establish a mandi (market) linked to CSD-supported FPCs, in which Adivasi and *"a few non-Adivasi farmers"* worked together, *"shoulder-to-shoulder"*, at the end, he said, he could *"see the...satisfaction of completion"*. In this manner, he reflected, the *"changing...[caste, Adivasi]...relationship(s)"* were *"too big for the FPOs to make...a change in...a short period of time"*. But, he asserted, and emphasising CSD's role in *"taking the side"* of the *"weaker"* castes/communities, *"if FPOs have strengthened the positive side of the relationship, I would say yes"*, due to FPC board members *"representing from...all smallholders...communities, castes."*

These comments on the caste 'system' in relation to CSD's work chime with previously mentioned emphases (by development workers) on the critical role of FPCs promoters in *"social engineering"*, and as protectors of *"the downtrodden"* (vis-à-vis the embeddedness of such processes in social and institutional relations of power). Moreover, the comments indicate the important role of 'informal' reflections by development workers in the everyday and programmatic work of FPC promotion. Such reflections include Adivasi communities as being 'easier to work with', as 'less aggressive' (and less political), as having 'unique'

decision-making mechanisms. While such tropes drew on longstanding narratives (Skaria, 1999), they also indicated an effort to 'design out' (Shah, 1996) "*internal governance issues*" related to 'hijack' or 'conflict' often found, development workers reflected, in "*mixed caste areas*". More fundamentally, this chapter has emphasised the wider social relations in which FPCs operated, in the 'conflicts' between Adivasi and 'non-Adivasi' farmers, recalling Cleaver's (2012, pp. 47-8) focus on the role of caste, "kinship or marriage" in collective action 'rules' or norms, and that people's agency in institutional development is "shaped by...social relationships and circumstances". In contrast, I discussed the manner in which development workers were compelled to adhere with 'formal' narratives of FPCs and co-operative action, in which Adivasi 'culture', community relations and 'gotras' were primarily represented with regard to their role in building social capital and 'trust' (Putnam, 1993).

In such 'formal' narratives of co-operation and FPCs, the role of social relations represented as 'trust' was to build ownership and engagement in the business and governance of FPCs, to support the 'proper' business functioning of (economic) co-operative action. In this manner, development workers pointed to the importance of 'homogenous' communities in FPCs, in which capacity building efforts could draw on cultural analogies as instrumental 'tools'. Such approaches adhere with new institutionalist and management-oriented literature on co-operation and institutions, in which social capital and trust are 'informal constraints' (North, 1991), cultivated through "energetic" leadership and efficient, 'professional' management, key themes in FPC literature (Kumar et al., 2019, p. 43; Cherukuri and Reddy, 2014; Mukherjee *et al.*, 2018b). The forwarding of these 'formal' narratives places social relations as a subsidiary to (economic) 'co-operation', in which FPC promotion is aimed at building "optimal institutional solutions" (Ostrom, 1990, p. 14), to achieve the 'design principles' (Shah, 1995) of member and patronage 'centrality'. In Shah's (1996, p. 238) emphasis on 'design', social relations become 'domain conditions', and 'hostile' conditions can be addressed through 'robust' design. I discussed the manner in which reflections of anthropological depth by development workers (such as in noting caste-type relations between Bhil and Bhilala communities, or on changing caste/Adivasi relations), were compelled to be 'translated' (Latour, 1996), in terms legible within 'formal' narrative of FPCs and co-operative action.

In this chapter I have also discussed the forwarding of 'solutions' to caste relations (and conflict) among FPC members, including between Adivasi and non-Adivasi communities. In such 'formal' representations, business and market 'opportunities' through FPC engagement, along with 'proper' governance processes are presented as a means to 'neutralise' the 'mis-differences' of social relations. As above, this narrative sits well with new institutionalist and management-oriented emphases on the need to design the 'formal' rules and 'informal' constraints (North, 1991; Ostrom, 1990; Shah, 1996) of economic (co-operative) behaviour, to "get institutions right" (Rodrik and WB, 2006, p. 979). An emphasis on the role of 'homogenous' communities (and social capital) within such processes adheres with related literature on the role of 'community' as a key factor in collective action (Singleton and Taylor, 1992; D'Silva and Pai, 2003). However, while development workers emphasised the role of 'proper' governance processes, in practice, it appeared that such processes, and the wider approach of promoting organisations, was to keep communities and castes separated, whether in separate FPCs, or in 'clusters' within FPC federations. In this way, efforts to mitigate 'mis-differences' through the design of 'mechanisms' for "fair representation or distribution", may have unwittingly served to reproduce "social inequalities" (Cleaver, 2012, p. 50). Moreover, these 'mechanisms' were compelled to be continually reinforced by a promoting organisation, as short-term 'handholding' support became long-term, and situated within a field of institutional and social power relations, as discussed in the previous chapter.

Further, I discussed reflections on cases of 'hijack' and 'conflict' with regard to FPCs, which, together with the above points, indicate the way in which (economic) co-operative action was also a social process. I discussed informal reflections on the interlinking of caste with the role of 'large' farmers in FPCs, such that these 'dominant' farmers (and businessmen) were able to position themselves as providers of much-needed material capital to initiate co-operation. In return, they employed their 'articulations', the cultural capital of 'speaking up', and greater market knowledge (Mourya and Mehta, 2021) to engage in strategies of symbolic (social status) capital accumulation in 'struggles' over leadership roles within "mixed caste" FPCs. In 'formal' narratives of FPCs, including FPC literature however, such cases of 'hijack', where addressed, were conceptualised (and reproduced by development workers) in new institutionalist terms, as a failure of design, poor governance and

leadership, as well as a lack of social capital. Such emphases recall Attwood's (1988, p. 89) critique of the absence of a sociological analysis (including with regard to caste and class) among co-operative "leaders, planners and promoters", except in seeking explanations for co-operatives "which fail". In this chapter I drew attention to the nature in which strategies of seeking 'leadership' within FPCs accord with observations on institutional 'big-men' (Mines and Gourishankar, 1990), and the caste-basis of the nature in which non-producer businessmen can "deviate from the rule" of FPC norms (Mosse, 2003).

This chapter also explored gender dynamics within FPCs and co-operative action, pointing to the manner in which promoters sought to maintain both panacea-type narratives of female empowerment, along with 'formal' 'design' (Shah, 1996) narratives of the need to cultivate economically 'active' (non-gendered) members and market (value chain) integration. The lack of 'detail' for development practice was 'filled in' by the basis of FPC development in social relations of power (Cleaver, 2012, pp. 48-9). Informal notions of women as being 'easier to work with' and 'less political' chimed with 'formal' narratives of FPCs themselves as less affected by politics, elite 'capture', and the 'problems' of co-operative societies (SFAC, 2019). Such narrative 'navigation' sat within wider gender relations of power (and pedagogy) between (male) promoting staff, CEOs, 'professionals', and, for CSD, a majority female FPC membership. Struggles for social status in FPCs, in the 'performance' of leadership strategies of institutional 'big men', while situated within "lineage and caste ideologies" in 'men's realms', were also processes that women could seek to 'manipulate' (Baviskar, 2004).

While Attwood and Baviskar (1987, p. A-47, 1996, pp. 13-14) emphasised the role of caste (which cuts across 'class lines') as providing a "common cultural and political identity" in nurturing "successful cooperatives", my fieldwork emphasised the manner in which social relations of caste and community, rather than as one of several 'factors' affecting the 'proper' economic functioning of FPCs and co-operative action (Mukherjee *et al.*, 2018b), framed and mediated it. In this way, efforts to participate in the business and governance of FPCs were (as well as promotor-led processes of 'design'), "strongly 'conditioned' by social structure and 'conditional' on relations with others" (Bourdieu, paraphrased by Cleaver, 2012, p. 39). I have also discussed the way in which 'formal' narratives served to 'disembed'

(Mosse, 2005) co-operative action through FPCs from these social relations. In doing so, the reproduction of these narratives in practice served to reinforce Bourdieu's (1977, p. 177) observations on the 'extension' of economic calculation "to all the goods, material and symbolic...that present themselves as rare and worthy of being sought after in a particular social formation". I have sought to explore the manner in which FPCs were "contextualised or decontextualised", as Latour (1996, p. 133) termed it, in the reproduction (and contestation) of 'formal' narratives of co-operative action, and the representation of, in Sourav's words, efforts to "*manage the power structure*" (of FPCs), vis-à-vis social relations "*lions and lambs*".

## Chapter 7 - Co-operating through 'Value' Chains? Organic Cotton, Market Ecosystems and Producer Company Federations

*"They said we need a state-level apex federation that can link up with these companies...[FPCs]...and support them in raising finance...capacity building...marketing their produce, set up processing units, or infrastructure...Even the...NGOs who were good at community organisation did not know business. Working with the farmers...engaging with market players and selling the produce is a totally different ballgame. Because there is profit and loss involved..."*

(Abhijit, GMFPC, Gujarat)

*"They tried it, but they had to give up, because the marketing is where most of the value is created. The moment you hand over that role to some other organisation, the value changes. A marketing organisation dictates when to buy, how much...at what price...and the very idea of creating a cooperative goes..."*

(Professor Tushaar Shah)

*"What can you do for us? What money will you give us?"*

(Farmer and FPC Director to a textile brand executive, organic cotton conference, Maharashtra)

### Introduction

In this chapter I explore efforts to 'link' FPCs with wider markets, in particular, projects to 'integrate' them into organic cotton 'value' chains, and to build forms of 'co-operation' or 'partnership' between multiple organisations. I explore the reproduction of 'formal' panacea-type representations of such 'partnerships' in practice, including the creation of 'value' (and benefits) to all partners, especially to farmers in 'converting' to organic cotton. I consider the ebb and flow of efforts to 'innovatively' design (Shah, 1996) such new 'partnerships', in which textile brands get "involved in farm level issues", as one fieldwork participant termed it. In contrast, I consider informal reflections by textile brands, development workers, farmers and other actors on the differing commercial interests and

power relations underlying such 'partnerships', as well as the complicated and unstable relationship between organisations, power and struggles over the capture and control of 'value'. In the second half of the chapter, I consider the manner in which a CSD programme to 'design' a second-tier organisation (STO) linking FPCs to markets (and 'value' chain 'partnerships), was aimed at fulfilling the 'formal' narrative of FPCs while simultaneously disavowing it. Formally, the project aimed to 'neutralise' 'governance' issues of 'hijack' and 'conflict' through market opportunities and professional management. However, informal reflections pointed to this process as 'insulating' farmers from the market (and the risk of 'politics'). The ebb and flow of this project, as well as 'value' chain 'partnerships', point to design 'innovation' as based in authoritative (and social) relations of power (Cleaver, 2012).

Prevailing representations of FPCs in literature and policy, as discussed previously, draw upon economic approaches to co-operation stemming from new institutional economics (North, 1990) and management-oriented approaches (Shah, 1996). FPCs, as "new institutional arrangements" are needed" to reduce transaction costs", but also to "iron out coordination problems along the production-to-consumption value chain" (Cherukuri and Reddy (2014, p. 8). Concerns are around "getting the institutions right" (Rodrik and WB, 2006, p. 979), by designing the 'formal' and 'informal' aspects of institutions (North, 1991), to achieve "optimal...solutions" (Ostrom, 1990, p. 14). Studies on FPCs emphasise the importance of "an appropriate design...[to achieve]...member centrality and...control" (Singh and Singh, 2014, p. 20), as well as the role of "an energetic management team and...board of directors...a clearly identified business opportunity" (Kumar et. al., 2019, p. 43). Within this 'formal' narrative of FPCs and co-operation, 'new' generation co-operatives are "expected to combine efficiency and professional management...and cooperative principles" (Mourya and Mehta, 2021, p. 115S). In such approaches, FPCs are understood, as Singh (2008) has argued, in terms of "a solution to this problem of cooperatives", key to which was a "lack of market orientation".

As also discussed, a central thrust of approaches to FPCs in literature (and policy and practice) is upon "how to integrate...small farmers with the value chain" (Prabhakar *et al.*, 2012), indicative of the concerns of wider literature on institutions in development (North, 1990; Ostrom, 2009). The rationale for NGCs, Singh reflects, "comes from market thrust and

orientation...required due to competition, vertical integration and coordination by other enterprises..." (Singh, 2008, pp. 22–3). Mourya and Mehta (2021) conclude, however, that due to various challenges, "member centrality" as defined by Shah (1996) is only possible if FPCs expand into "value-added activities" (Ibid, p. 141S). Within this vein, Trebbin and Hassler (2012, pp. 411-15) analyse FPOs as "help[ing] smallholder farmers participate in emerging high-value markets...", as an alternative to top-down forms of "smallholder market integration, such as contract farming...". However, "conditions for success cannot be generalized" (Trebbin, 2014, p. 38). This focus on changing 'governance' relations in 'value chains' led Kanitkar (2016, p. 6) to reflect, "the nature of value chains...has changed, necessitating collaboration between producers on a much higher scale than earlier to address production and marketing issues...". Power relations in 'value chains' however, do not feature strongly in FPC literature, although some critical literature on 'value chains', such as Nickow (2015), consider dilemmas for civil society, in this regard.

Within the fieldwork for this thesis, key to the rationale for building STOs or federations of FPCs or of efforts to 'scale up' their business activities and engage in 'value addition', were a series of informal reflections by fieldwork participants, on the challenges of fulfilling the 'formal' representation of FPCs as self-sufficient, business-focused co-operative companies run by entrepreneurial small farmers. In previous chapters I discussed processes and dynamics in forming FPCs, institutional power relations, 'politics' in FPCs, as well as social relations, all of which informed (the representation of) such 'challenges'. As also discussed previously, 'formal' representations of FPCs emphasised their ability to "evade elite capture", their focus on "democratic free management and...enterprise" in contrast with "inefficient and politicised" co-operative societies (SFAC, 2019, p. 3; Sharma, 2013, p. 46). During a meeting that I attended at the head office of CSD, to discuss a project to build the aforementioned STO to work with the FPCs (to buy commodities from them, as well as to sell agricultural 'inputs' such as seeds and fertiliser, to them), the topic of large farmers and 'hijack' arose. A development 'consultant' (Shekhar) was also in attendance, hired to work on this project. Sourav introduced this meeting to state that, "*Producer companies on their own, with small tribal farmers, are not...able to manage their own company...in our minds...it is impossible.*" Later in the meeting, Sourav stated that the "*company...[FPC]...articles of association, the bye-laws, some try to control, for the benefit of larger farmers, all is*



*possible.”*

This subversion or transgression of the ‘formal’ rules of FPCs, and of co-operative action, noted in the informal reflections of fieldwork participants (as well as in my own observations), as discussed in previously, emphasised the embeddedness of co-operative action in social relations. As also discussed, ‘formal’ narratives of FPCs placed emphasis on the ‘proper’ (economic) rules-in-use and norms of co-operation (Ostrom, 1990). Such ‘rational’ co-operative behaviour (Singleton and Taylor, 1992), was affected by social relations, conceived either positively as social capital and ‘trust’, or negatively, as ‘problems’ of “social context” resulting in “internal governance issues”, such as ‘hijack’, ‘conflict’ or ‘capture’. In such a manner, development workers were compelled to ‘translate’ (Latour, 1996) the wider dynamics of ‘politics’, institutional relations, as well as social relations of caste and ‘tribe’ (Adivasi) as disembedded (Mosse, 2005) from economic co-operative action through FPCs. This included relations between large farmers and small Adivasi farmers, as well as processes of material and symbolic capital accumulation around leadership positions, and the role of institutional ‘big-men’ (Mines and Gourishankar, 1990). A general (informal) perception of FPCs as unsustainable if run entirely by small (Adivasi) farmers appeared in the reflections of Ravinder, with regard to his work with KSFPC, a previously discussed federation of FPCs in Gujarat: *“If you take big farmers...it will be OK, but if you have small farmers...[with]...less than two hectares...if they’re in rainfed...the production is not stabilised...how the hell do you expect them to become financially viable?*

*They should scale-up but...[it]...must be done with caution, so that it is manageable...But, you have to achieve that because...the percentage you are getting in inputs, and most of the FPOs are largely in input supply...hardly gives you a margin of more than three percent on your turnover...”*

The rationale for the creation of a federation of FPCs by CSD, was based on an acknowledgement that FPCs were unable to function without significant support, and especially a narrative that small (Adivasi) farmers were unable to manage the institutions on their own, along with an acknowledgment of the risks of ‘capture’ or ‘hijack’ by large farmers or community ‘leaders’. In this ‘new entity’, *“hijack cannot happen”*, as one

attendee noted, during the above-mentioned meeting at the HO of CSD. Shekhar stated that due to the legal and institutional relations that will be created along with an STO, *“a bad FPC person, their position becomes untenable. Capture cannot happen as they need to be certified...[by CSD]...”* Thus, a focus on the design (Shah, 1996; Ostrom, 2009) of ‘appropriate’ institutional relations, in this case through an STO, becomes the ‘solution’ to the ‘problems’ of FPCs. Alongside these issues of organisational unsustainability, and buttressing narratives of small Adivasi FPC farmers *“not...able to manage their own company”*, lay, as also discussed, perceptions of small farmers not having the ‘skills’ required for ‘company work’, especially regarding marketing and ‘value addition’. As Abhijit reflected, regarding GMFPC in Gujarat:

*“...who could guide these institutions into value addition and marketing. We realised that in the village, you don’t get such qualified persons, who can...go to cities and make deals with market traders or big companies...They do not know how to prepare quality for market. Farmer brings mixed quality and companies require specific quality of products.”*

The wider livelihood issues confronting small (Adivasi) farmer members has led some commentators to raise concerns about the expectations placed upon FPCs. During an interview with Professor Prasad, he reflected that FPCs are *“being seen as the alternative...for all the problems that farmers face...Everything is put on the burden of the farmer producer organisation to solve agrarian distress.”* This relates back to the panacea-type focus on FPCs in literature and policy as providing a bulwark against threats to small farmers’ livelihoods by, as Trebbin and Hassler (2012) stated, the *“privatization of Indian agriculture and the increasing interest of private capital in the agribusiness sector”* (Ibid, p. 411). Well-designed and ‘effective’ FPCs are not only seen as the ‘solution’ to these threats, but also of enabling farmers to benefit from market opportunities. According to these authors, organisation and collective action, *“can help to enhance farmers' competitiveness and increase their advantage in emerging market opportunities”* (Ibid). Considering prevailing approaches to FPCs and their role in (changing) ‘value’ chains, a key question for this chapter is how to understand efforts to link FPCs (and farmers) to markets through emerging ‘partnerships’ and STOs, in non-economistic, new institutionalist or management-oriented terms. In this vein, I develop a ‘critical institutionalist’ perspective (Cleaver, 2012),

analysing ethnographic and qualitative material, to draw out the relationship between organisations, power, and 'value'.

