

Analysis of Influential Factors of Members' Evaluation of the Cooperatives: Based on the survey of 408 Cooperative Members*

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Abstract

This paper analyzes the factors that affect members' evaluation of the cooperatives using Ordered Probit Model, on the basis of the survey of 408 members in four provinces. The results show that the evaluation of the members with higher education level is relatively high. Members' evaluation of Cooperatives led and operated by the country able persons and governments is higher than that of those by leading enterprises. The larger the cooperatives' scale is and the more the members of enterprises and public institutions or social groups are, the higher the evaluation is. Cooperative members' evaluation is relatively high of those that pay attention to extend industrial chains. The quantity of the service provided by the cooperatives before, during and after production is also one influential factor. The cooperatives' internal governance also affects their members' evaluation.

Key words: farmers' cooperative, evaluation, Ordered Probit Model

I. Introduction

The empirical study on the survey of farmers' cooperatives increases steadily ever since the *Farmers' Cooperatives Law of the People's Republic of China* was promulgated on October 31, 2006. All the empirical literatures can be classified into two groups: one is the study about farmers' demand on the cooperatives. For example, Zhang Guangsheng (2007) analyzed the factors that affected farmers' demand on the farmers' cooperatives after finishing the questionnaire survey of 200 villages of Shenyang City. The result showed that there was a negative linear correlation between the farmers' educational level, the wealth gap, and the farmers' demand; While the service provided by the related departments, along with the existing of cooperative economic organizations, especially the professional cooperative groups made up of farmers with identical products have a favorable effect on farmers' demand. Zhao Jiarong (2008) compared and analyzed the demand of the farmers in two different areas and the major influential factors, using Probit regression analysis model, based on the research on 180 farmers in the more developed areas and backward area of Hubei Province. The study indicated that the difficulty level of

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agricultural production and management, types of major agricultural products, asset specificity level, commodity rate of major agricultural products, and social level of agriculture service exerted significant impacts on farmers' demand on the cooperatives in the more developed area. While the difficulty level of agricultural production and management, types of major agricultural products, householders' education year, farmers' land area, and social level of agriculture service presented significant influence on that of the backward area. The other is the study on the performance of the cooperatives. According to Liu Bin (2009), although the number of the farmers' cooperatives increased quickly, the ability to create profit for the members and the cooperatives themselves was relatively poor; the development potential was not strong and the social influence had yet to be improved. So it was essential that policies and values orientation changed from focusing on the quantity of cooperatives, to concentrating on both quantity and quality. Xu Xuchu (2009) defined the indexes of 5 aspects on organization construction, operating activity, member income, organization development and social influence. In addition, he also detected them using the farmers' cooperatives of Zhejiang Province as samples.

On the basis of questionnaire survey of the persons in charge and members of the cooperatives, this paper focuses on the following problems: what is the general evaluation of the cooperative members on the cooperatives? What kind of factors would affect the members' general evaluation? This study will be of theoretical and practical significance to promote the cooperation of the members and the cooperatives, to enhance the sound development of the farmers' cooperatives and to raise members' satisfaction degree.

II. Data Description

(1) Data Sources

The data used in this paper come from the survey of the farmers' cooperatives in Shandong, Jiangsu, Hunan, and Ningxia Provinces, which was carried out to the persons in charge and members of the cooperatives, chosen by the random sampling method. The questionnaires for the persons in charge of the cooperatives consist of the following four parts: the basic information of the cooperatives, the service, production, management and distribution of the cooperatives, their organization and management structure, and the performance. And the questionnaires for cooperative members include members' demographic and sociologic feature, participation in the cooperatives, identification with the cooperatives' features, and the evaluation of the cooperatives' practical performance and so on. This survey involves 408 members of 28 cooperatives in all.

(2) Variables and Data Description

According to the questionnaires, the members need to choose their general evaluation of the cooperatives from the following three options: (1) poor, (2) mediocre, (3) good. Table 1 depicts the characters of samples with three kind of different evaluation.

