
Peculiarities of National Systems of Global Agricultural Credit Cooperation and Their Adaptation to Russian Conditions

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Abstract:

The article views financial peculiarities which emerged in the process of appearance, functioning, and development of various systems of agricultural credit cooperation. Common and different features of principles of credit cooperative formation in Europe, USA, Latin America, and Asian-Pacific region are viewed. Experience of development of agricultural credit cooperation of Russia and its involvement in international cooperation programs are studied. As a research method, systemic approach to study of historical experience of organization of agricultural credit cooperation, as well as comparative, structural, and functional analysis, was used. It was determined that systems of agricultural credit cooperation, which develop in a sustainable manner, showed extraordinary feasibility in various manifestations of economic crises due to them being built on the basis of existing horizontal ties of shareholders and formation of effective management system, built on practical implementation of principles of ethical economy. Appearance and aggravation of internal contradictions in the system of agricultural credit cooperation are viewed. The authors come to the conclusion that these contradictions have deeper basis than peculiarities of national economy and are connected to differences between principal theoretical preconditions of emergence and development of credit cooperation. Various interests which lie in the basis of emergence of specific cooperative associations come to the surface of economic reality as initial factors, which, in the process of development, show their contradiction to general tendencies of development of national economy, tendencies in the global division of labor, and global competition in conquering markets for sales of agricultural products.

Key Words: *Agricultural Credit Cooperation, Credit Cooperatives, International Projects of Development of Credit Cooperation, Russian Agriculture*

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1. Introduction

Development of credit cooperation as one of the forms of financial activities in each specific country has its peculiarities. For the Russian agrarian science, study of the specifics of these relations poses significant interest – as at present, agro-industrial complex of the Russian Federation looks for the most effective paths of its development. Relations of credit cooperation in agriculture are of special interest – they are capable of activating the work of medium and small agricultural enterprises, thus combining their financial resources and efforts of enterprises' employees for preservation, processing, and transportation of manufactured products. It is by detailed use of peculiarities of agricultural credit cooperation that success and failures of development of agricultural credit cooperation in various countries in various historical periods could be explained.

This block of financial relations has special anti-crisis significance due to its capability for usage of internal financial reserves of population under the conditions of difficult access to bank capital. Therefore, there is a need for systematization of international experience of development of agricultural credit cooperation.

2. Peculiarities of Emergence and Initial Development of Agricultural Credit Cooperation in Germany

In Germany, sources of emergence of agricultural credit cooperation are tracked from the middle of the 19th century. Immediately after its emergence, it developed into the form of credit cooperatives. The main peculiarity of initial stage of emergence and development of this special form of financial relations is the fact that first credit relations emerged in the environment of the masses spontaneously and without formed legal field. The first credit cooperative in Germany was created in 1850 by Hermann Schulze in the city of Delitzsch. Such cooperatives became very popular from that time on. By 1859, there were 183 such cooperatives in Germany which united almost 18,000 shareholders. In 1913, the number of credit cooperatives of this type grew up to 3,600 [Miller, 2003].

The main difference of the first credit cooperatives from all others is that emerging economic relations which lie in their foundation appeared without any participation of public authorities of any level. It was relative freedom from dictate of the state that determined true democratic spirit of cooperative movement and formation of approaches and methods which formed the most important peculiarities of cooperative movement. These peculiarities include free expression of will in

acceptance of initial agreements which became the foundation of emergence of this economic phenomenon.

Later attempts to create cooperatives were oriented at achievement of cooperatives which were to be the first in the history of the world. Based on these achievements, representatives of authorities in various countries performed attempts to help agrarians with centralized methods. Despite general positive direction of these efforts, independent spirit of cooperative movement was largely lost. The former important accents of cooperative activities – mutual help, equality, freedom of joining cooperative or leaving it – were moved to the side of distribution of centralized financial help from government into agrarian sphere of economy and receipt of subsidized credits from the state's central bank. A natural consequence of this process was the fact that on the opposite scale was the loss of relative independence in management, strategic planning, and choice of direction of development.