### Organic cotton, value addition and FPCs

As noted in previous chapters, the primary, and often only crop produced by the farmer members of CSD-promoted FPCs in west MP, was organic cotton. In this section I consider 'formal' representations of efforts to 'convert' FPC members to grow organic cotton as a form of 'value addition', vis-à-vis informal reflections by fieldwork participants which serve to question the 'value' in such processes. During an interview with Sourav in January 2020, he reflected on the (enduring) challenges faced by these farmers and FPCs vis-à-vis the 'benefits' from CSD's FPC 'promotion'. The farmers *"are not part of value chains, just suppliers, they are left out and exploited because they are away from the market, they have a small marketable surplus...[and]...are dependent on intermediaries"*. In a summary of CSD's achievements through FPCs, Sourav stated, *"aggregating pays...farmers receive a lot more than beforehand, quicker payment and reduction in unfair practices."* However, he continued, *"big buyers want certain products...in organic and non-pesticides, brands have more of an incentive to reach farmers. There is more pressure in sustainable production...Buyers like to collaborate with those who have control over the production system, like FPOs."* However, the role of FPOs in such 'organic' 'collaboration', Sourav reflected, was not *"automatic", as a "collective enterprise, they need professional assistance, handholding...[but]...do they need it forever?"* He continued to emphasise that of the 20 FPCs that have become 'independent' of CSD's support (out of 57), *"they have scale issues, they can't scale up further. Professionals are not high quality. Market links they do not have."*

During a separate internal meeting in CSD in August 2019, focused on the aforementioned project to establish an STO, Rahul, CSD's FPO team leader, presented an overview of CSD's work on organic cotton. This work, he noted, was in the fifth year running, while *"it takes three years for organic cotton to become certified."* The programme started *"with three thousand farmers...we are now working with eleven thousand farmers in five districts in west MP."* He continued, observing that there has been a *"good response from the market...but*

*common issues in FPOs...[and the]...the supply chain, are quality, FPO links, market links and a common body is needed to take care of FPO requirements.” Sourav summarised CSD’s work with the question, “What added value...[does it bring?]...we need to do something that is scalable.” This focus on ‘value addition’ and market (and supply/‘value’ chain) links, was also addressed by Abhijit, “Only if they...[FPCs]...go into value addition...and export it...will they be able to realise better prices...[and]...to sustain itself.” I questioned Abhijit on the meaning of ‘value addition’, to which he said, “It depends on commodity...in...peanuts we produce peanut kernels, then...roasted and blanched, then sell it. Local market, export market. Sell oil into local market, you can make peanut butter...prepare snacks, processing...This is...value addition...Only then, more money will be realised...to give more benefits to...members...[of FPCs]...and to sustain themselves”. When I mentioned CSD’s work on organic cotton, he reflected, “That is a form of value addition.”*

While the benefits of ‘value addition’ were extolled by FPC promoting organisations, the process of ‘conversion’ by farmers to organic cotton from conventional cotton, was not straightforward. A conversation with Akash from the NGO RLI indicated this to be a “difficult area”, as he noted, “the main challenge is certification, the requirements are high, you must submit forms to the government...if it is not on time or incorrect it will be rejected. It takes time to get properly certified.” Akash was referring to the GoI’s organic agriculture certification standard, the ‘National Programme for Organic Production’ (NPOP). An informal interview with a farmer director of an FPC in north Jhabua also pointed to this long and arduous process of ‘certification’. This farmer mentioned that the “In first year there was loss of income...second year...was a bit different...this year it changed.” During my interview with Ravinder, he noted that “Contamination...[of organic cotton]...transits from one farm to another...sometimes through wind...” A conversation with Sudhir in west MP regarding CSD’s work also addressed ‘conversion’ to organic cotton: “It is difficult to start organic cotton but slowly...farmers are growing. They get benefit.” During this conversation a farmer and FPC member arrived at the FO we were sat in, which also acted as an FPC office. This farmer was complaining to the CFOs that “money had come late...there were problems”. After this exchange, Sudhir explained that “payment comes late. Sometimes farmers go to...[local town]...to sell cotton...”. This issue of late payments (and farmers not selling produce to ‘their’ FPCs), was linked with wider FPC financial (and ‘mobilisation’)

'challenges' around procurement and 'recovery' work, as well as related institutional power relations, as discussed previously. Below, I consider similar issues with regard to relations between farmers, FPCs and textile brands vis-à-vis 'value' chain 'partnerships'.

Further interviews and discussions with farmer FPC members also pointed to the challenges of 'converting' to organic cotton. During a meeting in a village in the west of Ratlam district with FPC farmer members, one farmer mentioned, *"there were many difficulties...we had loss in the...first year...because there was less crop that year...we faced a lot of problems to understand...and people don't have trust in it"*. After two years, it *"got fine gradually."* On top of the length of time, as one farmer from a separate meeting of FPC farmers in the same area mentioned to me, *"manure has to be provided, water has to be supplied, fertilisers have to be given."* In a further discussion group of farmer FPC members also in this area of Ratlam district, one farmer noted that before the FPC, *"we were using chemical fertilisers...But company told...if you do organic farming...you will get good value in the market...we tried it slowly...we sprayed tea water solution and prepared fertiliser from dung."* As a result of these methods, the farmer reflected, *"the plants have long life...they don't die quickly."* Farmers in several interviews and discussion groups indicated they received a higher price (a 'premium' payment) from converting to organic cotton (and selling through an FPC), the loss in yield in the conversion process, alongside wider costs presented a serious challenge.

During a meeting with Kishore from the textile manufacture 'GK' (previously cited), a firm that had bought cotton from CSD-promoted FPCs, he argued that the difference in yield between conventional and organic cotton is stark, even with a 'premium' payment: *"If they are not doing organic farming they are getting ten quintals per acre...in organic their maximum is six or seven quintals...[and]...10 percent premium...after five years they have not reached ten quintals...There is a twenty percent gap."* The conversation with the FPC farmer director above pointed to a different picture, in his farm, *"BT and non-BT production was almost equal"*, while he noted, he was getting *"100-200 rupees extra than*

*market...[rate]...*".<sup>11</sup> This farmer also mentioned that "*sometimes payment comes late.*" In a meeting of farmer FPC members in Ratlam district, the farmers similarly said organic cotton has given them a "*better rate than market...we get one to two percent increase value.*" However, after cotton harvesting, this farmer said, "*now we have nothing...we have to go for labour...there is a lot of water problem, so people migrate.*" Such assertions chime with discussion in previous chapters on the prevalence of annual migration and labouring work among households of FPC members, as necessities to supplement income from agriculture (and FPC membership). 'Formal' representations of the role of 'value addition' (through FPCs) in bringing benefits to farmers through access to 'high-value' markets, were therefore contested by informal reflections on the difficult, arduous process of conversion, in which the path to 'benefits' was not a certainty. Rather than understanding such processes in terms of greater or lesser 'transaction costs' (Williamson, 1979), it is important to emphasise that processes of 'conversion' were carried out within the institutional (and social) relations of power that I have discussed in previous chapters.

### Partnership and 'co-operation' through supply chains?

As discussed in the literature review, a focus on 'value addition' and building 'value chain links' in emerging literature on FPCs has been informed by wider literature on value chain governance, such as Gereffi et al., (2005) and Altenburg (2006), both of whose work delineates different 'types' of institutional arrangements for 'governing' value chains. Drawing on a basis in the new institutional economics work of North (1991) and others, Altenburg (2006, p. 506) writes, "Both formal and informal institutions help to contain the opportunistic behaviour of contractual partners...". With regard to small farmers in India, Chengappa (2018) argues, in panacea-esque terms, that the value chain approach "has the potential to increase agricultural productivity, household welfare and build social capital...farmers who participate in value chains incur fewer transaction costs, face lower market risks and realize more profits" (Ibid, p. 1). Trebbin's (2014) analysis points to the changing nature of 'value chains' linked to forms of governance: "higher product standards lead to higher product or asset specificity which means that more information needs to be

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<sup>11</sup> 'BT' cotton refers to genetically modified cotton, adopted widely across India since its introduction in 2002 (Herring, 2014).

exchanged in value chains”. Moreover, “asset specificity, supplier capabilities, and the ability to codify transactions” are the key factors that “determine how...value chains are being governed” (Ibid, pp. 36-7). In a similar vein, Mishra and Dey (2018) note “the increasing trend of...[Indian agricultural]...markets being controlled by organized players”, and that “a shift towards a buyer-driven market is expected in the future” (Ibid, p. 135).

As indicated above, the emphasis upon FPCs and value chains within literature, policy, and ‘formal’ representations of practice, is very much upon their role in ‘integrating’ smallholders into ‘value chains’ in less captive, or ‘vertical’ terms than through arrangements such as contract farming. Alongside this emphasis, is a focus on FPCs as reducing transaction costs for supply chain ‘partners’ (and farmers): FPCs create “capable business partners” for “new and foreign entrants to Indian...markets”, writes Trebbin (2014, p. 43). In this section I will explore such supply or ‘value’ chain ‘partnerships’, contrasting ‘formal’ representations of integration, ‘value’ addition and the benefits to be gleaned from brands ‘linking’ directly with producers, with ‘informal’ reflections indicating commercial interests, (institutional) power relations and ‘struggles’ over ‘value’. The term ‘value chain’ I found to be in wide usage by NGO officers, FPC promoting organisations and commentators. Akash explained the term as follows: “*Value chain means it starts...from land and seed and water till...they sell in the market. The way that produce moves in the value chain...Initially...the participation was as a producer...[but]...now...wherever they can save value, they can create value for themselves....they are buying in bulk...saving money...in value chain they are getting some money.*”

Akash continued his explanation to mention: “*That is one gradation in value chain and the produce...in a consolidated way it is linked to the appropriate buyer. There also they get value, in terms of fair price...proper weighing...*” This focus on ‘saving value’ or ‘creating value’, was iterated during a meeting at CSD with a development consultant (Dheeraj), in September 2019, focused on the aforementioned programme of work to build an STO of primarily organic cotton producing FPCs. During this meeting, Dheeraj presented a series of projector slides concerning ‘value chains’. He noted that value chains are “*in common use by the World Bank and...other organisations, but there is a difference between supply and value chains. Supply chain...is a conduit but value chain looks at how to maximise value for the*

*consumer by collaborating with all actors in the chain.” Moreover, the “integration of value chains is the focus of the World Bank and international organisations, though we need a wider focus. Someone must do it to ensure value...Organisations who are most successful are continuously adding value.”* In-line with approaches in value chain literature (Altenburg, 2006), Dheeraj proceeded to detail different ‘types’ of value chain governance, from ‘vertical’ to ‘network’ models. In such a manner, prevailing approaches to ‘value chains’ and the role of FPCs were emphasised at a senior level of CSD in the form of ‘consultant knowledge’, and as part of institutional processes of ‘design’ (Shah, 1996), and relations of power.

During an organic cotton conference (OCC) in Maharashtra in 2019 that I attended, changing relations between supply chain organisations was a key topic. During a panel debate, a speaker from a multinational clothing company mentioned, with regard to ensuring cotton is organic, that, *“Through discussions with supply chain downstream, we realised that by just doing transactions it doesn’t work and there is no impact.”* A speaker from the textile firm MK, cited previously, reflected that, *“The entire dynamic of the...[organic cotton]...supply chain is changing. Brands, spinners, weavers won’t shy away from fact we want to associate more closely. Will be more transparency on cost, so different for suppliers.”* The panel host summarised this ‘change’ in supply chains by noting, *“Brands are getting into farm level challenges.”* However, a key issue for brands and manufacturers, was, as Ruth, a representative from UK-based clothing brand Stitchwear (SW) (whose interview I discuss later), mentioned, *“we were assuming with organic certification we were getting impact on the ground”*. The involvement of *“third party validation”* was however a *“way of verifying impact, getting on the ground data collection and communicating to customers.”*

The reference to ‘third party validation’ was referring to Organic Cotton Impact (OCI), a non-profit organisation established by textile brands, working in India and other countries. Another textile brand speaker on the above-mentioned panel referred to OCI’s work as *“very critical”*. Later that day, during the conference, I spoke with two representatives from OCI, one of whom said that the *“current supply chains are very fragmented. The traditional way brands source is to say to ‘tier 1’...[companies in the next ‘tier’ along the supply chain]...organisations “get me this amount of cotton”. But there are multiple actors, and*



*multiple levels...[Now]...The brands link with producers and can...tell suppliers we want this much cotton from these farms etc."* As such, they noted, brands can "make savings" by "doing supply/value chain work". When I queried further as to why some brands were intending to switch to or increase the amount of organic cotton they were purchasing, one of these professionals responded to say, "Organic is a strong story, a good marketing story, you can say this is from these farmers etc." Such reflections appeared to contest 'formal' assertions of the benefits of closer 'association' between brands, manufacturers, farmers, FPCs and other supply chain 'actors' in 'changing' supply chains to 'value' (creation) chains. Simultaneously, as I discuss, emphasizes on the need to 'verify' impact, and the role of OCI operated within a field of power relations.

#### Organic cotton as a 'mission'

The focus on organic cotton, particularly in terms of increasing the amount of organic cotton purchased by textile firms, appeared to be couched by many textile brands and organisations as a 'mission'. The above-mentioned conference began with the host talking of the attendees (textile companies, NGOs, and others) as part of an "*organic movement, a campaign for greater uptake of organic agriculture...we need to scale up!*" This was followed by presentations by a series of multinational and Indian-based textile firms mentioning the percentages of organic cotton they had 'achieved' within their supply chains. The focus on a 'mission' also sat within a history of 'mission mode' GoI programmes, typified by aims to reach "hitherto marginal rural areas and population groups" (Routray, 2013, p. 133). A representative from one multinational brand mentioned their "*ambition to convert all farm-sourced cotton but due to challenges it had been scaled down.*" The director of the textile firm GK followed, noting, "*Doing organic cotton on the ground is not a challenge, if we all believe.*" The official literature of the conference as well as speeches and presentations made repeated use of terms such as "*organic cotton trailblazers*" and "*crusaders of organic cotton movement*". This near-religious zeal for organic agriculture was accompanied by discussion on how to 'convert' more production (and farmers) to organic cotton.

Encouragement to farmer FPC members to practice organic agriculture, was, as indicated, central to the capacity building work of CSD. During the AGM of a CSD-promoted FPC in Alirajpur district, Karan, the presiding CFO, sought to draw a link between organic methods

and Adivasi 'traditional' agriculture in his speech to the members: *"Traditional farming has many benefits...your expenses get reduced...your land will get enriched...The Farming...we are teaching you today, people used to do three generations ago. Did your ancestors not used to do this work?...That time it was only organic..."* Moving on, Karan mentioned the international 'market links' that could be built through organic cotton and the FPC, illustrated by my presence at the AGM (and involvement with CSD's work): *"We have one foreign brother with us, who is going to create an organisation for the organic...cotton...These things will be delivered to foreign country with the help of this organisation. Apart from India, In foreign. So that you get more benefit. Because this organic cotton of India is famous world-wide..."* As discussed in previous chapters, the intentional (represented as 'instrumental') linking of FPC institutional development with Adivasi cultural practices was a key feature of CSD's work, emphasising the need for institutional arrangements to be "naturalised by analogy" (Cleaver, 2012, p. 48). Simultaneously, such a framing of a 'foreign' world where the 'benefits' of organic cotton would emerge from, reproduced putative positive themes in 'formal' narratives on the role of FPCs in market (and 'value' chain) 'integration' (Trebbin, 2014).