Table 1 Data Description

	Evaluation 1	Evaluation 2	Evaluation 3
Demographic feature of the household			
Male (%)	5.33	30.18	64.5
Age (Average)	45 (11.46)	44.41(7.13)	43.38(8.79)
Education group			
Primary school or below	10.42	45.83	43.75
Junior middle school	4.08	30.61	65.31
Senior middle school	1.11	20	78.89
College education or above		19.23	80.77
The scale of the household-based production (%)		25.4	74.6
Cooperative participation			
Ordinary member (%)	5.52	34.05	60.43
Core member (%)	1.22	19.51	79.27
Feature of the cooperative			
Type of the cooperative (%)			
Founded by leading enterprise	4.39	42.11	53.51
Founded by country able man	7.41	32.8	59.79
Others		16.19	83.81
Number ^① of the members of the enterprises and public institutions and the social groups (mean value)	0.73 (1.28)	1.73 (2.85)	3.95 (4.74)
Scale of the cooperative: Logarithm of cooperative's total assets in 2008 (mean value)	5.01(3.44)	5.17 (2.03)	6.4 (2.45)
Service provided by the cooperative			
Agricultural products processing service engaged by the cooperative (%)	4.07	31.98	63.95
Times of training on members' technological management and cooperation knowledge in 2008	3.21 (2.37)	5.85 (5.53)	10.72 (8.81)
Average shares of agricultural inputs purchased by the cooperative (%)	39.47 (40.1)	47.2 (37.31)	80.12(26.18)
Average proportion of the income from the cooperative to the total annual income (%)	41.05 (29.41)	40.11 (33.31)	62.15 (30.63)
Internal governance of the cooperative			
Members having the right to consult the meeting minutes and financial situation (%)	5.23	28.93	65.84
Times of the cooperative publishing its financial information (mean value)	2 (1.18)	3.49 (3.26)	4.24 (6.58)

Note: the values in the bracket are standard deviations

The data description demonstrates that the proportion of the “good” evaluation given by the

^① According to the *Farmers' Cooperatives Law of the People's Republic of China*, farmers should account for at least 80 percent of all the cooperative members. The aim of the cooperatives is to meet the “common economic and social demand” of the members. So the farmers should constitute a vast majority. The upper limit of enterprises' number is defined. Because if more enterprises take part in the cooperatives, especially other enterprises, the probability of disordered competition would increase. So the enterprises, institutions and social groups are confined to the units that engage in the production and operation activities directly related to the specialized farmers cooperatives. “Directly related production and operation activities” include the production, transportation, storage, processing, and marketing of the products and related activities of the cooperatives. Meanwhile, the principle of “to serve the members being the purpose, advance the common interests of all members” should be adhered, instead of searching after own maximum interests.

farmers with college education or above is 80.77 percent and that of the “poor” evaluation is 0. The more the members of the enterprises and public institutions and social groups are, the more the tainting times are, and the more the income that the members get from the cooperatives is, the higher their evaluation is. And higher degree of the information publicity also makes positive impact on their evaluation.

III. Empirical Analysis

1. Ordered Probit Model

When the dependent variables are a series of discrete values, they can be classified into two types: order ones and disorder ones, according to if there is hierarchical relationship or not among the values respectively. For the dependent variables of ordered discrete values, one special metric model can be used, that is the ordered probability model. In this paper, the members’ general evaluation of the cooperatives will be poor, mediocre, or good. There exists an ascending relationship in the three opinions from the aspect of evaluation degree. In terms of the model setup, the use of the ordered probability model can make better use of the information in the data. In recent years, to process discrete multi-class data with Ordered Probit Model is a widely applied method (Wooldridge, 2001). The Ordered Probit Model about y can be derived from the latent variable model (Williams, 2006). Suppose the latent variable y^* is determined by the following formula:

$$y^* = \beta X + \varepsilon$$

In the formula, y is the explained variable and takes value in $[0, 1, 2]$; X is explaining variable; β is the coefficient of X and the parameter to be estimated; ε represents the residual term. Suppose the conditional distribution of ε to variable X being standard normal distribution, that is, $\varepsilon | X \sim \text{Normal}(0,1)$. Let α_i be the unknown cut point, then

$$y=0 \text{ if } y^* \leq \alpha_1; \quad y=1 \text{ if } \alpha_1 < y^* < \alpha_2; \quad \dots \quad y=j \text{ if } y^* > \alpha_j$$

$y=0, 1, 2, \dots$ the probabilities are:

$$\text{Prob}(y=0|X) = \text{Prob}(y^* \leq \alpha_1 | X) = \text{Prob}(\beta X + \varepsilon \leq \alpha_1 | X) = \Phi(\alpha_1 - \beta X)$$

$$\text{Prob}(y=1|X) = \text{Prob}(\alpha_1 < y^* < \alpha_2 | X) = \Phi(\alpha_2 - \beta X) - \Phi(\alpha_1 - \beta X)$$

$$\text{Prob}(y=j|X) = \text{Prob}(y^* > \alpha_j | X) = 1 - \Phi(\alpha_j - \beta X)$$

Here, Φ is the cumulative density function in standard normal distribution. The values of coefficient β and the cut point can be estimated using maximum likelihood method.

