

RURAL SUPPLY AND MARKETING COOPERATIVES IN CHINA: HISTORICAL DEVELOPMENT, PROBLEMS, AND REFORM

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Abstract

The historical development and performance of rural supply and marketing cooperatives (SMCs) in China are examined and linked to various reform periods. SMCs suffered a loss of focus on members as well as member control during several periods of reform and experienced declining financial performance during the most recent reform period. A number of factors related to this decline are presented, including ineffective reforms, lack of accountability and transparency, limited focus on member needs, a negative image for cooperatives, and poor understanding of contemporary cooperative management and governance practices.

Key words: China, economic reform, rural supply and marketing cooperatives