This 'translation' (Latour, 1996), of organic cotton methods as Adivasi 'traditions' featured in other FPC-related fieldwork encounters. During the board meeting of the FPC promoted by the textile firm MK in west MP, one farmer director argued for the need for a 'religious' approach to organic farming: *"Religion should be connected to organic farming...like we are talking about in stopping liquor...[consumption]..."*. Prakash, MK's executive, and CEO of the FPC, summarised this as a *"self-sufficient farmer community based on organic farming...pure thinking."* The zeal-like 'mission' for organic agriculture appeared to act as a linking agent, drawing together textile firms, NGOs, FPCs and others. In adhering to such 'missions', together with funding from philanthropic organisations linked with textile brands, more farmers were to be 'converted' to these new practices and beliefs. However, during the above-mentioned conference, the representative from OCI emphasised the commercial (and power-related) interest for brands in focusing on organic agriculture, that brands *"get the supply chain sorted in terms of supply."*

An emphasis on ensuring a supply of organic cotton in supply chains that are typically fragmented with multiple levels and organisations, as the OCI representative termed it, held the additional benefit, this person said during the OCC of *“cutting out middlemen”*. However, the ability to do this, she noted, *“depends on the bargaining power of the brand in the supply chain. Small ones are nimble and can change but they have less power. There is also consumer pressure...but it is not sustained, although brands know they must do something.”* Reflections such as these tally with critiques of the centrality of “lead firms” in prevailing approaches to value chain analysis (see Altenburg, 2006), vis-a-vis more “complex forms of governance” in decentralised and “informal market[s]”, where it is difficult for single actors to “set the price or quality benchmarks” (Mishra and Dey, 2018, p. 135). Also at the OCC, Ruth from SW emphasised to me that, *“Supply chains are long, complicated, and translucent. Visibility is critical.”* A director of a northern European clothing company mentioned during a panel debate at OCC that they *“changed five years ago, people began to realise what’s sustainable, to look through supply chains. We must involve production; we can’t just put out to a middleman. So much money in industry and it pollutes a lot.”* In a similar vein, a director of an Indian rural development NGO noted, *“We can bring a platform together – to cut out middleman...We can do it together.”*

During the OCC, a representative from a further textile brand reflected on the ‘partnerships’ forming in organic cotton supply chains: *“I and most brands don’t feel like doing charity. Definitely partnership between brands, other companies, and farmers. See it as partnership not charity giving money.”* This emphasis chimed with ‘formal’ emphases on the ‘business’ nature of FPCs among promoting organisations, such as made by Prakash regarding the ‘business relationship’ between MK and the FPC it had established (previously discussed). While Prakash couched the work of FPC promotion within a panacea-type ‘vision’ and ‘mission’ narrative of wider benefits, he contrasted MK’s ‘business’ promotion with promotion by NGOs: *“NGO supported producer companies face stiff competition from agribusiness. Unless they have agreements with brands for premium and spinners and ginnings for supply.”*<sup>12</sup> Prakash noted that MK had established a *“whole supply...[from]...farm*

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<sup>12</sup> Ginning is typically the second stage in the cotton supply chain following cotton growing and harvesting, in which the ‘lint’ is separated from stems and other materials. This is followed by ‘spinning’, in which the lint (the coat that covers the cotton seed), is spun into yarn, after which the yarn may be knitted or woven into

*to fashion, making garments for brands, some we do lint or fibre or garment, it depends on contracts. Most goes to Europe or the US.”* Of the total cotton this firm procured, *“fifty percent is organic, and the rest is sustainable cotton, BCI, some conventional.”* The approach of MK, rather than purchasing cotton from FPCs (via promoters), or individual farmers, was to form their own FPC within what may be termed a ‘vertical’ ‘value’ chain (Altenburg, 2006). However, as discussed, this heavily managed process was carried out within institutional and social relations of power between MK, its representatives, and farmers it had existing links with (converted to FPC members).

From an NGO’s perspective, Akash from RLI noted they had formed ‘direct’ links between FPCs and buyers: *“We have done...an MoU...[Memorandum of Understanding]...in cotton with...[GK textile firm]...and in pulses. Many other local traders also.”* When I queried how the arrangements were working, he responded to say, *“In cotton it is quite difficult...the commodity itself is very complex...Traceability and getting it ginned and converting it into bale is a huge capital investment.”* This recalls discussion in previous chapters regarding informal reflections on the lack of ‘working capital’ among FPC for procurement and marketing of organic cotton. Akash reflected that the brands, ginners, and spinners *“negotiate at each level...everyone wants to squeeze more...a hefty profit...All business people, this has nothing to do with civil society...It is a very inverse discussion.”* The rationale for forming such ‘direct’ arrangements (for FPOs and textile brands) however were to secure the benefits of ‘value chain’ links through the ‘value addition’ of organic cotton. In literature on value chains, such processes are termed ‘upgrading’, in which ‘lead firms’ invest in the ‘upgrading’ of supplier firms, usually through pressure and/or ‘knowledge transfers’ to meet “necessary standards”, as articulated by Altenburg (2006): “lead firms demand higher standards and exert *pressure* to produce more cost-effectively often triggers substantial process improvements” (Ibid, p. 513). As noted, some critical studies have drawn attention to the way ‘value’ chain ‘upgrading’ strategies, while potentially “augmenting” farmer incomes, do not alter the “power relations of the system itself”, and even lead to “dependency on corporate[s]...” (Nickow, 2015, pp. S55-6).

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fabric, converted into clothing, and then distributed and sold to consumers. As indicated, such ‘stages’ may appear in different forms and relations other than this typical ‘linear’ process.

## Partnership and 'conflict' in supply chains

In this section I build on existing themes to consider in more depth the efforts of textile brands, manufacturers, NGOs, FPCs and other actors to build different forms of 'value' chain 'partnerships', drawing attention to the way in which such 'governance' arrangements were typified by conflicting commercial interests and inequitable power relations. I consider these efforts vis-à-vis their 'formal' and 'informal' representations by fieldwork participants. In the AGM of the FPC in Alirajpur district that I have mentioned above, Karan emphasised the benefits to members of selling their organic cotton to the FPC, by emphasising the international market links (and opportunities) that would emerge:

*"Why it is good for you people to sell to the company?...Sir has come from America and he will help us to grow our work. Do you want to grow your business? You want to get a good price...For this we must search for a market outside...[Alirajpur]...and we must make our ways. Then only we will get it. Sir wants to ask why. What benefit you get when you sell this to company."*

*"Now there was some scheme going on...that we are taking organic farming of cotton and some work on a large scale should be done...Why?...In the market every crop and...variety...has a different cost. Here we do not have much demand...the grain that we grow...without UREA...medicines...fertilisers, that has more demand in foreign country."*

My presence was perhaps referred to, in part, as an illustration of the 'market outside' coming to west MP (despite my not being from 'America'), supported by my role as a volunteer worker for CSD in this "large scheme", which referred to CSD's programme to build an STO to work with FPCs. The specific benefits of growing and selling organic cotton to the FPC, and through the FPC to the "market outside", was spelt out in more detail by Karan at this AGM: *"If it...[cotton sale]...was...organic...then we gave you a premium from 50 to 100...If our goods are organic...then we get good return from foreign country...If they...[foreign companies]...buy from you then they will pay you the premium."* This premium, Karan stated, was "one hundred rupees per quintal more than the market", while "those who have sold organic cotton and BT

*cotton...might have got mixed rate". Karan also said that the "premium varies...you might get two hundred rupees next year. After third year it may be five hundred rupees." Finally, he emphasised savings on farming 'inputs': "To get medicine, fertiliser, urea...there are so many ways...from your own house or...nearby farms you can get medicine not to kill insects but to protect your crop."*

The reinforcement by CFOs on the benefits to be gleaned from accessing a relatively abstracted 'foreign' market 'outside', as part of efforts to build member 'ownership' and engagement in the business and governance of FPCs, appeared, in contrast, to emphasise the manner in which the 'integration' of FPCs to 'value chains' was something 'translated' (Latour, 1996) to FPC members, rather than a process in which they played an 'active' role. To play an 'active' role, as previously argued, implied a level of cultural, symbolic (and often material) capital needed to engage 'actively' in the business (and 'leadership') of FPCs. While interviews with farmer members of FPCs supported by CSD pointed to the existence of a premium received by farmers from organic cotton sales, fieldwork participants revealed a series of informal reflections on the wider dynamics of 'tie-ups' between farmers, FPCs and textile firms. Such reflections appeared in contrast to relatively straightforward notions of 'benefits' through 'value addition' and international market links, promoted through development practice by FPC supporting organisations, or of religious zeal-esque narratives of 'missions' to promote organic agriculture by textile brands. When I met Ravinder, we discussed the relationships between FPCs and supply chain companies with regard to KSFPC, which had "tied up" with private players in organic cotton and other commodities: *"You tie up because they are giving you a better discount on their products...inputs"* (such as seeds). However, Ravinder noted, managing the relations is *"very...difficult...Because...till you know somebody, there are so many companies...you can't know which can be trusted...which is a fly-by-night operator. One must be extremely cautious with whom to tie-up with, and whom not to tie-up with."*

Continuing his theme, Ravinder recalled *"a recent example in Madhya Pradesh with tribal farmers...we have set up another company...[FPC]...They tied up with somebody who was giving them...aloe vera. This fellow took a lot of money and disappeared. The farmers are in a fix, so...it is very shady at times. There are a lot of private players."* In response to this

situation, as with themes discussed in previous chapters, Ravinder emphasised the importance of processes and procedures, *“screening of the private players”*, which involves a *“first level...whether to partner or not, after sufficient check...we do a reference check...we shortlist companies”*, but *“ultimately the Board decides.”* However, these procedures were also reinforced by the active role of the FPC supporting (‘neutral’) NGO: *“...whenever the manager...[FPC manager]...has some problem...that is where the CEO of...[the supporting NGO]...guides him...you cannot put the company in jeopardy...”* Even with these processes and NGO support, *“it is not a very easy thing”*, noted Ravinder, *“Most private players have a very one-sided, lopsided agreement...It’s not easy to negotiate, very difficult.”* While observations on ‘lopsided’ agreements have been noted in the relatively small number of studies which have focused on FPCs and ‘value’ chain governance (Singh, 2006; Trebbin, 2014), as discussed, such studies adopt new institutionalist (and value chain analysis) conceptions of such arrangements, in which the focus is upon delineating (and designing) the *“conditions”* for *“successful interlocking”* between agribusiness firms and small farmers.

Along with the risks of ‘tying up’ with a *“fly-by-night operator”*, another area of uncertainty for FPCs, as well as their member farmers, was the risk of the rejection by buyers of their produce. Ravinder stated that, *“in spite of...crosschecking and cross-verification, you can still end up...We partnered with...[a company]...for maize...they rejected all the b grade and c grade and we ourselves got defeated in the market.”* This ‘risk’ spread to the *“credentials of our company”*, but, he reflected, *“You try and minimise the risk to a company...[FPC]...as you are doing it for the first time.”* When I met Abhijit, he also noted this issue to me with regard to GMFPC, as typifying the difference between public and private ‘procurement’:  
*“government procurement and private procurement are completely different...In private you need to emphasise...quality, there are rejections...FPOs fear that, once they buy and sell it to the buyer...the produce is rejected, they will bring the truck and they will suffer losses of...[up to]...twenty thousand rupees.”* During CSD’s ‘retreat’, Rahul also alluded to problems and disputes in organic cotton supply chains. In *“specialised commodities”*, he noted, *“quality and timeliness are important, which can be compromised, we are unable to do big volumes.”* Continuing, he reflected, *“in organic cotton, buyers try to control the mechanisms around cost, and the production system is also very important.”*

On a separate occasion during a conversation with Rahul at CSD's head office, and following some time spent on phone calls and dealing with emails, he mentioned to me, *"There is a shortfall every time...[FPCs]...sell things."* Referring to an email from SW (mentioned above), the subject of which was a signed agreement between CSD and SW regarding the latter's purchase of a certain quantity of organic cotton from CSD's FPCs, he noted *"I have signed an agreement, but I have not provided it so far."* He asked me to read the email and said, *"If the FPOs don't provide the cotton, what will I do? It will damage the business and the reputation...whose reputation? Not the farmers...no one knows the FPOs...It will be...[CSD]...[Sourav]...maybe me."* Continuing, Rahul reflected *"Companies are based on the people in them. If they are not professional then it will not work...[CSD]...is a jack of all trades but master of none, water, FPOs, SHGs etc. We are trying to do too many things. Some...require specific expertise. Also at the local level...[CSD]...and FPO people will have to do all the projects."* As I discuss later, many of these informal reflections formed the basis for CSD's programme of work to build an STO to buy from FPCs and build market links. During a workshop on FPOs that I attended at an RDI in Gujarat, Vikas, the chief executive of the NGO RLI relayed an example of an organic cotton project in MP. He noted that they were selling organic cotton to the textile firm MK, *"they weren't offering a premium, but...upfront payment. Value addition for the farmer, weighing of cotton was done by the FPO so...fair, farmers were getting cash money."* Summarising, he asserted it was organic, *"so we should charge a premium. Brands are worldwide but they have no control over supply chain partners."*

Continuing his example at the FPO workshop, Vikas recalled that agreements were signed *"between all supply chain partners. Ginners said, we will give advance money to the FPO, the brand said we will pay fourteen per cent premium. It looked like a dream project. The FPO sent a truck to Gujarat without getting the advance money. When the truck came to the ginners, they said three thousand, nine hundred rupees...The tribal farmers...got less money. We had to take stock and go to local ginners...The brand is still interested if we can get it from somewhere."* Summarising, Vikas noted that *"Stock of fifty-five lakh rupees ginned cotton is still there. Only yesterday could we find a partner ready to pick up the stock at the rate we want...Partnership with very big partners may not be a good idea, they are always trying to exploit."* Finally, he mentioned, *"ginners are not interested in picking up as cotton*



*rate is going down every day, partnership with brands may not help.*" In this above case, a multinational textile brand had sought to 'get into' the "*farm level challenges*" alluded to at the previously discussed organic cotton conference, but, underlying formal representations of co-operative 'partnership' illustrated through agreements, lay a series informal reflections on conflicting commercial interests and power relations. In these cases, supporting NGOs signed the 'agreements', managed and carried out the agreement-making process, and intervened when FPCs faced 'rejections' or 'partners' who sought to 'squeeze' a profit. Such reflections draw attention to the power relations and dynamics in which the 'design' (Ostrom, 1990; Altenburg, 2006) of value chain governance 'solutions' was carried out.

During an interview with Pankaj and Kishore, two executives from the textile firm GK, the topic of relations between supply chain partners, and different 'partnership' arrangements in organic cotton arose. GK, Pankaj noted, is "*a fully vertical textile mill...we...start with cotton and...make finished garment. We do everything by ourselves, like spinning, weaving, dying, finishing.*" He reflected that, initially "*we had a very large team...working in the fields and the farmers, but we were finding it challenging, because we were not...aware of the local circumstances...[and]...farmers...We have evolved a model where we are working with local partners...either NGOs or social enterprises or commercial organisations.*" In contrast to MK, the textile firm based in MP, which had started an FPO, GK worked with FPC promoting organisations or companies. Regarding FPCs, Pankaj noted, "*It was...challenging to make it work, but because of help from...[CSD]...and others ...it becomes easier for us to buy...[CSD]...is facilitating...to purchase organic cotton with the FPO.*" Continuing, Pankaj said they were "*not able to buy directly from farmers because...of things like cash payments, paying for transport in cash...we have engaged different agencies...[FPCs, companies or ginners]...to purchase from these farmers...on our behalf. With FPO it works better...we have more guarantees. The farmers are getting more for what we are paying.*"

Continuing the interview with Pankaj and Kishore, I questioned whether working with FPOs was 'better' than with commercial organisations, Pankaj responded to emphasise 'working capital' differences: "*commercial organisations only benefit is...they have working capital so they can buy from farmers and they can supply to us and then we pay them with what they*

*supply. In case of FPOs still a challenge...they must buy from...farmers...store for a few days so that financing becomes...[available]...". In the current year (2020), Pankaj reflected, "the harvest is delayed and FPO is not so effective in collecting all the cotton...so what you were expecting...you have still not started getting...in the meantime the...[cotton]...machines still have to work, so we have to depend on other sources of income." When I questioned him, he said "traders, suppliers...large commodity companies who have the stock." Reflecting on the emergence of relatively 'new' 'partnerships' or relations between supply chain organisations in organic cotton, Pankaj noted that in "very few cases...brands are interested to go all the way to the farming...For one of the brands we have signed a tri-partite contract, where it is brand, ourselves and the producer company...this is...very new...more of this needs to happen."*

In this interview, Pankaj also emphasised the level of 'work' required in 'integrating' organic cotton supply chains, the need for a common 'understanding', recalling new institutionalist emphases on building mutual agreement on institutional 'rules-in-use' (Ostrom, 1990): "It needs a lot of...collective work...all the players in the supply chain...need to understand what it takes to grow organic cotton, why we need to pay a premium...and why it is important to maintain traceability, integrity..." Such a focus emphasised the role of 'partnership' arrangements with both 'co-operative' (premium payments) as well as 'compliance' (traceability) measures, alluded to as growing 'hybrid' trend (along with 'direct sourcing') in literature on 'sustainability' supply chains (Ghori *et al.*, 2022). Ghori *et al.*, (Ibid), argue that this model, in which a brand/retailer pays for capacity building (of farmers) to adhere with 'compliance' features, such as meeting 'sustainability standards' (e.g., organic cotton 'certification'), reflects efforts by 'lead firms' to "extend their power beyond first-tier suppliers" by focusing on issues of "quality, productivity, traceability and security of supply" (Ibid, p. 2). To address the 'work' required, Pankaj asserted the importance of OCI: "They ensure...an integrated perspective...seeds...premium...they...help to educate the supply chain and brands..." However, this work "takes time and we still have very few brands...[and]...very small volume, so it needs to get larger." At times, he noted, the agreements "involve four parties...[OCI]...brand, ourselves and the project implementation agency...NGO, FPO."