2. Empirical results

The estimation results with the above model using STATA software are shown in Table 2

below.

Table 2 The estimation results of Ordered Probit Model

	Coefficient	Standard Deviation
Gender (Male =1)	-0.0838	0.2818
Age	-0.0153	0.0123
Education group (Reference group: Primary school or below)		
Junior middle school	0.1321	0.223
Senior middle school	0.4376	0.3354
College education or above	1.1035**	0.5315
The scale of household-based production (Reference group: Small scale)	0.2333	0.3217
Core member (Reference group: Ordinary member)	0.1476	0.2746
Type of the cooperative (Reference group: Founded by leading enterprise)		
Founded by country able man	2.6831***	0.5045
Other types	3.8602***	0.5811
Number of the member of the enterprises and public institutions and the social groups	0.5004***	0.0871
Scale of the cooperative	0.1312***	0.0447
Agricultural products processing service (Yes=1)	1.0136***	0.3163
Training times	0.0034**	0.0015
Shares of inputs purchased by the cooperative	0.0111***	0.0032
Proportion of the income from the cooperative to the total annual income	0.0174***	0.0045
Members consult the meeting minutes and financial situation (Reference group is entitled consult.)	-2.2756***	0.638
Times of the cooperative publishing its financial information	0.2702***	0.0562
α_1	1.624	1.0645
α_2	3.7137	1.0994
Likelihood ratio Chi-square	168.4	

Note: *、**、*** represent respectively the significance level of 10%、5%、1%.

After classifying the education level (Reference group: Primary school or below), the group of members with college education or above is significant on the level of 5 percent; the cooperatives founded by the country able persons and other types (Reference group: Founded by leading enterprises) is significant on the level of 1 percent; the variables of the number of members of the enterprises and public institutions or social groups, their scale, agricultural products processing service, the shares of inputs purchased by the cooperative, proportion of the income from the cooperative to the total annual income, members being not able to refer to the meeting minutes and financial situation, and times of the cooperative publishing its financial information and so on are significant on the level of 1 percent; the variable of the training times of the cooperative members is significant on the level of 5 percent.

Due to the feature of the Ordered Probit Model, the coefficient of the variables mentioned

above cannot illustrate the variables' influential level on the evaluation of the members. The symbol of the coefficient can only illustrate the direction of the influence of this variable on the choice “good” or “bad”, but fails to illustrate the influence direction on the choice of “mediocre”. In order to get further information of the influence level and direction of different variables on members' evaluation, the marginal contribution of each variable should be calculated. That is, mean value of other variables taken, the influence on the probability of one's choice while this variable changes by one unit. About the marginal contribution of the explanatory variables, please see table 3.

Table 3 The marginal contribution of the explanatory variables

	Evaluation 1	Evaluation 2	Evaluation 3
Gender (Male =1)	0.00027	0.01987	-0.02014
Age	0.00005	0.00374	-0.00379
Education group (Reference group: Primary school or below)			
Junior middle school	-0.00047	-0.03204	0.03251
Senior middle school	-0.00109	-0.09261	0.09371
College education or above*	-0.0013	-0.15664	0.15795
The scale of the household-based production (Reference group: Small scale)	-0.00065	-0.05221	0.05286
Core member (Reference group: Ordinary member)	-0.00053	-0.03594	0.03647
Type of the cooperative (Reference group: Founded by leading enterprise)			
Founded by country able man*	-0.02947	-0.54369	0.57317
Other types*	-0.01346	-0.43762	0.45109
Number of the members of the enterprises and public institutions and the social groups*	-0.0018	-0.12184	0.12364
Scale of the cooperative*	-0.00047	-0.03194	0.03241
Agricultural products processing service (Yes=1) *	-0.00497	-0.24389	0.24887
Training times*	-0.00001	-0.00082	0.00084
Shares of inputs purchased by the cooperative*	-0.00004	-0.00271	0.00275
Proportion of the income from the cooperative to the total annual income*	-0.00006	-0.00424	0.00431
Members consult the meeting minutes and financial situation (Reference group is entitled consult.) *	0.00818	0.55398	-0.56217
Times of the cooperative publishing its financial information*	-0.00097	-0.0658	0.06677

Note: * means this variable is significant in the model.