Following on from this conversation, Kishore emphasised that the aim of GK, through the agreements, was to *“strengthen the producer organisation in...knowledge and...economics...and facilities...it is...business case for farmers.”* Part of this involved addressing ‘contamination’ of organic cotton, in which *“we guide farmers, we have distributed...small bags for...picking cotton...and big bags to fill and store it.”* The reason being to avoid buyer rejection of the organic cotton – *“if small hair is coming in a production facility of the fabric, it will contaminate...That whole fabric is denied purchasing by the brand. So, they have rejected that order.”* When I queried regarding the sources of organic cotton purchased by GK, Kishore noted that *“we buy US cotton because it has zero...contamination...To show the importance of these things, we give training to farmers.”* If the FPCs do not fulfil the quantity of cotton specified in the agreements, the professional noted that *“We are not going to blame...the producer organisation...[but]...at that time we must buy from other sources to fulfil our requirements.”*

Continuing his point, Kishore emphasised that *“we definitely stick to our agreements...the first preference is they’re...[FPC]...able to provide us, if they...delay...we’ll say to them...we’ll buy from you guys only.”* While emerging ‘partnerships’ or changing relations between textile firms, brands, NGOs and FPCs therefore, appeared to involve aspects of what is termed supplier ‘upgrading’ in value chain literature (see Altenburg, 2006), such as forms of investment or training, this also sat within a web of interests and power relations. GK needed to fulfil its contract to supply brands with fabric, while the FPCs were required to sell organic cotton to GK. Alongside this sat the mediating role of CSD as the FPC promoting organisation, which, through the FPO team at the CSD’s HO, dealt with these contracts with brands, as indicated previously in the comments by Rahul, in his frustration at the level of work CSD carries out, as a *“jack of all trades”*. Buyers such as GK espoused a ‘sustainable’ vision, in-line with ‘formal’ ‘mission’ approaches to organic cotton and ‘partnership’ with farmers. In my visit to GK, Pankaj provided me with a history of the company’s involvement in ‘sustainability’, which *“encompasses environmental, social and...economic aspects...taking care of...discrimination, production, bribery...”* The firm, he said has been *“taking very environmentally-aiding initiatives since beginning and cotton was a natural progression...”*

Together with a company 'vision' "*across sustainability aspects*", Kishore emphasised GK's and his professional (and personal) relationship with CSD as well as Sourav and Rahul: "*We know...[CSD]...from a long time, years, earlier we just bought some of the organic cotton. This time we have a plan to do something with...[CSD]...directly and get that benefit to farmers.*" This took the form of "*working with...two thousand farmers...I think they have five producer organisations...[for these farmers]...*" Working with these farmers involved purchasing organic cotton, "*to provide a premium.*" Interestingly, Kishore mentioned that he had previously worked for the NGO LRC in Gujarat, an NGO which promoted FPCs. Pankaj was well-known to Sourav, the latter of whom, as I discuss in the *Methodology* chapter, aided my efforts to speak with Pankaj, as well as others within his professional network. The 'agreements' and partnerships emerging within organic cotton supply chains were also situated within a web of institutional and personal relations between 'sustainability' (and 'mission') focused organisations. The above discussion emphasises the way in which actors in organic cotton 'value' chain 'partnerships' often deviated from them, to the detriment of FPCs (and farmers), while textile brands, manufacturers, NGOs (and sometimes FPCs) engaged in the ebb and flow of the 'innovative design' (Shah, 1996) of different 'partnership' arrangements. However, in contrast to 'formal' representations of 'partnerships', such 'design' processes appeared to take place within a web of commercial interests, institutional and authoritative power relations beyond that conveyed through the notion of a 'contractual dilemma' (Williamson, 1979).

#### Premiums, partnerships, and confusion

In this section I consider changing forms of 'value' chain partnerships as 'formally' represented through experimentation and 'innovative design' (Shah, 1996), along with the 'buzzwords' (Cornwall and Brock, 2005) of building 'accountability' and 'integrity' in supply chains. I set these representations alongside changing and complex power relations and 'confusions' in the practice of 'value' chain 'partnerships'. During an interview with Ruth from the UK-based clothing brand SW, she indicated the relatively 'new' nature of these changing supply chain 'partnerships', which SW had sought to engage in itself. Ruth noted, "*There's a lot of these...supply chain linkages springing up now...The risk is there's a lot of CSR...[Corporate Social Responsibility]...projects...and...all the money goes into a hole and the farmer doesn't...get anything...*" Ruth emphasised the difference between "*CSR projects*"

and “*production*” in their organic cotton work, mentioning that they were “*placing...first orders with...[‘MK’]...but...I’d prefer for them to get up-to-speed with production, get to know how we work...[afterwards]...we could do some CSR work with them.*” To place in a wider perspective, Ruth emphasised a wider ‘vision’ on organic cotton that geared SW: “*We decided to go one hundred percent organic cotton...in 2017*”<sup>13</sup>. After looking at BCI<sup>13</sup>, ‘Fairtrade’ and “*other standards*”, she noted, as “*our founder is an organic cotton farmer...he was...banging that drum.*”

In this interview, Ruth reflected on the relative difficulty of working in organic cotton supply chains versus a vision (‘mission’)-type desire to create ‘impact’: “*We decided to join...[OCI]...because organic cotton is not the easiest route...but if...[SW]...was to go one hundred percent organic...we would account for...twelve percent of the world’s supply of organic cotton.*” As a result of this “*ridiculous*” situation, rather than “*just go down the transactional route*”, which, she noted would “*effectively just...[be]...paying for pieces of paper...we wanted to do something that actually has an impact on the sector*” (i.e., increase the amount of organic cotton produced and consumed). To initiate this ‘impact’, they firstly worked through OCI, and “*started working with...[Sustainable Cotton Solutions (SCS), a brand-focused organisation promoting ‘sustainable’ supply chain ‘sourcing’]...to work with some farmer projects through...[an MP-based organic farming company]...*” However, in this arrangement, the “*projects...were not a success...we decided to exit...and take a...more localised approach.*” Elaborating, Ruth noted that they “*partnered with...[SCS]...because we had a good relationship with them, they...provide easily accessible organic cotton projects, you pay a premium for it...[but]...it’s comparatively more expensive...*” SW thus decided to get more involved in ‘farm-level issues’.

This expense of partnering with SCS, was contrasted, Ruth reflected, with “*hon[ing] our...costs down...[as]...we’ve started working with local organisations...*”. This latter focus included work with OCI, who are “*acting as a connector and...an independent party for brands...who are investing at farmer level...we know there’s a consistent standard of*

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<sup>13</sup> BCI referred to the ‘Better Cotton Initiative’, a multistakeholder ‘governance’ group, which promotes a certification ‘standard’ for ‘sustainable cotton production (for discussion on BCI in India, see Ghori *et al.*, 2022).

*training...of GMO...[Genetically Modified Organism]...testing...for how the premium can be disbursed...so that the farmers are less reliant on loans and interest rates, and...to make sure it actually reaches them".* On this latter point, Ruth noted that *"a lot of the time that...[premium]...gets lost in the supply chain...that's one of the biggest issues people have had with organic."* Ruth continued to reflect that, the first organic cotton programme they initiated, referred to above, included a *"FED programme"*, meaning 'Farmer Enterprise and Development', which focused on *"GMO testing, to make sure...the cotton...is actually organic...the two core priorities are making sure that the premium is disbursed to farmers...[and]...that the training has an impact on the farmers."* To *"build a business case"* for organic cotton, Ruth noted, *"there needs to be...supply chain accountability"*, which was where she (and other brands) saw the role of OCI. Such reflections point to the manner in which 'governance' arrangements of 'compliance' and 'co-operation' (or 'investment') (Morris, 2001; Ghori *et al.*, 2022) were situated within efforts to render 'technical' (Li, 2007) 'buzzwords' such as 'accountability', as well as the 'political' (power-laden) practices of textile firms.

Recalling the specifics of 'partnership' programme through SCS, Ruth noted that the 'FED' programme included 996 farmers in the first year, and received *"a lot of interest from our Exec, I took our CEO...to the farms...It was...well-orchestrated, but when we validated the programme, the...impact to the farmer from the training was...limited...The premium was not received by the farmers."* This, she reflected, was *"disappointing...after all the negotiation and...work"*, so SW decided to look at *"the root causes...We wanted to...maximise our investment."* As a result, they decided to work with local organisations, which included an MP-based (organic) cotton ginning company, a subsidiary of a Swiss-based multinational firm, as well as CSD. The projects with these organisations were *"brought into the FED programme...we had slightly more control of the investment...it was a bit cheaper, but also we could...have...greater visibility."* While with the ginning company, SW were *"going into a second year of transition...[with]...about five hundred farmers"*, with CSD, they *"did...organic cotton training projects"* (for farmers), delivered by CSD and paid for by a foundation, although the brand *"paid for the FED...[programme]..."*

This partnership arrangement however, including work with “local organisations” also encountered issues, from SW’s perspective. Ruth reflected, “*I don’t think that cotton...made it into our supply chain...I think the cotton was sold.*” Expanding on this point, she said, “*there was a misunderstanding...they basically sold the cotton that we had promised to buy, before we could buy it.*” While Ruth noted that both Sourav and Rahul “*got involved...in the end, it didn’t work*”, the context behind this, after I queried further, “*was the difference between an MSP and the actual selling price...*” The ‘MSP’ refers to the ‘Minimum Support Price’, a form of market intervention, which the GoI guarantees to farmers for a selection of crops. Ruth continued, reflecting, “*When we work out the premium we do an absolute premium...we average the percentage over a five-year period. We aim for ten to fifteen percent...I think we promised...fifteen percent premium...based on the MSP, and then there was some confusion around the MSP versus...the baseline price they wanted.*” What happened, she noted, was that “*the premium on the MSP versus the sale price...increased the premium to...thirty-five percent...we couldn’t get our suppliers to buy it unsurprisingly, so there was...confusion...*”

On the subject of the ‘premium’ levied on organic cotton, there appeared to be, as indicated, significant debate between textile brands and manufacturers, NGOs, farmers, and other actors. During a meeting at CSD with representatives from a foundation that had provided CSD with some funding to work with FPCs, Sourav stated that the “*premium we are getting for organic cotton is fifteen to twenty per cent. The profit margin at the FPC level is thin. We cannot bring the market down...*” In a separate meeting at CSD’s HO with Dheeraj, on the topic of building an STO, referred to above, the issue appeared again. Sourav stated that ‘sustainability’ models are “*facing a huge challenge in the market*”, such as “*multi-stakeholder BCI*”. In the BCI model, Sourav questioned, “*Who has made money? The ginner, spinner, BCI as an institution have made money in trading BCI certificates, and retailers. Not the producer. How to create value?*” Moreover, he reflected, of the ‘sustainability’ models developed, some are “*good but max value implementation ability is limited...If no compliance...then how can it work?*” Such reflections recall assessments on the ‘limited’ impact of BCI in India (Ghori et al., 2022). The above discussion reflects how the ebb and flow of the ‘innovative’ design of ‘new’ partnerships in ‘value’ chains in organic cotton indicated the embeddedness of such processes in (differing) commercial interests

and institutional power relations. 'Mission' type 'formal' emphases placed on achieving supply chain 'visibility' and 'maximising' investment, were set beside 'confusions' between 'partners'. For the farmers involved, who exercised their 'agency' in the 'partnership', what became 'visible' was the unlikely receipt of the 'benefits' from being a 'partner'.

#### Premium and co-operative debates

In this section I will explore organisational (power) 'relations' in 'value' chain 'partnerships' in more detail, drawing out issues of contestation around 'premium' payments and the role of FPCs as co-operative institutions. Detailing CSD's experience in partnering with organisations in 'sustainable' cotton programmes at CSD's HO, Sourav noted to me, *"Brands...say to ginner 'Your premium is etc., then must distribute money via the supply chain, so asks ginner to give them BCI cotton, they get it from...[CSD]...But...[CSD]...wants premium for farmers. So...they don't partner with...[CSD]...We need to change the model."* NGOs, Sourav further noted, *"have moved out of BCI cotton. Ginner have created their own NGO...they are happy with five euros to the farmer."* In a separate conversation prior to the above-mentioned meeting with Dheeraj, Sourav stated, *"Brands realised they've given a premium for organic yet this...never reached the producer. They realised that they will lose organic cotton if the producer is not making enough money, so they need a happy producer...Brands...want proof that FPOs passed on payment to farmers."* Detailing this issue further in an informal interview two months later, Sourav emphasised the role of CSD in the latter process: *"If an organisation like...[CSD]...is not there, who would...pay farmers? Nobody."* He illustrated the situation further:

*"...it's like...relationship. Once the farmer has sold cotton to the ginner, the relationship is end[ed]...A ginner can say...I paid farmers one hundred rupees more than the market price and that was his premium...The ginner will process the cotton and sell the lint to the spinner and...will ask some extra money as premium. The spinner, depending upon how much...he can sell, will...share part of that and say look...this much I can only offer...Otherwise you just give me...the conventional cotton, but, just give me that certificate...the transaction certificate...So that process must be very closely monitored."*



During the OCC, as indicated above, attendees discussed 'premium' payments. During a 'field trip' to visit a group of organic cotton farmers in Maharashtra, a conversation with a cotton buying professional from an Indian subsidiary of a multinational clothing brand ('ChicFashion' ('CF')) addressed this topic. This professional noted that the premium is given by their firm, *"but it is still a business, it must be profitable. This whole debate on premium. The main challenge is finding a way to get premium to farmer. It gets lost on the way"*, also the commodity price of cotton *"keeps changing. Buyers often buy it several times."* The director of the textile firm GK noted during a panel debate, that they were *"no longer able to work directly with farmers because of a one or two percent premium"*. Further, he reflected, that the premium was *"the biggest challenge and reason for downturn failure in the past was non-willingness to pay premium. If we have willingness now, we can grow sustainably."* However, a further representative from CF responded to say there is *"lack of trust in the supply chain. We need governance on farm projects. All these additional costs we must put to consumer, we want to see model where cost gets part of premium."* This focus on 'trust' reflects its emphasis within value chain literature, such as Altenburg's (2006), who cites 'informal' institutions "like trust" as acting as "substitutes for formal contracts", which "lower transaction costs significantly". Thus building 'trust' will ensure the 'design' of 'value' chain 'governance' arrangements, in a similar vein to new institutionalist approaches to co-operation (which, as noted, value chain analysis drew from).

In response to some of the statements by representatives from textile brands, there were also a small group of farmer FPC directors attending the conference, along with staff from the NGO promoting bodies. One farmer director stated, *"Farmers are not getting the price they should get...The public should be aware of problems faced by farmers."* A second farmer speaker drew attention to the role of 'trust': *"trust is the most important part of collaboration"*, and that the *"premium is not getting the required financial benefit. The farmer can produce but not publicise product."* However, *"because of NGO support...a lot of debts have been cleared."* This farmer FPC leader further noted, *"there are many agents...merchants buy cotton from farmers...Ginner has own benefits, then one who bails it benefits. Based on farmers' yield these people are making money. Textile industry making money also. But farmers don't make money."* A further FPC leader stated that *"with small farmers a lot of middlemen are involved, that's why they don't get what they*

*deserve...return on investment.” In response, a textile brand representative note that “We landed on a 10 per cent premium, what we can afford...we would like to pay more but it’s got to be business. We are in a market and market prices rule the world.”*

From the perspective of the farmers at the OCC, central to ‘trust’ was a commitment to addressing inequitable power relations in ‘value’ chains (represented in lower than sought after ‘premium’ rates) which created ‘problems’ farmers were compelled to face. It was in the above context that a farmer FPC leader asked one brand representative, “*what can you do for us? What money will you give us?*” A multinational clothing brand professional stated in response that they would like to see a “*premium of eight or ten per cent...more should be given to farmers as adding value.*” He further stated that there is a need to “*do agreements so the whole chain knows how much the commitment is from brands.*” This issue of agreements was also addressed by Ruth, who mentioned during my interview with her, that it was “*very...difficult...to promise to buy...[cotton]...at the beginning of the season*”, but “*we set up farmer commitment agreements...[FCAs]...at the beginning of each season....[which]...tells the farming groups or FPOs that we will buy a hundred bales...with...[GK]...we’ve promised to buy three hundred and sixty metric tonnes of organic cotton from fifteen hundred farmers.*” She continued, noting, “*as long as it meets our quality requirements...we will buy it...so we make sure we have sufficient orders with our factories...*” Summarising the above issue of ‘confusion’, she said, “*If the market rate is really low it...[the premium]...works out at...twenty percent, if the market rate is really high it works out at ten per cent.*”

These debates indicate that ‘formal’ (brand) representations of ‘partnerships’ were underscored by a series of conflicting interests between ‘value’ chain partners, each of whom sought to secure the ‘value’ ‘created’ in organic cotton, often at the expense (and exploitation) of farmers. Ruth emphasised a related dilemma between supporting farmers (financially) and upholding commercial ‘value’. Because farmers must buy “*all the inputs...[they]...have to wait twelve months before they get...[premium]...money...We’ve front-ended the cost of seeds...We’re helping the implementing partners.*”. However, this payment “*will be reconciled at the end of the season, against the premium, but...they’re not paying interest...*”. In addition, funding from a foundation contributed to the seed costs, so

*“the expectation is that seed payment doesn’t get taken off the farmer payment...”*

However, she noted, *“One of the things we...struggle with is should we be paying for the seed and the premium?...[will]...the value of the seed actually be realised by farmers if they get something for free?”*. As indicated previously, a key concern of brands was that, as Ruth iterated, *“we want a long-term and stable supply...[of cotton]...but...[one that is]...fit-for-purpose over time. That is the condition of long-term relationships...so it’s not just...CSR...”*. Ruth stated that SW’s intention was to “develop...long-term relationships”, which they were currently working on.

In an interview with Tarun, a professional from a foundation which provided funding for capacity building work with farmers and FPCs, he reflected that brands and companies were *“testing different models...a lot of these farm projects...[OCI] is new...there are some teething issues...sometimes one party will not honour the contract...the spinner has agreed on price, but the cotton price falls.”* Continuing, he questioned, *“how do you convert...transactional relationships to long-term relationships, where these commitments...[e.g., for the spinner to buy despite price fluctuations]...are honoured?”*. Right now, he reflected, *“a lot of these...[relationships]...are transactional because...people who interact with the implementing partners are sourcing guys...the premium is given with a particular...budget...but if the cotton price fluctuates...the party who will then benefit...will...use it as an incentive to do whatever is more beneficial for them.”*

Underscoring the competing ‘interests’ in ‘designing’ such ‘long-term’ ‘partnerships’, Ruth noted that, while *“long-term understandings are a good way forward and...supply chain stability is essential...”*, the ‘challenge’ was *“making sure people continue to deliver...we’ve got quality requirements...pricing requirements...”*. As Nickow (2015) has noted however, ‘quality valuation’ in ‘value’ chains is “socially constructed”, based on consumer demand (or perceptions thereof). The use of such depoliticised ‘technical’ terms (Li, 2007) within a wider web of conflicting interests, underscores the manner in which efforts to build ‘long-term’ ‘partnerships’ appeared as “political organizations capturing value” (Baglioni et al., 2020, p. 1).

In-line with formal vision-type statements of supply chain ‘partnerships’ iterated by other brands and textile firms, Ruth noted the importance of FPCs – *“there is value in FPOs and*

*empowering farmers into an organisation is extremely important.” However, she continued to reflect on their experiences, noting that “FPOs have admin costs, which add to the premium, when we were looking at...[CSD]...projects...[they]...were...more expensive than the...[sustainable ginning company]...projects...a certain percentage of the premium...goes to the FPO.” Continuing this line of argument, she reflected, “it’s effectively a co-operative isn’t it? When working with implementing partners...you want to think of an empowerment model so the farmer isn’t bonded to the implementing partner...a lot of our questions were...why does that farmer have to sell that cotton to you?...Are they free to go to your competitor?” Continuing her reflection on the role of FPCs, Ruth summarised, “I think the FPO could be a...great way of doing that...[empowerment of farmers]...The understanding of implementing partners like...[CSD]...could bridge the gap, but...there needs to be...understanding from...brands exactly what the function of an FPO is and how it is an empowerment model.”*

These informal reflections on a level of confusion around the ‘function’ of FPCs in ‘value’ chains, including their *co-operative* form (albeit as companies), extended to the agreements made. Ruth noted that the ‘FCA’ *“takes into account the implementing partner...the brand...the retailer, not the FPO...the FPO and the implementing partner probably have an agreement...but we don’t know what that is.”* Continuing the theme of her reflections around FPCs, Ruth stated, *“is it accountable to farmers and how do you make sure that money isn’t funding one farmer who sits in a nice house?...One of the things we noticed from the first year was that...the moneylender is usually a...silent partner. A farmer within himself, but...a well-established farmer...”* Interestingly, when I queried the current agreement SW had formed with GK, she emphasised that the benefit was that *“they’re a mill we...work with, we can...negotiate with those suppliers...relatively easily because that supply chain doesn’t need to be set up from scratch.”* As in this arrangement, SW had decided against working with ‘local partners’ such as CSD and its FPCs, instead choosing to rely on GK’s suppliers. However, the nature of these suppliers, whether they were FPCs, companies or others did not appear to be known by Ruth: *“They...[GK]...work with a number of NGOs...I don’t know if they are doing...[now]...There are FPOs I think...”* In contrast with ‘formal’ representations of brands and manufacturers ‘getting involved’ in ‘farm-level issues’, through ‘partnership’ with farmers, SW, GK and others, had eschewed such arrangements.

The reflections by textile brands, manufacturers, NGOs, and farmers point to experiences of 'conflict', fundamental disagreement about the 'value' created in 'value' chain partnerships, as well as who should 'benefit' from it (see Nickow, 2015). The above discussion emphasises the way 'formal' representations of 'value' chain 'partnerships' were underscored by a web of (diverging) commercial interests and organisational power relations. A professional network of 'mission' mode brands and manufacturers represented their goals in panacea-esque terms to move from 'transactional' to 'long-term' 'partnerships', creating an 'impact' for farmers, which was also a 'business case'. In contrast with 'formal' narratives of FPCs as 'business-focused' co-operative companies, less 'politicised' and 'inefficient' than co-operative societies, playing a key role in 'value' chain integration (SFAC, 2019; Prabhakar et al., 2012), such 'partnerships' appeared typified by significant confusion. This 'confusion' was 'translated' (Latour, 1996) into struggles over premium levels, 'confusion' over the 'co-operative' nature of FPCs, and how 'accountable' they were to farmers, as well as deviation (and exit) from 'partnership' agreements.

The prevalence of 'technical' 'buzzwords' within 'formal' narratives of 'partnerships' (primarily by) brands and textile manufacturers, sat alongside power-laden efforts of brands to engage in the 'innovate' design of 'partnership' arrangements, through 'compliance' and 'co-operative' practices. However, the manner in which efforts to 'design' (Ostrom, 1990) 'partnerships' took place, the ebb and flow of the development of 'governance' arrangements, indicated that, rather than viewed primarily with regard to their role in addressing 'contractual dilemmas' (Williamson, 1979), these arrangements (and the 'partners') were embedded in an array of institutional power relations centred on the definition, control, and representation of 'value'. Moreover, building on themes within previous chapters, processes of interaction between 'partners' in 'value' chain agreements, such as training of farmers, monitoring their adherence with certification 'standards', the 'integration' of farmers to markets through FPCs (and the role of FPCs in 'agreements'), occurred through institutional, social, and authoritative relations of power (Cleaver, 2012). Such processes of interaction were represented 'formally' as disembodied from such relations, in (economistic) co-operative action, or 'trust' building to build a 'business case' for long-term agreements to 'impact' *upon* farmers.

## Second-tier co-operation: Federation or private company?

Building on themes outlined in the introduction to this chapter, in this section I will explore a programme of work by CSD to build a 'second-tier' organisation, linking FPC members with markets, and 'value' chain 'partnerships'. Key to the rationale of previously discussed efforts to build FPC 'federations' in Gujarat (GMFPC and KSFPC), were a series of informal reflections, illustrated in comments by Sourav, quoted above: "*Producer companies on their own, with small tribal farmers, are not...able to manage their own company...*" Such reflections were also accompanied by acknowledgement of the social and political relations in which FPCs developed, represented as a separated social 'context' causing internal 'governance issues'. I discussed the role of community and caste vis-à-vis co-operative action and its representation, along with processes of material and symbolic capital accumulation around social status in leadership positions in FPCs. In contrast, 'formal' narratives of FPCs emphasises the role of leadership and 'professional' management as 'success factors' in achieving organisational 'viability' (Singh, 2008; Prabhakar *et al.*, 2012; Dey, 2018). In order to fulfil the 'formal' narrative of FPCs as business-focused, self-sufficient farmer-led co-operative companies (and to address social 'governance issues'), some FPC promoters had decided to embark on programmes to 'design' (Shah, 1996) STOs, informed by dominant narratives of the need to 'add value' and build 'value chain links' (thereby reducing 'transaction costs' (Birthal *et al.*, 2007; Trebbin, 2014).

Alongside these issues, the rationale for building an STO, initially in the form of a 'federation', Sourav noted, included prior experience in participating in a state-level FPC federation in MP. "*The reason for this...[new]...federation*", noted Sourav during a project meeting in August 2019, was, "*we...have lessons from the state-level FPO federation...We found it doesn't work. There are twenty different requirements for different commodities...cultural settings, etc. The best a generic one can do is lobbying, not develop the value chain.*" As such, the focus of the new 'federation', would be organic produce, especially organic cotton. The state level 'generic' federation was reviewed by Kumar and Verma (2020, pp. 149-55), who, as discussed, emphasised its role in dealing "directly with companies", thus enabling FPCs to avoid the 'intermediaries' in mandis (regulated markets)

who took “advantage” (and a commission “or a cut”). During the above-mentioned internal CSD meeting, Sourav noted the “*common issues*” faced by FPCs, regarding “*quality, FPO links, market links*”, that “*we need a common body to take care of FPO requirements.*” To ‘scale-up’ FPCs, to “*reach eighteen thousand farmers or more, we need a platform do develop FPOs.*” The federation was to start with FPCs from “*five districts in west MP*”, linked with the organic cotton work the NGO was involved in.

The focus of the institutional development of the federation at this initial stage was primarily on issues of ‘formal’ design alongside conceptual issues of rationale and areas of activity. To aid the programme, Sourav noted a “*consultant had been hired...with World Bank experience, to help...especially on the legal side, what type of legal organisation it will be.*” Noting the organic focus of the federation, Sourav emphasised, in a vision-type manner, “*after you convert an area to organic and train farmers...the opportunities are unlimited.*” Alongside this, he added, “*In the West the organic cotton market is growing, due to concern over climate change and GM...[genetically modified]...*” This process (and primacy given to) the design of the federation’s legal and strategic structure and focus chimes with emphases on ‘design’ in co-operative and FPC literature (Shah, 1996). However, this process was also embedded in institutional relations, developed, and run by CSD’s HO (and senior leadership within it). Returning to the internal meeting, Sourav stated that CSD was “*working out the type...[of organisation]...*”, but, anticipating a future discussion in CSD, stated that “*donors may be involved...they may put share capital in in.*” During this meeting, Sourav detailed the ‘tasks’ of the federation, as “*marketing (arranging markets)...basic levels of processing, from raw cotton to lint*”. The ‘structure’ of the federation STO, Sourav reflected, “*could be a private company or a producer company*”. Continuing, Sourav drew a diagram (**Figure 7.1**) to represent supply chain relations vis-à-vis the STO, consisting of the names of key supply chain ‘actors’ and the journey of the commodity:

**Figure 7.1 Organic cotton supply chain relations and commodity ‘journey’**

Producer/FPO (with...[CSD]...support) ➡ Ginner/Spinner/Fabric and cloth weaver ➡ Brand

This diagram was accompanied by the words *“Producers via FPO/Fed and...[the NGO]...directly interact with the brand. The brand deals with middlemen.”* Sourav followed this by stating that brands have “realised” that premiums were not reaching farmers, as noted above, but that they were signing premium agreements with CSD’s help. Sourav mentioned that brands were *“ensuring payment happens...in advance”*, while they *“want proof that FPOs passed on payment to farmers”*. CSD, Sourav noted, *“can develop a system...a federation portal they can use to check payments”*, which would *“build confidence with the brand.”* Alongside this, Sourav mentioned that brands have *“created their own association”* (OCI), which was *“helping to connect...doing checks on organic and fraudulent practices are disappearing.”* The idea was to do *“...[marketing]...transactions via the federation”*, while Rahul detailed how the farmer directors of the five organic cotton FPCs in west MP would be *“part of the federation”*, that a *“BoD discussion has happened”*, and each FPC would need *“two lakh rupees to put in...[to the federation]...”*, and *“more left for private equity to be put in...”*. These ‘vision’ type statements appear to reproduce representations of FPCs as “capable business partners” Trebbin’s (2014, p. 43).

The remainder of the above-mentioned meeting consisted of delineating areas of work and responsibility, that *“comms material”*, including suggestions of a logo and website, would be developed after incorporation of the federation. Initially, Sourav said, *“...[CSD]...will bear the cost of the federation as it won’t have money and needs supporting...it has a social purpose.”* CSD, Rahul said, was going to hire an ‘anchor person’ to aid the work, while the immediate task was to be incorporating and registering the legal form of the STO. Sourav also asked Rahul to arrange my work in the programme, and introduced me to colleagues, noting my PhD in FPOs. A *“constant theme in all areas”*, Sourav emphasised, *“is liaison with...[CSD]...field teams. The FPOs come from them, huge support from field teams is needed”*. Continuing, Sourav said, *“We need to tell area staff...west MP, but not too soon as the information may be half-baked. It should not come as a shock.”* A further meeting with Dheeraj was noted as scheduled in a months’ time, while the FPC AGMs would be happening in the meantime, in which the FPC members could be informed about the STO. Finally, *“brands want long-term agreements”*, noted Sourav, *“for ten to fifteen years, as they want to guarantee supply.”*

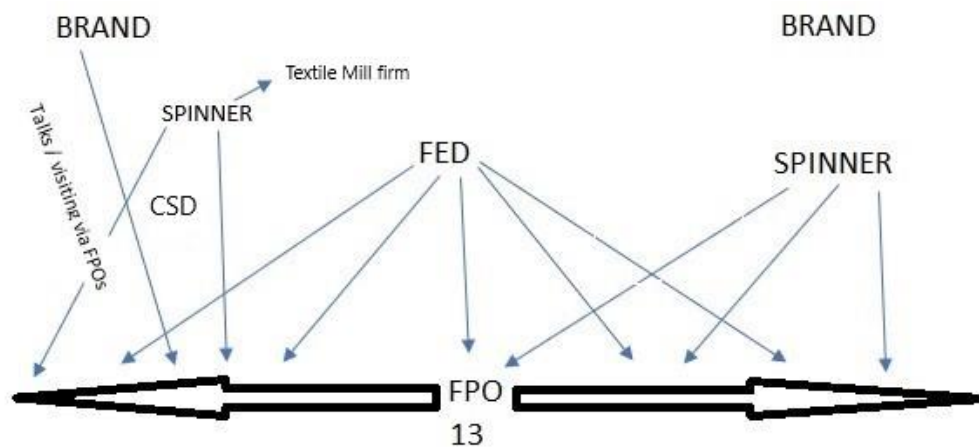


What appeared notable at this stage in the programme was an overriding focus on what, within new institutionalist approaches (North, 1991; Ostrom, 1990), may be seen as the ‘formal’ aspects of institutional development, such as legal requirements, choosing the name of the federation, as well as the directors. However, building on themes in previous chapters, this process of institutional design and development was also embedded in the existing institutional dynamics of CSD, and its relationship with the FPCs it supported, within authoritative and social relations (Cleaver, 2012). During an internal ‘catch-up’ meeting with Sourav, Rahul, and myself a month after the above-mentioned meeting, the process of ‘establishment’ was well under way. Sourav noted that we were “finalising the constitution and name”, while key areas of work included to “*bring thirteen...[FPCs]...on board, to develop continuous meets with BoD...seed concept, they must feel it is their own organisation.*” On top of this was the need to “*acquire business licences for the company*”. To begin with, three FPCs were to form the federation, so that a ‘governing council’ could be in place. The federation was to operate from Indore in west MP initially, with Suneet, CSD’s area manager for west MP as the CEO, who I would work with. Dheeraj was “*finalising documents*”, and all of us were to “*go through the...[draft]... constitution*” for the STO, prepared by Dheeraj.

During a following catch-up meeting with Sourav, he emphasised the rationale for the STO in terms of the financial struggles faced by FPCs. That it takes “*sixty lakh rupees to send a truckload of lint cotton to a...[spinning]...mill*”, but for this the FPCs need to “*take a certified gin on lease contract*”. The farmers “*need money and won’t want*” the “*two months lock-in period*” for the contract, so FPCs must “*pay to lenders*” and are “*in financial trouble.*” Brands would “*formally instruct spinning mills...[to give]...premium to FPCs*”, but “*informally*”, would work with “*FPCs via...[CSD]...*” FPCs, Sourav noted, were “*doing multiple transactions, with multiple contracts. The federation would be one entity addressing a lender, which is easier.*” This, Sourav said, would “*bring in more money, larger share capital, and more farmers, with better cash flow*”. This he illustrated with a further diagram (**Figure 7.2**), showing the relationship between organisations through arrows, with the STO, at this point referred to by CSD staff as the ‘federation’, connected to the FPOs (FPCs), and CSD in the middle (FED referred to ‘federation’). This diagram sits within the prevalence of diagrams by CSD staff, discussed in previous chapters, used to present the ‘proper’ relations and ‘rules’

(Ostrom, 1990), in FPC institution building:

**Figure 7.2 Relationship between organisations in organic cotton ‘value’ chains**



The above-mentioned meeting with Dheraj at CSD’s HO to discuss the STO programme, as discussed, focused on the legal form and rationale of the organisation. Dheraj provided an introduction on “*agri-value chains*” and “*institutional challenges and innovations*” vis-à-vis his professional experience working in the WB and other development projects. He mentioned, in sympathy with approaches iterated by Shah (1996), that the “*legal form is an easy task, but what is important is what emerges, the strategy.*” I noted above his review, through a slide presentation, of different ‘types’ of value chain governance arrangements, in particular contrasting ‘supply chains’ with ‘value chains’, the latter of which seek to “*maximise value for the consumer by collaborating with all actors in the chain.*” He noted that the “*discourse has shifted both inside and outside of India. It is now institutional...how to ensure institutional capital development, economies of scale and linkages.*” Dheeraj added that a reason for the shift is that farmers “*are not able to get together on their own, institutional logic is a bigger impact.*” Dheeraj iterated “*coordination versus co-operation*” in value chains, with a “*coordination*” model focusing on “*organising business vertically coordinating it. Hierarchical and top-down.*” In contrast, “*co-operation is...one level between farmers...to organise and support FPO*” and other organisations, which can be “*corporate or producer*”.

In this meeting, Dheeraj added that *“hybrid networks are common globally but there is no anchor organising the network, some start with hybrid and end as corporate networks”*, noting that *“European companies are looking for Indian partners for hybrid networks.”* These slides on value chain governance ‘types’ were accompanied by explanations of ‘strategy’ models such as ‘theory of change’, commonly used in planning and evaluation in development practice. Following this was the above-noted discussion on the challenges to ‘multistakeholder standards’, such as around compliance and ensuring premium payments. Dheeraj stated that a *“network approach is a good way of affecting first, then to set up an enterprise.”* Key to the STO, Dheeraj stated, would be a *“business plan and to look at aims, goals etc.”* a ‘value enhancement mechanisation’ slide was then shared by Dheeraj, in which he noted that *“everyone is adding value for the consumer but not the producer”*, we need to think of *“ways of innovating”*, and that *“after value chain development...[this]...frees up the producer to do other things.”* Essentially, Dheeraj noted, *“the low value game is aggregating product, but we need to look at how we can reach what we want with the least amount of risk.”*

Following the presentation by Dheeraj during this meeting was a discussion on the ‘legal form’ options for the federation, such as an FPC or private company. Sourav noted that the *“limitations of FPCs...[are that they]...can’t take investment from private companies”*. Moving on, he suggested that the STO can *“divide roles, with FPCs doing production and quality control etc. The federation can do primary processing and marketing with...[the CSD’s]...support. The federation can be an agri-company, with producers as shareholders, as an FPO, and...[CSD]...”* Dheeraj added, *“due to FPC challenges, we need a professional company”*, that *“professional managers can run the business part”*, while CSD and some employees of CSD *“can...be part of a private trust, created by...[CSD]...”* The remainder of the meeting involved a discussion with differing opinions on whether the federation should be a producer company or a private company. Rahul queried, *“who will be the custodian of the producers’ interest?”*, while Sourav noted that the FPCs *“can enter the federation without voting rights”*, or come to the *“social enterprise”*, suggesting that *“we have to be careful of powerful groups”*. As well as adhering with prevailing concerns around ‘design thinking’ in literature and policy regarding FPCs and co-operation (Shah, 1995), this meeting

pointed to a need to create 'multiple layers' of institutional relations (or co-operation), represented by Ostrom in the form of 'nested enterprises' (Ostrom, 1990).