3. Result Analysis

From Table 3, we can get the following conclusions.

(1)Only the variable of education level is significant in all the variables of the column “Demographic feature of the household”.

The higher the education level is, the higher the evaluation is. With other variables being controlled, the probabilities of the “poor”, “mediocre” evaluation of the members with college education or above are respectively 0.1 percent, 15.6 percent lower than those of the members

with primary school or below education, while the probability of “good” evaluation is 15.8 percent higher. A probable reason may be that members with higher education possess more macroscopically, objectively and rationally, and the more thorough their understanding of the cooperatives’ management and performance is. It is easier for them to adopt new things with higher evaluation. As a new thing, the farmers’ cooperatives win relatively higher evaluation from the farmers with higher education level. Meanwhile, the metering results also show that the variables, such as gender, age, scale of the household-based production, and being core member or not do not have significant impact on the evaluation.

(2)The cooperatives’ own characteristics exert a profound influence on farmers’ evaluation.

Firstly, farmers’ evaluation of the cooperatives led and operated by the county able persons and governments is higher than that of those by leading enterprises. The probabilities of “poor”, “mediocre” evaluation given by the farmers to the cooperatives founded by the county able persons are respectively 2.9 percent, 54 percent lower than to those by leading enterprises, while the probability of “good” evaluation is 57.3 percent higher. The probabilities of “poor”, “mediocre” evaluation of other types of cooperatives are respectively 1.3 percent, 43.7 percent lower than that of those founded by the leading enterprise, While the probability of “good” evaluation is 45.1 percent higher. “Interests relationship” and “moral hazard” may cause this kind of phenomenon. The internal interest relationship varies in different types of cooperatives. The country able persons and the members possess “homogeneity” namely identical requirement and interest. While, generally speaking, the leading enterprises are the “comparative interest persons (buy and sell)” which have a products supply and marketing relationship with the farmers. Thus the founding of the cooperative embodies their common interests, but it doesn’t mean they pursue the same objectives of maximizing interests internally. So moral hazard is more apt to happen to the leading enterprises for this very reason. When the leading enterprises sign the purchases and sales contract, their aim is maximum profit. Their motivations are to ensure the source of raw materials, to decrease materials’ cost and to improve their own economic benefits. When the market price is lower than the contract one, they may not purchase the materials as defined by the contract, but purchase from the market, which would damage the members’ interests. There are also cases that the leading enterprises unilaterally change the quality standard and level of the products, then cut the purchase price, lower the products level or reduce the volume of purchase on the excuse of the products being “sub-standard”, harming the members’ interests in a disguised form. If the leading enterprises do not sign the contract with the farmers, the moral hazard is even more likely to happen. However, the probability of occurrence of moral hazard is relatively low for those cooperatives founded by the country able persons on the basis of the community ties and

those led by the governments^①. Because, the feature of rural social relationships--- trust built on the basis of social acquaintances is formed in its long period of development. This “special kind of trust” is the logic basis of their action to found cooperatives. The persons in charge of the cooperatives would give great weight to “reputation”.

Secondly, the more the members of the enterprises and public institutions and the social groups are, the higher the evaluation is. The probability of “poor” evaluation would decrease by 0.18 percent with one additional member of the enterprises and public institutions and the social groups, while the probability of “good” evaluation rises by 12.36 percent. The reason may lie in that there is an intersection of benefit complement between the cooperatives and enterprise, public institutions and social groups. The participation is determined together by the feature that the farmer members are naturally disadvantaged and the social group members are always hunting for profits. The farmers’ cooperatives, being in the primary stage of development, are small in scale, short of fund and technology with backward infrastructure and sluggish production and marketing information. As to the cooperatives, they can give full play to their advantages of information, social resources and fund by enrolling the enterprises, public institutions or social groups as cooperative members, which would also improve its capacity of production and management and guarding against market risk. At the same time, it is also convenient for the members to purchase production material and to market agricultural products, increasing farmers’ income. As to the enterprises, public institutions and social groups, taking part in the cooperatives can decrease their production cost, stabilize the raw materials supply, improve products’ quality, promote its own standardization production, and realize the integration of production, processing and marketing. Of courses, right here the enterprises, public institutions and social groups are restricted only to those units that are engaged in the production and management activities directly related to the business of the cooperatives. The proportion of the enterprises, public institutions, and social group members in the cooperative should be within certain limit^②, so as to avoid hurting the farmer members’ interests. According to the statistics, there are only 3 members of the enterprises and public institutions and the social groups in each cooperative on average. The maximum number is 12.