During the discussion in this meeting with Dheeraj at CSD's HO, Sourav continued to reflect, *"it often goes into ideological tensions, unless you get the business right."* Rahul however noted that his *"biggest concern, is...some people come with a lot of money on one side, others on the FPO side, the opposite. Value chains can create good value...but weaker people can be brought down over time."* Dheeraj noted that there will be *"no compulsion"* for the FPCs to do business with the STO, while Sourav stated, *"If investors are being political powerful, to hijack etc., then the FPOs can go their own way"*, and that CSD *"has a ground link with producers."* To further illustrate the discussion, Sourav drew a table detailing the goals of the *"federation"* and the *"social enterprise"*, the latter of which would be a private company. Referencing the above-mentioned 'constitution', Dheeraj said that the federation's memorandum and articles of association *"have to be framed carefully."* Dheeraj argued that in the federation *"there will be a lot of ideological focus, they...[FPCs]...worked less efficiently than private business[es]. Federation cannot create wealth, but unlock investor value. Social enterprise is like a professional organisation, why shouldn't we look at it?"*

This discussion continued, with Sourav reflecting that the federation *"cannot take risks, but a social enterprise can"*, while Dheeraj noted that *"it is about...[CSD]..as a parent...how to mature it and not bog it down with ideology."* Akhil, a CHO stated, *"as long as the people managing the federation are good then no problem."* Summarising his key points, Dheeraj stated that FPOs *"...don't have the bandwidth for commercial and management. Business should not be done by farmers. Federations only exist as value additions for farmers...Farmers are not open to accepting...losses. The organisation must have some element of uncertainty."* Sourav added that his main concern was, *"if we just keep a federation of FPOs without any control of...[CSD]...there is a risk of the federation becoming hijacked."* The *"business decision"*, noted Dheeraj, *"should not be with farmers, just the benefits, we are insulating them from business."* Interestingly, while much of the focus was a discussion on legal forms of the federation, and a seemingly joint approach by Sourav and Dheeraj to build two organisations, a producer company federation, as well as a social

enterprise private company, the focus on 'design' and strategy appeared underpinned by informal reflections on risks of 'ideology', including hijack by FPCs or particular leaders.

The informal reflections around the risk of 'ideology' if a federation of FPCs was to be built "*without any control*" by the NGO, was combined with an assertion of informal narratives on the lack of 'commercial or marketing' skills or 'professional management' in FPCs, in contrast to 'formal' narratives of these organisations, as previously discussed. The risks of 'ideology' referred to should be set within discussion in previous chapters on politics in FPCs, accounts of 'hijack' and 'conflict', represented as deviation from the 'proper' (economic) rules and norms of co-operative action (North, 1991), and a failure of adhering to the 'formal' narrative of FPCs as typified by market-focused 'professional management' by 'rational' small farmers (Singh, 2008; SFAC, 2019). The risks of 'hijack' by investors were detailed in conversation with Rahul, in which he stated, "*if they see a gold mine, crooks will scent the benefit, they have a lot of power, money, shares, voting rights. They will have good intentions to start with, but over time, the farmers will leave, they will receive no benefit. We must focus on the farmers.*" Rahul's concern was thus that the power relations within 'value' chain 'partnerships' as discussed above, would appear within an organisation that was linked with FPCs, and farmers.

Returning to the process of establishing the STO federation, in the days following the above meeting with Dheeraj, I had a conversation with Rahul about this topic, in relation to my work plan. I asked Rahul about the process of deciding the directors of the federation, to which he said "*the main reason is that they can speak on...organic things...expertise...Their acceptance in the community is good. They devote time to the FPO...All these people...[motioning to a list of names]...have been associated with the FPO.*" He continued, noting "*we are shortlisting five-six names...Then we have area team. We will discuss with those people if they have community acceptance...*" If 'acceptance' is there, "*we will decide, shortlist and discuss among ourselves.*" Areas of work that I was involved in, noted by Rahul, included to "check bye-laws", but also "*we need to get the work done...this legal thing needs to be set...you can drop mail....once you start driving it, then there will be issues...direct them to us.*" Other areas included "*HR protocols...no need to write...*", directing me to existing HR and finance templates CSD held. I created a work plan for the programme as well as

documents such as a 'SWOT' (strengths, weaknesses, opportunities, and threats) analysis, a set of 'objectives' for the federation, and shortlisted federation name suggestions from colleagues at HO, the latter two for discussion.

While the legal and organisational 'establishment' of the STO was being progressed by CHOs, I joined a further 'catch-up' meeting with Sourav, Rahul and an FPO team colleague Sekar, with Suneet on a speakerphone. Sourav was requesting an update on the STO programme, noting that they needed to "push" Dheeraj to send the final constitution documents. Rahul explained that a rent agreement for an office in Indore had been agreed (for the STO), and directors from FPCs identified. Sourav began to admonish Rahul regarding what he deemed slow progress of the programme, urging him to "*follow the usual procedure*" in institutional development. He decided that Suneet should be given "*responsibility for the federation then get the anchor role in. Otherwise, it will take months*", referring to a delay in securing the aforementioned 'anchor' person. Sourav stated that I would go to Indore, "*to help with management and strategy...Mobilisation will be field team.*" These discussions display a focus on the design and development of the STO as both institutional 'innovation' as well as using 'templates' and 'usual procedures', or 'blueprints' as defined by Shah (1996). However, a focus on the 'deeper processes' (Attwood and Baviskar, 1987) of the programme indicated the role of informal reflections on a need to 'insulate' farmers from the market (and the risk of 'ideology' and 'hijack'), that the STO should exist as a 'value addition only' for farmers. These reflections stand in contrast with previously discussed efforts to build 'business mindsets' among FPC members, and presented one of many dilemmas faced by development workers. The discussion also emphasised the overriding role of CSD in its concern to ensure 'control', and, as indicated, the STO programme as taking place through authoritative institutional relations of power (Cleaver, 2012; Mosse, 2005).

#### The new company: Co-operation 'insulated' from the market

While the federation as a producer company was legally established in the Autumn of 2019, Rahul mentioned to me that the constitution would be copied from a general format, "*you can download a form*". My involvement in setting objectives took the form of drawing out

points from meetings such as those noted above, discussing with colleagues, and circulating. These objectives placed a primary focus on *“promoting the business of small enterprises engaged in production of organic commodities”*, as well as *“marketing of organic crops and commodities”*, alongside a secondary set of objectives to *“support and enhance the livelihoods (and incomes) of small Adivasi farmer members of producer companies...in collaboration with producer companies”*. However, the discussion between the legal form and function of the STO continued within CSD, and, after a few weeks in which I was not in the HO, I returned in January to have a catch-up with Sourav. In this meeting he asked me to do a *“concept note”* for the STO, to be used to *“start approaching investors”*, and, crucially, he had decided that the organisation would take the form of a private company. In this section I will consider dynamics within building this company (‘NaturaFarms’ (NF)) as a ‘solution’ to the ‘problems’ of FPCs.

In the above-mentioned ‘catch-up’ with Sourav, he reiterated the ‘challenges’ faced by FPCs, which I have discussed beforehand in the context of ‘informal’ reflections and narratives by development workers on FPCs and co-operative action. Sourav stated that CSD *“needs to find a market-led model that is scale-able.”* While not a federation, NF would *“have a strong tie-up with FPOs and also enter the social engineering space of FPOs”*, through creating business interest. Through developing ‘market opportunities’ and links, the *“company would play a role in neutralising” “internal governance issues, from social context.”* It was at this point that Sourav noted, *“By economic tools, governance issues can be tackled.”* While NF would aim to *“close supply chain loops”*, the *“risk of exploitation is always there. It is survival of the fittest, an FPO won’t work with the company if it offers bad terms.”* While NF was being developed, CSD, Sourav noted, *“will still have relationships with farmers.”* This shift to a sole focus on a private company was confirmed during a meeting at CSD’s HO with Shekhar, a consultant accountant. It was in this meeting that Sourav again emphasised the *“impossible”* prospect of *“producer companies on their own”*, run by small Adivasi farmers, being able to *“manage their own company.”* Internal ‘governance’ issues, such as the risk of ‘hijack’, ‘ideology’ (politics) stemming from social relations of caste and community, conceived of as ‘problems’ (as opposed to social relations as social capital), were to be ‘designed out’, through a focus on ‘business’.

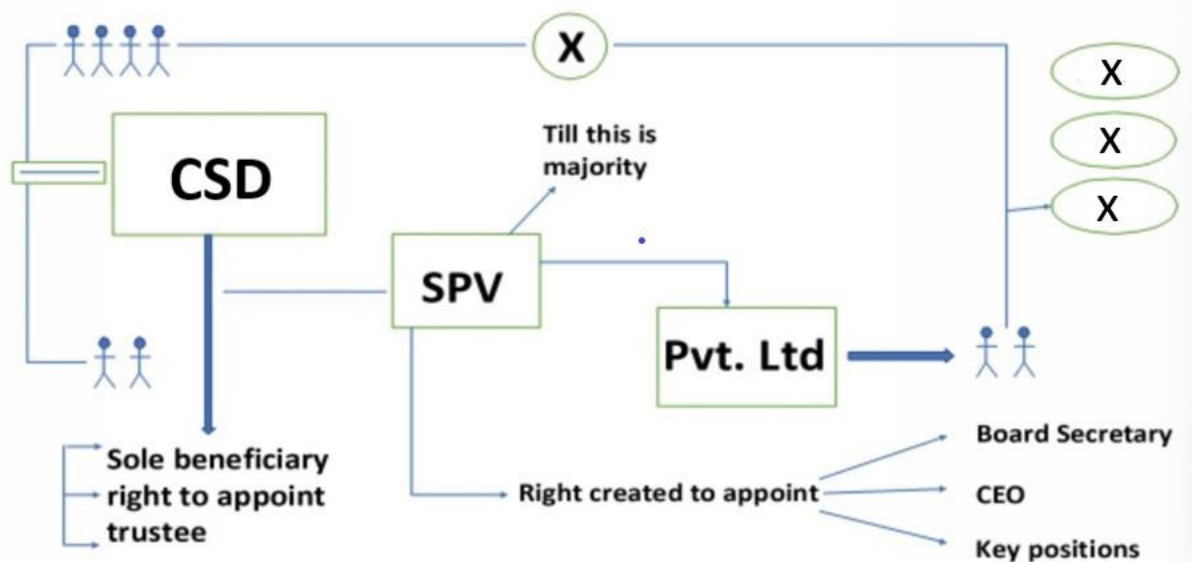
During this meeting with Shekhar in February 2020, hired to focus on the financial and legal aspects of institutional development, Sourav noted that, rather than a federation, *“we are seriously considering a new entity that works with FPOs on business terms, to ensure growth.”* Shekhar provided an analogy of entrepreneurship, which is *“bottom-up...he has drive...a fire from within”*, but *“when developing something, first people don’t know why doing it, it is top-down...top-down versus bottom-up is the problem.”* Continuing, he noted that, *“in this system, there has to be someone or some institutions promoting the whole system, but...[CSD]...cannot do this continually, due to legal issues and technical problems.”* As such, a *“private company working on a commercial basis”* would be the solution, which could *“borrow resources”*. Shekhar repeated informal practice-based reflections of Sourav and other CSD officers, that *“FPCs don’t have the marketing skills/entrepreneurship. When growing to a certain size, this will be difficult.”* Moreover, that CSD is *“running a lot of things for FPCs...if we can create system capable of generating resources. An ecosystem of resources for FPCs, so they can focus on production only.”* In contrast to ‘formal’ narratives of FPCs, and the previously discussed work of CSD staff to build such ‘entrepreneurship’, the rationale for NF sought to ensure FPC members (and leaders) focused on *“production only.”*

During this meeting Akhil questioned what would happen if a *“leader emerges...[and]...takes FPC out of company relationship?”* Shekhar responded to emphasise that, *“instead of using the word ‘control’, we are using ‘inter-dependence’...create interdependence through the legal context, buying and selling agreements, can create control...interdependence.”* He noted that *“we can include in their...[FPCs]...bye-laws that they should be certified by this company”*, a result of this ‘inter-dependence’ would be that, as Shekar summarised, *“a bad FPC person’s position would become legally untenable. Capture cannot happen as need certification to become CEO.”* Moreover, a *“marketing agreement exists so would be violating it”*. Through *“legal and marketing agreements we are making it difficult to hijack...we have to make it difficult by law and structuring inter-dependence to prevent it.”* To build this ‘ecosystem’ a *“special purpose vehicle...[SPV]...has more flexibility than an NGO, although it is legally connected to an NGO.”* This ‘SPV’ would *“create a pipeline ecosystem...let...[CSD]...create the SPV...[which]...can create the company. This vehicle will be a...non-profit, not doing commercial activity.”* CSD, Sourav noted, *“would be the main beneficiary”*.



This rather complicated legal structure of organisational relations was illustrated by a further diagram drawn by Sourav, illustrated below (**Figure 7.3**). In this structure, CSD “*will remain the mother institution*”, but because CSD “*cannot do company work*” due to legal restrictions on non-profit organisations engaging in commercial activity, an ‘SPV’ was to be established. NF “*will have other shareholders*” as well as FPCs and CSD (via the SPV). However, discussion drew again to the risk of bringing in investors as shareholders of NF, “*we need to check what their intentions are*”, Shekhar said, but, “*if people come onto the board...it is very difficult to change the system*”. The focus was to “*structure the system in such a way that it is difficult for them...[investors]...to take over, unless you co-operate with them.*” Brands, Shekhar reflected, “*don’t have the DNA to control it, FPCs are scattered*”, but FPCs “*can participate in this company*”, although “*skills at local level are very low on marketing.*” Rahul again asked who the “*protector*” of farmers would be, and who would ensure that “*interdependence remains?*”

**Figure 7.3 Organisational relations in NF ‘ecosystem’**



In response to questions around the protection of farmers and the ‘structure’ of interdependence created by this elaborate (‘innovative’, Shah, 1996) institutional design, Shekhar noted that we are “*creating this system to protect them not us. When we generate business and money everyone wants to control it. Capture company and takeover funds*”.

However, “we are producing a market through this company”, and “we are structuring system. Ownership...[will stay]...with us.” Summarised by Sourav, the ‘advantage’ of this model, is that “Practically we’re controlling everything but on paper...[CSD]...is not authorising.” Rahul raised a note of caution regarding the limitations of such a design, that while “the model is good, it depends on how it is implemented. Everything depends on the growth of the company.” In practice, Sourav suggested that CFPOT could transfer to NF, and CSD would, informally, “give them a business plan and monitor them but not in day-to-day business.” Sourav summarised the approach in a conversation I had with him a few days prior to this meeting, “we can access equity more easily...with a private limited company...I was speaking with investors...” He also mentioned, “an FPO can be hijacked. We have no control; it can go in a different direction.” In the delineation of this design ‘solution’ (Ostrom, 1990) therefore, while a solely ‘business’ interest was emphasised, it was however necessary to accompany this with an overriding need to ensure ‘control’ by CSD, represented as ‘interdependence’, to ‘protect’ farmers (from the market, and from ‘ideology’).

Sourav tasked me with developing ‘a concept note’ as well as an “introductory letter” detailing the “genesis and way forward, a vision and plan for the next few years”, for which I was aided by a business plan created by Rahul. These documents were largely to support efforts to develop links with potential investors, within a ‘communication toolkit’, and were focused on emphasising the ‘market-development’ narrative of NF. As with comments by Sourav and others cited above, these ‘vision’ documents emphasised the role of NF in working with FPCs on a commercial basis, as the letter detailed, by “creating more value for farmers and building stronger, more sustainable market links.” It also emphasised the role of the company in navigating complex, fragmented supply chains in organic agriculture, “forming agreements and long-term relationships with...companies looking to build stronger links with...producers”, offering the aggregated produce of thousands of small, Adivasi farmers. Simultaneously, the letter detailed the benefits to farmers and FPCs, “creating a market ecosystem that enables FPCs to become...autonomous and self-sustainable...in which the farmer members of producer organisations can more fully realise sustainable livelihoods.” In this manner it reproduced panacea-esque ‘market integration’ themes within FPC literature (Trebbin, 2014; Singh, 2008), placing NF as a means of addressing the

'challenges' faced by FPCs in 'integrating' with markets (Singh and Singh, 2014; Kanitkar, 2016).

During a further meeting and catch-up on NF with CFPOT members and Sourav, some 'challenges' to NF were discussed. Sourav noted, if NF *"cannot get the procurement from FPOs...it will run into losses. We must build both systems together, we cannot buy from the market...[only from FPOs]..."* Rahul emphasised that we *"have to strengthen the production system"*, as farmers *"will go the mandi"* otherwise. Sourav stated that NF *"has to look beyond...[CSD]...promoted FPCs, as not viable otherwise."* However, in such 'transactions', the company *"will not do production for FPOs or handhold...only be telling...do business."* NF *"has to survive on its own"*, stated Sourav, however, CSD would *"do governance and accounting."* Moving onto a discussion on investors, Sourav reflected that, *"all investors are profit whether call themselves social or not."* While NF would 'survive' on its own, it would also be situated within an 'interdependent' 'ecosystem' in which CSD played a major ('controlling') role. CSD would support NF, indirectly, with funding, 'governance and accounting' work, while the CFPOT would transfer from CSD to NF. Simultaneously, reflections on the 'production system' 'challenges' indicated dilemmas around building market 'integration' for FPCs, and a necessity to "look beyond" them, something which farmers may also do.

NF was incorporated in April 2020, after my fieldwork had finished, and in September of that year I carried out a final interview with Sourav. In this conversation, he noted that they are *"looking for investors"* and *"some of the FPOs will be members"*, while Shekhar was *"developing the financial manual"*. Procurement of organic cotton *"from October of the Kharif harvest"* would be done through NF, *"FPOs will buy and...immediately...[sell]...to...[NF]...and...[NF]...will sell to the spinners, after ginning...the processing will be taken up by...[NF]...in a contracted gin..."* NF, Sourav reflected, would be based on the *"existing relationship"* that FPCs *"have...[with CSD]...and then the efficiency that...[NF]...brings."* On top of this, CSD, Sourav noted, had *"developed...few hundred agriculture entrepreneurs...equipping them with digital devices...[they are]...attached with the FPO and will be the extension arm reaching out to the villages...they will sell agriculture inputs as well as procure on behalf of the company."* These agriculture entrepreneurs *"are*

*the farmers of the FPOs and young guys...educated...they have the entrepreneur ability and...have been...working as commission agents for the FPOs."*

NF, along with the introduction of 'agriculture entrepreneurs' would lead to *"localised seed production and...sale. You don't have to depend on others' markets...shortening the supply chain...optimising cost...becoming very efficient"*, the director stated. The agriculture engineers are *"sons of the soil...from the communities...It is non-negotiable...it is a franchising model...[they]...only follow instructions and the good culture, good behaviour that...[CSD]...is asking the FPOs to follow...we will not allow any of these agriculture entrepreneurs to exploit farmers."* If *"there is a violation...we will immediately deregister...cut his supply line..."*. The *"existing relationship"* that the agriculture entrepreneurs have with communities of FPC members *"they will exploit"* noted Sourav, *"sometimes it will work for good, sometimes it may not...But they are from the same area."* The role of CSD vis-à-vis this system and NF was to be a *"maintaining organisation"* reflected Sourav, *"the relationship has to be built in such a manner that there is a business interest...in the long run, so that the relationship becomes very complimentary."*

In summary, Sourav said that the *"challenge for...[NF]...is to replace...[CSD]..but it should be a business model...for me it is a...vision statement."* In more immediate terms, the role of NF, was in becoming *"the farmers' first port of call and the FPO's"*. If *"you cannot build it like that"*, Sourav reflected, *"I am seeing...there is a possibility that FPOs being active as co-options, or co-opting with these...private companies and others reaching towards them...it may not work in favour of the FPO."* It was at this point that Sourav recalled an example cited in *Chapter 4*, regarding a situation of *"exploitation"* in which an agribusiness company provided high interest loans to FPCs, in the process making the directors personally liable. In this context, CSD and NF would *"create a safety net around these producer organisations"*. The emphasis on creating an 'ecosystem' to insulate farmers and FPCs from the market, while at the same time building market links, was also emphasised by Abhijit with regard to the GMFPC federation in Gujarat: *"...without a proper framework to provide handholding support for FPOs, and access all the benefits the ecosystem created. Ecosystem could be created, but if there is no handholding support, the FPO's capacity to access services from various actors will be limited. Because the capacity of the farmer is limited."*

One final point of note regarding such efforts to federate or create second-tier organisations linked with FPCs was noted by Professor Tushaar Shah during an interview I carried out with him. Recalling a situation in the 1990s regarding dairy co-operatives in Gujarat, he noted that an attempt was made to separate production and marketing activities, ensuring the co-operatives became “*vehicles for processing the milk, and farm out marketing to professional marketing agencies.*” However, “*they had to give up, because marketing is where most of the value is created. The moment you hand over that role...the idea of creating co-operative goes...*” In contrast, during an interview with Professor Prasad, he emphasised the role of the ‘ecosystem’ in efforts to compare FPCs and dairy co-operatives, that “*people are ignoring the...ecosystem that enabled this spread...[of dairy co-operatives]...*”. As noted previously, Prasad questioned the application of Shah’s ‘design principles’ to the economic and political context in which FPCs are operating, characterised by “*existing players who are highly dominant...agribusiness companies*” (see Prasad and Prateek, 2019). In the above discussion, I have drawn attention to the manner in which efforts to ‘design’ such ‘ecosystems’ (as forms of ‘value addition’) were also institutional, social, and ‘political’ processes. Such efforts sought to ‘close’ supply chain ‘loops’, and in doing so, sought also to close social and ideological ‘loops’.

## Conclusion

In this chapter I have sought to develop a ‘critical institutionalist’ (Cleaver, 2012) account of efforts to ‘integrate’ FPCs (and farmers) to markets and to ‘value’ chains’, thereby engaging in forms of ‘partnership’ or ‘co-operation’ with multiple organisations. I considered ‘formal’ panacea-esque representations of ‘partnership’ arrangements, centred on the creation of ‘value’ for all ‘partners’, especially farmers in their ‘conversion’ to growing organic cotton. Such representations reflected prevailing trends in literature on value chains, which, drawing on new institutional economics, present efforts to build forms of ‘governance’ as responses to ‘contractual dilemmas’ (Williamson, 1985), in which ‘formal’ measures such as contracts must be supplemented with ‘informal’ arrangements such as ‘trust’, to prevent ‘opportunistic’ behaviour and to lower transaction costs (North, 1991; Altenburg, 2006). In contrast, I explored how the ebb and flow of efforts to design and develop ‘partnership’

arrangements as ‘innovative’ ‘institutional solutions’ (Ostrom, 1990; Shah, 1996), were embedded in, and constitutive of, a web of differing commercial interests and institutional power relations. In contrast with ‘formal’ vision-statements on organic cotton as a ‘mission’ by textile brands and manufacturers, fieldwork participants emphasised the manner in which the ‘conversion’ or ‘upgrading’ (Altenburg, 2006) of farmers to organic cotton was an arduous process, with unclear benefits, and one that took place within institutional, social, and authoritative relations of power (Cleaver, 2012; Nickow, 2015).

I considered emphases by textile brands and manufacturers on the need for ‘accountability’, ‘visibility’ and ‘integrity’, within power-laden efforts to ‘get involved’ in ‘farm-level issues’, (moves from ‘transactional’ to ‘long-term’ agreements). In this manner such stated needs were ‘buzzwords’ that served to render the latter process of ‘direct sourcing’ as a technical one of ‘upgrading’ and increasing ‘value’ chain ‘integration’ (Cornwall and Brock, 2005; Li, 2007). In contrast, reflections by representatives from textile brands, manufacturers, NGOs, and farmers indicated fundamental disagreement between ‘value’ chain ‘partners’ over the ‘value’ created in ‘partnerships’, as well as about the representation and control of ‘value’. In contrast with ‘formal’ narratives of FPCs as key to value chain ‘integration’ for small farmers (and for brands and retailers) due to their business-focus and ‘professionalism’ (Birthal et al., 2007; Trebbin, 2014), their role in ‘value’ chain ‘partnerships’ appeared typified by significant ‘confusion’. Such ‘confusion’ was ‘translated’ (Latour, 1996), into struggles over premium levels between ‘partners’, in ‘confusion’ (and distrust) of the co-operative nature of FPCs (by textile brands), including how ‘accountable’ they were to farmers. Moreover, as argued, reflections by fieldwork participants revealed how ‘partnership’ arrangements were often typified by deviation from them by ‘fly-by-night’ operators, and sometimes ‘exit’ by farmers, the latter of whom questioned the ‘visibility’ of efforts to create farmer ‘impact’. In this manner, value chain ‘partnership’s in organic cotton appeared as ‘political’ processes (Baglioni et al., 2020) within complex and unstable relationships between institutions, power, and value.

In the second half of the chapter, I presented an ethnographic account of CSD’s programme to build an STO ‘linking’ farmers and FPCs to markets, and ‘value’ chains. I explored the rationale of the STO in ‘informal’ reflections on the ‘impossibility’ of achieving the ‘formal’

narrative of FPCs as small (Adivasi) farmer led, business-focused, co-operative companies (and less amenable to elite 'capture' or 'politics'). Such reflections included acknowledgement of the social and political relations in which FPCs developed, represented as social 'context', separated from 'proper' (economic) co-operative action, the former causing internal 'governance issues'. As a 'solution' to the 'problems' of FPCs, CSD pioneered the STO as an institutional innovation, a 'nested enterprise' within a complex 'ecosystem' (Ostrom, 1990; Shah, 1996). While this process was informed (and represented) through the language of value chain literature and new institutional economics (a need to 'add value', build 'value chain links' and reduce transaction costs), informal reflections pointed to a series of 'deeper processes' (Attwood and Baviskar, 1987). These reflections centred on a need to 'insulate' farmers and FPCs from the market (and the risk of 'ideology', meaning 'conflict' or 'hijack'), in this sense the STO was to be a form of "value addition only" for farmers. Such reflections informed CSD's decision to develop the STO as a private company rather than a producer company (and democratic federation of FPCs).

In the process of designing and developing NF, the overriding focus was on creating an 'ecosystem' (to 'insulate' farmers and FPCs from the market), while simultaneously building market links. Such a focus included the ever-present role of CSD as a 'mother' institution in this complex web of organisations and relationships, as well as the separation of marketing and work to build 'value' chain links, from processes of production, the former carried out by NF, the latter by FPCs and farmers. While NF was represented formally as building 'business' links with farmers, it would also operate within 'existing relationships', and within an ecosystem of 'interdependence', indirectly 'controlled' by CSD. Such a focus on the need to 'control' this elaborate 'design', was emphasised against a repeatedly stated possibility of 'hijack', by 'investors' and agribusiness companies, or, in the case of FPCs, by 'bad' leaders. As discussed, there was also debate within CSD on these issues, centred on a need to 'protect' farmers. The ebb and flow of this process of design, the 'necessary improvisation' (Cleaver, 2012) of the 'interdependent' system, indicates the manner in which efforts at experimental, and 'innovative' design', in contrast with economic representations (extension of "economic calculation" (Bourdieu, 1977, p. 177), took place through institutional, authoritative, and social relations of power (Cleaver, 2012; Mosse, 2005).

## Chapter 8 - Conclusion: Narratives of Co-operation

In drawing this thesis to a conclusion, I revisit the key themes and arguments of the preceding chapters, and present the overall contention of the thesis. In doing so, I consider the contribution to existing literature, as well as implications for future research. My overall research focus questioned how people co-operate to establish and maintain agricultural co-operative institutions, (specifically FPCs), in central India. Moreover, to question how co-operation was understood and represented by those who engaged in, and/or were impacted by it. I supplemented this overall question with a series of sub-questions; a consideration of the relationship between co-operation, power relations and forms of social categorisation and identity (caste and 'tribe'/Adivasi); and, how the actions and transactions of co-operation, as well as people's representations of these, coalesced or conflicted in the creation of new institutional arrangements, including across supply or 'value' chains. As I discussed in the *Methodology* chapter, my focus has been on collating narratives of co-operation from a range of individuals involved in the actions and transactions of 'co-operation'. As such, I analysed the self-identified issues, themes and experiences of research participants, as a means to interrogate a wider set of issues, namely my research questions.

I began the thesis with a discussion of literature pertaining to co-operatives and co-operation in India, as well as FPCs as 'new generation' co-operatives. I noted that despite a growth in FPCs, academic research is growing but with few studies which address conceptual or theoretical issues (Prasad and Prateek, 2019). Alongside this, I noted that there is a general absence of research which explores what co-operative scholars Attwood and Baviskar termed the "deeper processes (the informal organisation of conflicts and alliances)" (Attwood and Baviskar, 1987, p. A-57). I also drew attention to the economic nature of prevailing approaches to FPCs and co-operation within literature and policy, and the underpinning of such approaches in new institutional economics and management-oriented literature (North, 1991; Ostrom, 1990; Shah, 1996). In these approaches, emphasis is upon 'crafting' both the "formal rules" of institutions and the "informal constraints" on "economic interaction" (North, 1991, p. 97), to achieve what Ostrom termed, "optimal institutional solutions" (Ostrom, 1990, p. 14).



Literature on FPCs thus emphasises the key role of ‘design thinking’ (Shah, 1995, 1996), as well as ‘professional management’ and ‘leadership’ (see Prabhakar *et al.*, 2012; Cherukuri and Reddy, 2014; Singh and Singh, 2014), in building organisational “viability” (Dey, 2018, pp. 44-5). In much literature and policy, FPCs are understood primarily in terms of their role in “reduc[ing] transaction costs”, with case study analyses seeking to identify the “success factors” for “business performance” (Singh and Singh, 2014, p. 3), or “achieve[ing] smallholder market access” (Cherukuri and Reddy, 2014, p. 2). Central to dominant approaches to FPCs and co-operation, as also discussed, is their relatively unproblematised representation as the ‘solution’ to the ‘problems’ of co-operative societies. FPCs are typified by their “market thrust and orientation” (Singh, 2008, p. 23), their greater ability to ‘evade’ “elite capture” and ‘politicisation’ (Sharma, 2013, p. 45; SFAC, 2019). These prevailing (‘formal’) approaches include panacea-esque expectations, burdening FPCs with somewhat unrealistic combine “efficiency and professional management of the company form and cooperative principles...” (Mourya and Mehta, 2021, p. 115S).

In contrast, this thesis has taken a different path. By building on approaches which explore the differential representation (and transformation) of institutional norms, vis-à-vis social (and power) relations in rural India, such as caste and ‘tribe’/Adivasi (Mosse, 2003, 2005; Baviskar, 2004; Kumar, 2016b), I sought to consider FPCs within a wider ‘web’ of institutional and social relations. In this manner I have also sought to build on studies which highlight some of the challenges faced by FPCs within emerging literature, through from a different conceptual and methodological approach (Nayak, 2016; Govil and Neti, 2021; Mourya and Mehta, 2021). Through participatory ethnography, I sought to explore the ‘everyday practice’ of co-operative action (through FPCs) and its differential representation. I have also sought to provide a granular analysis of the lived relations within supply or ‘value’ chains, and the problems of ‘integrating’ small (Adivasi) farmers through FPCs. My thesis sought inspiration from elements of Cleaver’s (2012) practice-based conception of institutions, in which she contrasts ‘mainstream’ institutionalism with ‘bricolage’: “a process in which people consciously and non-consciously draw on existing social formulae...to patch or piece together institutions in response to changing situations” (Cleaver, 2012: 45). Drawing on these approaches, I explored how prevailing (‘formal’ and economic)

approaches to FPCs, co-operation (and 'value' chain 'partnerships'), were both reproduced and contested by fieldwork participants, through the work of 'translating' (Latour, 1996), co-operative action.

In *Chapter 4* I explored dynamics and power relations in establishing and forming FPCs, drawing on fieldwork I carried out in the state of MP in central India, supplemented by interviews with NGO officers from FPC promoting organisations based in the neighbouring state of Gujarat. Paraphrasing the words of one fieldwork participant, I considered 'rational' market-focused 'professional' co-operation, as an idea which steers and is used to represent FPC development, as well as a dream, reproduced and contested by those engaging in co-operation. I explored what I termed 'formal' narratives of FPCs and co-operative action, which drew, either implicitly or explicitly, on the above-mentioned 'prevailing approaches' within literature and policy. I considered how emphases (and work) to build 'business mindsets' and 'ownership' among farmer FPC members reproduced prevailing narratives of FPCs as business-focused, self-sufficient, small farmer-led co-operative companies. This included the use of diagrams to represent the 'correct' process of institution building, as well as appeals to NGO practice manuals, policy and legislation, by development workers. Such processes may be understood as efforts to craft 'common understandings' around 'rules-in-use' (Ostrom, 1990; North, 1991), but the reproduction of these 'formal' representations served to 'disembed' such processes from their institutional and social underpinnings (Mosse, 2005).

These elements of development practice were contested by a series of informal representations by fieldwork participants; of farmer FPC members, of the importance of power relations between promoting organisations and FPCs (and between CEOs and FPC leaders), and of the slow, uncertain and extremely difficult process of institutional formation. Such reflections drew out the manner in which FPC 'promotion' involved a degree of "necessary improvisation" by development workers and FPC members and leaders, in their efforts to reconcile their informal reflections with a compulsion to reproduce (and adhere with), 'formal' representations of FPCs and co-operative action. FPC promotion was also carried out through "authoritative processes", drawing on "well-worn and accepted practices" (Cleaver, 2012, pp. 49, 46), such as 'correct' practices of co-

operative action. I discussed how emphases on ‘business plans’ and the design (Shah, 1996) of FPCs to focus on business ‘efficiency’, while adhering with ‘formal’ narratives of FPCs, presented them as the ‘solution’ to a series of informal reflections on farmer mindsets, livelihood conditions, and the ‘challenges’ of institutional development. In such a manner, the informal, ‘everyday’ reflections by fieldwork participants were compelled to be ‘translated’ (Latour, 1996), formally, or publicly, as ‘failures’ to build a sufficiently business mindset, or farmer ‘ownership’.