Thirdly, the bigger the cooperative is, the higher the evaluation is. The probabilities of the

^①For example, the Zehong Fruit and Vegetable Marketing Specialized Farmers Cooperative in the county of Huimin is led by the dean of modern distance education office of rural party members and party cadres in that town, adopting the model of “party branch + distance education + cooperative”. This model provides the cooperatives with advantages on organization, information, and technology. What’s more, the government can get more effective information about the development status of the cooperative, so as to supply corresponding countermeasure. Another example, the Xinghuo Seed Demonstration Park Specialized Farmers Cooperative in the city of Liaocheng is led by the workers of the agricultural economics institute in the town. This paper classifies those cooperatives into the group in which the cooperatives are led and founded by the government.

^②The enterprises, institutions and social groups are confined to the units that engage in the production and operation activities directly related to the specialized farmers cooperatives. “Directly related production and operation activities” include the production, transportation, storage, processing, and marketing of the products and related activities of the cooperatives. According to the regulation of *Farmers’ Cooperatives Law of the People’s Republic of China*, for the cooperatives with less than 20 members, there can be one member from the enterprise, institution or social group. For those with more than 20 members, the proportion of the members from the enterprise, institution or social group should not exceed 5 percent.

“poor” and “mediocre” decrease along with the expanding of the cooperatives’ scale, while the “good” evaluation increases. According to the authors, this is a kind of manifestation of the cooperatives with small scale failing to reach the critical point. There may exist the following internal connections between the scale and benefit level of the cooperatives, and the evaluation: (1) Income growth effect. Along with the expanding of the cooperatives, the scales of various factors also become larger, such as the manpower, material resources, and information. So does the products’ market share. The cooperatives can also be in a more favorable position in the negotiation with others. The market access is smoother and the transaction cost of the technical and marketing service provided by the cooperatives also is lower. The scale economy of the cooperatives will bring positive effect for increasing members’ income. (2) Brand effect and its amplification effect. Usually, large-scale cooperatives possess their own brands that in turn bring about an amplification effect of increasing the production and marketing scales, leading to the mounting in income and profits, so does the improvement of members’ evaluation. (3) Management effect. Large-scale cooperatives possess standard internal governance and sound operation mechanism with better sustainability and performance. (4) Support growth effect. It is easy for the large-scale cooperatives to draw attention all around, so the credit funds, government subsidy and other intangible support will increase correspondingly.

(3)The public service provided by the cooperatives is the key factor that affects farmers’ evaluation.

On the one hand, the cooperatives with long value chain of the agricultural products can win higher evaluation. The probabilities of the cooperative members’ “poor”, “mediocre” evaluation of cooperatives that engage in agricultural products processing service are respectively 0.49 percent, 24.3 percent lower than those that do not, while the probability of “good” evaluation of the former is 24.88 percent higher. The members are not satisfied with the cooperation of narrow field any more, especially the field of agricultural production, and have showed their discontent with the single public service function of the cooperatives. The members prefer cooperatives that pay attention to extend the supply and process chain of the agricultural products, and to expand from multi-direction the serves function and the cooperation field with the farmers. The value chain of the agricultural products is extended and the added value increases, which can let the cooperatives and their members gain more distribution incomes. Just take the Farmers’ Cooperatives of Long Jujube (also called Ling-Wu Jujube, or Ling-Wu Long Jujube) in the city of Lingwu, Ningxia Autonomous Region as an example; it not only lays stress on the marketing of long jujube, but also on the extension of the industrial chain, so as to drive the development of long jujube planting and packaging and deep processing. So this cooperative wins fairly high evaluation.

On the other hand, the quantity and quality of technical training, means of production supply,

and marketing service provided by the cooperatives lay impact on members' evaluation. The probabilities of "poor" and "mediocre" evaluation decrease by 0.001 percent, 0.08 percent respectively along with one training chance added. While the "good" evaluation increases by 0.08 percent. When the share of input purchased by the cooperatives increases by one unit, the probabilities of "poor", "mediocre" evaluation decrease by 0.004 percent, 0.27 percent respectively, and the "good" evaluation increases by 0.275 percent. When the proportion of members' income from the cooperative to the total annual income increases one unit, the probabilities of "poor" and "mediocre" evaluation decrease by 0.006 percent, 0.4 percent, while that of the "good" evaluation increases by 0.43 percent. The basic reason for the members to take part in the cooperatives is achieving economic profits. When the farmers' cooperatives provide service, the members can decrease the cost and share cooperative surplus through collective activities. It is one necessary condition for the cooperatives with fairly high performance to provide the service of production means supply, technical training, and unified production marketing before, during and after production.

(4)The internal governance quality of the cooperatives also affects the evaluation.

If the members can not consult the meeting minutes and financial situation, the probabilities of their "poor" and "mediocre" evaluation are respectively 0.8 percent, 55.3 percent higher than those can, while probability of the "good" evaluation is 56.2 percent lower. When the times of financial information being made public increase by one, the probabilities of the members' "poor" and "good" evaluation decrease by 0.097 percent, 6.58 percent respectively, while the probability of "good" evaluation increases by 6.67 percent. The reason for those phenomenon maybe: (1) members' "right consciousness" increases and their concept of participation in democratic management is strong. They hope to consult the meeting minutes and financial situation of the cooperatives. (2) Although all members have homogeneity in service demand, their management scale, resource endowment, and even the contribution to the cooperatives are different. So the interests of different subjects from the persons in charge to the managers, from the persons with more capital contribution to those with less should be given consideration under the governance structure of cooperatives. In addition, they should enhance the transparency of benefit distribution and avoid the internal rule by one man. All those are one incentive of winning fairly high evaluation.

IV Conclusion and Analysis

This paper analyzes varieties of factors that affect the members' general evaluation of the cooperatives. The analysis results show that the higher the members' education level is, the higher their evaluation is; the evaluation of the cooperatives led and operated by the country able persons

and the governments is higher than that of those by the leading enterprises; the larger the scale is, the more the members of the enterprises and public institutions and social groups, the higher the evaluation is; the members pay higher evaluation to those that attach great importance to extending the industrial chains; the amount of service provided before, during and after production by the cooperatives is also one influential factor; and its internal management quality also affects the evaluation. That is to say, the members' evaluation has a close relation with the types and feature of the cooperatives, the quantity and quality of their service, their internal management, and etc. while the influence of the demographic and sociologic feature is relatively weak.

The major policy implications of this paper's research conclusions are as follows. Firstly, give play to the active role of the "country able man". The country able persons and large households with a good understanding of operation and management possess wide interpersonal relationships, and know the specific situations of the villages and farmers. So they will have strong influence and play the role of exemplars. What's more, they have a better understanding of the functions of the cooperatives and master the operation mechanism. So the country able persons and large households should be guided to lead and operate, or manage the cooperatives, to give full play to their activity and creativity. Secondly, multiple services should be supplied for the members on the basis of extending the industrial chains and cooperation areas. The cooperatives should extend the industrial chains of supply or process; expand cooperatives' service function and the cooperation area with the farmers. Meanwhile, according to the production mode and products, the cooperatives should teach the farmers scientific knowledge and production means by carrying out production technology training, to help them improve the production efficiency, and to promote the cooperatives' development and grandness. Thirdly, regulate and strengthen the internal governance mechanism. It should give full play to all members' activity and creativity to establish the internal governance system. Sticking to the principle of democratic management, makes the management of the cooperative completely just, fair and open. They should also perfect the restriction mechanism to avoid "internal rule by man"; establish and perfect the supervision mechanism that combines public supervision with internal supervision; standard the financial and profit distribution system; promote the operation performance by improving internal governance mechanism.

The above analysis does not involve the factors of government's policies at all, but just take those factors as external stable ones. This paper analyzes different factors on the basis that the policies are stable. In fact, because the extent to which the local government supports and involves the cooperatives differs from place to place, the government policies' impact on the evaluation should not be neglected. That is the key issue that we will pay attention to next.

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