In *Chapter 5*, I explored the way in which the reproduction of formal narratives of FPCs and co-operative action by development workers and other ‘actors’ was a process situated within (and constitutive of), institutional hierarchies and working practices, including relations between CSD’s HO and FO. In programmes of work around organic cotton procurement and ‘recovery’ vis-à-vis FPCs, informal reflections by CFOs on significant ‘challenges’ to such work (and occasional contestation of HO priorities), were compelled to be ‘translated’ (through such hierarchies and working practices), into ‘formal’ narratives. Key to this ‘contextualisation’ (Latour, 1996) of co-operative action, was the forwarding of ‘solutions’ by CHOs to the ‘challenges’ encountered by CFOs, focused on abstracted ‘business’ narratives of creating ‘value’, engaging in more advertising and marketing to achieve procurement targets. This pressure to adhere with ‘proper’ ways of working (Cleaver, 2012), to ensure FPC members engaged in ‘rational’ co-operative action (Ostrom, 1990), in-line with ‘formal’ narratives of FPCs, also pointed to the overriding role of FPC promoters, and the institutional power relations through which such ‘relentless’ ‘translation’ was carried out. In the second half of *Chapter 5*, I explored ‘politics’ in FPCs, drawing attention to the way in which informal reflections by development workers, farmers and others on power relations between FPC ‘professionals’, CEOs and directors stood in contrast with ‘formal’ narratives of FPCs as non-political, self-sufficient, farmer-led co-operative businesses.

In this sense, *Chapter 5* agreed with Attwood and Baviskar’s (1996, p. 40) observation that co-operative organisations do not “simply function (or malfunction) according to their charters and bylaws”. I considered the cultivation of the symbolic capital (Bourdieu, 1986) of ‘social status’ by FPC leaders (and leadership candidates), in the giving of ‘favours or money’

as 'institutional big-men' (Mines and Gourishankar, 1990), in 'watchmen' leaders refusing to stand down, and in a wider desire for 'recognition'. In addition, the cultural capital of CEOs, their skills, qualifications and 'articulations', enabled them to take greater decision-making and 'leadership' roles in their 'performance' of professionalism, than was intended by 'design'. Such dynamics (situated in relation to the ever-present role of FPC promoting organisations), stood in contrast with the 'rules' of FPCs as detailed in their byelaws, as well as approaches to 'leadership', 'efficient management' and 'design' in FPC literature (Singh, 2008; Prabhakar *et al.*, 2012; Nayak, 2016). These latter approaches emphasise new institutionalist and management-oriented emphases on the role of 'design' (Ostrom, 1990) in "shaping beliefs and coordinating expectations" (WB, 2017, p. 56), reproduced in development practice. These 'political' and 'institutional' power relations in FPC development were thus compelled to be 'translated' into a lack of 'design', 'poor governance' and 'leadership', while the informal reflections of development workers served to question efforts to "efficiently craft institutions" (Cleaver, 2012, p. 48).

In *Chapter 6*, I explored the wider social relations through which FPC co-operative action took place, and their representation by development workers, farmers and others. In this way, relations of caste, "kinship or marriage" (Cleaver, 2012, p. 47) were (unintentionally), woven into efforts to build co-operative 'rules-in-use' (Ostrom, 1990), emphasising Cleaver's (2012, p. 48) assertion, that people's agency is "shaped by...social relationships and circumstances" (Cleaver, 2012, p. 48). I explored the role of informal reflections linking narratives of Adivasi communities as being 'less aggressive (and 'political'), 'easier to work with' and with 'unique' decision-making mechanisms, with efforts to 'design out' (Shah, 1996) "*internal governance issues*" of 'hijack' and 'conflict', the latter found, development workers reflected, in "*mixed-caste areas*". I also discuss the way in which development workers were compelled to 'translate' in-depth anthropological and practice-based knowledge into terms legible within 'formal' narratives of FPCs and co-operative action. In this manner, Adivasi 'culture', community and 'gotras' were represented primarily with regard to their role in building social capital and 'trust' (Putnam, 1993). The role of social relations were thus also conceived of instrumentally, as 'tools', by building 'trust', promoters sought to build ownership and engagement in the business and governance of FPCs, addressing 'informal constraints' (North, 1991) on economic (co-operative) behaviour.

These 'formal' representations of social relations adhere with dominant trends in FPC literature (where social relations feature), informed by new institutionalist and management-oriented approaches. Social capital and trust require cultivation by "energetic" leadership and efficient, "professional" management (Kumar et al., 2019, p. 43; Cherukuri and Reddy, 2014; Mukherjee *et al.*, 2018b). Thus Shah (1996, p. 238), views social relations as "domain conditions", a 'test' of "robust designs", while North (1991) and Ostrom (1990) emphasised the crafting of 'informal' (e.g. 'trust') and 'formal' aspects of institutions to address collective action 'dilemmas'. The reproduction of these narratives in practice placed social relations as a subsidiary to (economic) co-operation. In *Chapter 6* I also discussed the forwarding of 'formal' 'solutions' to caste relations (and conflict) among FPC members, including between Adivasi and non-Adivasi communities, which emphasised the creation of 'disembedded' (Mosse, 2005) business and market 'opportunities', along with 'proper' governance processes to 'neutralise' "*mis-differences*" of social relations. Development workers also emphasised the importance of 'homogenous' communities to build social capital in such processes, reproducing emphases in collective action literature (Singleton and Taylor, 1992; D'Silva and Pai, 2003). In practice, FPC promoters sought to separate communities and castes (by 'design'), thus supporting Cleaver's (2012) observation that 'mechanisms' to build equitable 'governance procedures' may have unwittingly reproduced "social inequalities" (Cleaver, 2012, p. 50). These processes were also compelled to be continually reinforced by FPC promoting organisations, within institutional relations of power.

In *Chapter 6*, I built on prior discussion of 'hijack' and 'conflict', exploring the interlinking of caste with the role of large farmers in FPCs, as 'dominant' farmers (and businessmen) were able to position themselves as providers of needed material capital. In return, they 'spoke up', employing the 'articulations' and 'business acumen' (Govil and Neti, 2021) of cultural capital (Bourdieu, 1986), to engage in strategies of symbolic capital accumulation in struggles over leadership positions. I also drew attention to the caste-basis underpinning 'deviation' from the 'rules' of FPCs by non-producer businessmen, building on Mosse's (2003, 2005) arguments. Attwood and Baviskar (1987, p. A-47, 1996, p. 14) emphasised the role of caste in providing a "common cultural and political identity" (where it cuts "across

class lines”). Rather than conceiving of caste as a ‘factor’ that affects the “nurturing” of “successful co-operatives” (Ibid, p. 13), my fieldwork has emphasised the nature in which caste (and ‘tribe’) framed and mediated it. Co-operative action through FPCs (and the ‘design’ and ‘promotion’ of it) were, in Bourdieu’s terms, “strongly ‘conditioned’ by social structure and ‘conditional’ on relations with others” (Bourdieu, paraphrased by Cleaver, 2012, p. 39). Building on this point, this chapter supported Bourdieu’s (1977, p. 177) observations on the ‘extension’ of economic calculation “to all the goods, material and symbolic...that present themselves as rare and worthy of being sought after...”

In *Chapter 6*, I also explored gender dynamics within FPCs and co-operative action, indicating the way in which development workers faced dilemmas in adhering to panacea-esque narratives of female empowerment, along with ‘formal’ design (Shah, 1996) emphases on the need to cultivate economically ‘active’ (non-gendered) FPC members. This gender ‘gap’ was ‘filled in’ by the basis of FPC development in social relations of power (Cleaver, 2012). Informal notions of women being ‘easier to work with’ and ‘less political’, supported ‘formal’ narratives of FPCs as being ‘less political’ (SFAC, 2019). FPC ‘promotion’ was also typified by gender relations of power (and pedagogy) between (male) promoting staff, CEOs and ‘professionals’, and, for CSD, a majority female FPC membership. Moreover, struggles for social status in FPCs and the ‘performance’ of leadership strategies to become institutional ‘big-men’ (Mines and Gourishankar, 1990) were linked with “lineage and caste ideologies” in ‘men’s realms’, but processes that were also able to be ‘manipulated’ by women (Baviskar, 2004).

In *Chapter 7*, I explored efforts to ‘integrate’ farmers more directly to supply or ‘value’ chains, through inclusion of FPCs in various forms of ‘partnership’ arrangements with textile companies, multinational clothing brands and other organisations involved in the organic cotton sector. I considered ‘formal’ panacea-esque representations of ‘partnerships’ as a form of ‘value creation’ for all ‘partners’, particularly farmers, with regard to their ‘conversion’ to growing organic cotton. I traced the background of such representations in literature on value chains, and its basis in new institutional economics. In these approaches, ‘value’ chain ‘governance’ arrangements are required to address ‘contractual dilemmas’ (Williamson, 1979), with formal contracts needing to be supplemented by informal

arrangements, such as 'trust' (Altenburg, 2006; North, 1991). I contrasted this an exploration of how efforts to 'design' 'partnerships' as 'institutional innovations' (Shah, 1996; Ostrom, 1990), were embedded in, and constitutive of, a web of differing commercial and institutional power relations. Reflections by FPC members, development workers and others pointed to 'formal' efforts to 'convert' (or 'upgrade') farmers to organic cotton as an arduous process, with unclear benefits, and one that operated within institutional, social and authoritative relations of power (Cleaver, 2012; Nickow, 2015).

I continued to consider emphases on the 'buzzwords' (Cornwall and Brock, 2005) of 'accountability' and 'visibility' by textile brands and manufacturers as efforts to 'render technical' (Li, 2007) power-laden efforts by these 'actors' to 'get involved' in 'farm-level issues'. I explored accounts of such efforts at 'direct sourcing', indicting the manner in which 'partnership' arrangements were typified by fundamental disagreement between 'partners', over the representation, definition and 'control' of 'value'. Such 'partnerships' featured 'confusion', 'translated' (Latour, 1996) into struggles over premium levels, distrust of the co-operative nature of FPCs and their 'accountability'. These accounts sat in contrast with 'formal' narratives of FPCs, and their *a priori* role in value chain 'integration', through 'professional management' and 'business-focus' (Birthal et al., 2007; Trebbin, 2014). Fieldwork participants pointed to 'deviation' from 'partnership' agreements, by 'fly-by-night operators', and by farmers questioning the 'visibility' of farmer 'impact'. This chapter drew attention to 'partnership' arrangements as political processes, occurring within complex and unstable relationships between institutions, power, and value. In the second half of *Chapter 7*, I presented an ethnography of CSD's programme to build an STO linking FPCs to 'value chains' (and to 'partnerships'). I examined the rationale for this programme in 'informal' acknowledgements of the impossibility of achieving the 'formal' narrative of FPCs as small farmer-led, professional co-operative businesses. These acknowledgements included the role of social relations, conceived of as 'context', separated from 'proper' (economic) co-operative action, and causing 'governance issues'.

The STO was thus developed as a 'solution' to the 'problems' of FPCs, an 'institutional innovation' (Shah, 1996), represented formally through a need to 'add value', build 'value chain links' and reduce transaction costs. An exploration of 'informal' reflections pointed to

the 'deeper processes' (Attwood and Baviskar, 1987) underpinning this process of design and development. The reflections of CSD staff revealed a need to 'insulate' farmers (and FPCs) from the market (and the risk of 'ideology', meaning 'hijack' or 'conflict'), and to build the STO as a "*value addition only*" for farmers. These reflections also informed CSD's decision to develop the STO as a private company (NF) rather than a democratic producer company 'federation', including a 'need' to separate 'marketing' from 'production', with NF carrying out the former, and FPCs the latter. This sat in contrast with efforts to build 'business mindsets' among FPC members, enabling them to engage in FPCs as 'rational' and entrepreneurial 'owners', as discussed in *Chapter 4*. NF was represented formally as a 'business' organisation, developing 'business-only' relations with FPCs, while it would operate within an elaborate 'ecosystem' of organisations, formally represented as a system of 'interdependence', though indirectly, the 'ecosystem' would need a 'mother institution', and thus 'control' by CSD. This process of 'design' and development included a repeated fear of 'hijack', either by 'investors' and agribusiness companies, or, in the case of FPCs, by 'bad' leaders. The ebb and flow of this process of design, as in previous chapters, emphasised the way in which efforts at 'experimental', 'innovative design' (Shah, 1996; Ostrom, 1990), occurred through institutional, authoritative, and social relations of power (Cleaver, 2012; Mosse, 2005).

This thesis is thus in accordance with Cleaver's (2012) emphasis on the development or 'bricolage' of institutions as a process influenced by routinised everyday practices and conventions...by moral world views", while this is also an "authoritative process, shaped by relations of power" (Ibid, pp. 48-49). The 'formal' narrative of co-operation and FPCs that I have discussed in my thesis could be understood as a 'moral world view'. In drawing attention to the reproduction and contestation of 'formal' narratives of FPCs and co-operative action, my thesis also accords with the work of Mosse (2006) regarding the manner in which the public 'rules' of institutions, as "official codes" of behaviour, allow transgression by those with the "symbolic capital of authority", as well as literature which draws attention to the role of caste and cultural capital vis-à-vis the development of rural institutions (Kumar, 2016b; Sinha, 2008). In exploring the interplay of narrative representation vis-à-vis FPC 'promotion' and 'value' chain 'integration', this thesis has also drawn attention to the significant difficulty (and continual dilemmas) experienced by



development workers in the relentless task of ‘translating’ (Latour, 1996) ‘formal’ narratives of FPCs and co-operative action into practice.

While Cleaver (2012) and Ostrom (1990) focused primarily on ‘local’ (often village-level) collective action (institutions) developed to manage natural resources, my thesis has considered co-operative action through FPCs as agricultural marketing co-operatives, and, essentially, federations of smaller collective organisations. This thesis also draws attention to the ever-present role of promoting organisations in efforts to ‘manage’ co-operative action as well as ‘conflict’, and of how the ‘design’ of institutions, systems and processes was often an unpredictable, non-linear, and at times iterative process, embedded in a web of institutional, social and political relations. Douglas’ (1987) approach to institutions thus appears pertinent: Institutions “classify and make choices, channel our perceptions into forms compatible with the relations they authorise, fix processes that are dynamic, hide their influence and endow themselves with rightness” (Ibid, p. 92). This thesis points to the ways in which the reproduction and contestation of narratives of co-operation, through the practice of co-operative action, is fundamental to the interplay between institutional design and the social world.

#### Further areas of research

This thesis explored co-operative action vis-à-vis its representation, with regard to FPCs in central India, and did so through an ethnographic and qualitative methodology, based on an interpretive approach. As noted, there is an opportunity to build on sociological and anthropological literature, as well as insights from co-operative and FPC studies, to consider the “deeper processes” (Attwood and Baviskar, 1987, p. A-57) of these ‘new generation’ co-operatives. As others have observed (Prasad and Prateek, 2019), many of the principles or ‘hypotheses’ of co-operation in India are informed by the significant amount of research carried out in the context of the ‘blue-print’ versus ‘greenhouse’ debates of Shah (1995), Attwood and Baviskar (1996), and colleagues in the ‘pre-liberalisation’ era. However, we now live in a different institutional, political and economic world, while the study of FPCs and co-operation would benefit from the emergence of research on a similar scale. This thesis is a starting point, while further avenues of ethnographic and related research could

consider FPCs and co-operative action in relation to local agricultural markets; local and wider political dynamics; and relations with other 'development' actors. Such avenues would build on (non-FPC) work in these areas (Mosse, 2005; Baviskar, 2004; Shah, 2010; Krishnamurthy, 2020). The study of 'value chains' and emerging forms of 'governance' or 'partnerships' would also benefit from further ethnographic and sociological work (with regard to FPCs), building on wider critiques of value chain literature (Selwyn, 2019; Baglioni et al., 2020).

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## Appendix 1 – Consent Form

### Consent Form for Building Co-operation in Farmer Producer Organisations and Across 'Value' Chains [PhD research]

Please complete this form after you have read the Information Sheet and/or listened to an equivalent explanation about the research

Please tick the appropriate boxes	Yes	No
I have read and understood the project information sheet		
I have been able to ask questions about the project		
I agree to take part in the project and understand that taking part involves participating in a telephone or online interview of between 20 minutes to one hour		
I agree that my interview is recorded, using audio only		
I understand that I can refuse to answer questions		
I understand that my taking part is voluntary; I can withdraw from the study at any time by notifying the researcher involved and I do not have to give any reasons for why I no longer want to take part		
I understand that my withdrawal or refusal to take part will not affect my relationship with SOAS, University of London or Action for Social Advancement		
I understand that personal information collected about me that can identify me, such my name or where I live, will not be shared beyond the research team		
I understand information I provide will be stored securely by the researcher on a password protected computer and secure data cloud server, as well as on SOAS' secure server.		
I understand that the information I provided will be used for the compilation of a PhD thesis. The PhD thesis will be published and made available on SOAS Research Online. All data will be anonymised, and may be made available to the UK Data Service following publication of the thesis. The UK Data service is a national data service that provides research only access to a range of social and economic data collections in the UK – <a href="https://www.ukdataservice.ac.uk/">https://www.ukdataservice.ac.uk/</a>		
I understand that my information will be anonymised so that I cannot be identified in the PhD thesis		

I agree to waive copyright and other intellectual property rights in the material I contribute to the project		
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**Researcher Name: Philip Hadley**

### Contact Information

Telephone No: [omitted from thesis]

Email Address: [omitted from thesis]

Postal Address: [omitted from thesis]

Alternative contact: [omitted from thesis]

### Research Participant Declaration

_____	_____	_____
Name of Participant [printed]	Signature	Date

I have accurately read out the information sheet to the potential participant and to the best of my ability, ensured that that participant understands what they are freely consenting.

_____	_____	_____
Name of Researcher	Signature	Date

SOAS Consent Form Adapted From UK Data Archives Model Consent Form and licensed under the <a href="#">Creative Commons Attribution-Non-Commercial-Share-Alike 4.0 International Licence</a>
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Please ensure a copy of this document is retained safely for future reference.