Providing financial resources with centralized method, the state acquired additional control over agrarian sector. This influenced positively the growth of economic power of the state, but initial ideas of ideologists of cooperative movement were overpowered by necessity for conduct of strict accounting with further possibility for increase of the level of taxation. An attempt to evade excessive trust from the state turned into increased control.

Beginning from 1850's, agricultural credit cooperatives, founded by F.W. Reiffeisen, became popular in Germany. In 1876, for the purpose of uniting the activities of scattered credit cooperatives into national movement, the Rhein bank of agricultural credit was founded. A decisive moment of development of cooperative movement in Germany took place in 1889, when the law on cooperation was passed, according to which cooperatives has to take audit checks on a mandatory basis. Before this law, cooperative unions had held audit checks on voluntary basis [Kozenko, 2007].

Together with positive moment of development, which consisted in formation of legal field of credit cooperation at state level, certain negative moments should be also mentioned. Official authorities became first interested in cooperative movement not as the most effective way of conduct of small agrarian production but as independent additional source of state's revenues. First success of cooperative movement led to state's having a wish to perform tougher control over financial resources of new effective economic structures which were based on development of previously unknown financial relations.

In was during that historical period that in the annals of first classical cooperatives, there emerged and developed idea that the scattered cooperatives should develop

their influence on authorities for the purpose of protection of their legal rights of common shareholders. The path of unification of initial cooperatives into unions was selected. Only this path of development opened a possibility for common shareholders to protect their rights in court and take joint weighted decisions as to development of cooperative movement in the scale of the country. In the cooperative movement of Germany, there appeared an idea of expedience of general unification of various cooperative organizations [Miller, 2003].

As a result, 1972 saw the creation of unified cooperative organization with main union and three federal unions. From that time on, the Federal Union of German People's Banks and Reiffeisen Banks began specializing in work with credit cooperatives. Reiffeisen German Union began to work with agricultural commodity and servicing cooperatives, including profile credit cooperatives. The Central Union of Industrial Groups had to perform general management of activities of industrial commodity and corresponding servicing cooperatives [S. Gachter, 2003]. Apart from tendency for creation of national associations of credit cooperative, there developed a tendency for unification of scattered cooperatives into unions at a regional level.

Further events confirmed the correctness of this decision, and the system of management of agricultural credit cooperatives on the 20th century was finally formed. By now, there have been formed 11 regional unions in Germany which support activities of new cooperatives in the sphere of law, taxes, and corporate economy. They check activities of cooperatives and offer them their services as a consulting enterprise, provide training and re-training of cooperatives' employees. The unions have their own educational establishments at regional level. The main national cooperative institute is the Academy of German Cooperatives.

The next sphere, into which cooperative movement delves, based on wide integration of production processes, is international activities and international cooperation, which is traditionally held by the Federal Union Reiffeisen. In 1968, dedicated to 150th anniversary of F.W. Reiffeisen, there was created International Union of Reiffeisen, which works alongside the World Council of credit unions. Thus, by creating the International Union Reiffeisen, there was performed an attempt to strengthen the influence of European cooperative movement on the development of credit cooperation in international scale. One of the most important tasks of the Union is support for new cooperative organizations according to the spirit of Reiffeisen's ideas in developing countries.

At present, the Reiffeisen movement covers appr. 900,000 cooperatives with 580,000,000 shareholders which work in 100 countries of the world. Founders of cooperative movement in Germany – H. Schulze and F.W. Reiffeisen – are true

founders of emergence and development of credit cooperation in its initial form. It should be emphasized that spontaneous emergence of relations which lie in the basis of credit cooperation allowed forming – without legal field in this environment – regularities and contracts which were to develop into founding principles of German agricultural credit cooperation. These initially emerged peculiarities not only show main differences but allow avoiding strategic mistakes which are peculiar for a range of other countries of Europe, Asia, and Latin America [Johnson, 2003].

Further steps for creation of credit cooperatives in certain countries include the same mistakes which were evaded by the German founders. Justice of this thesis is supported by the fact that during further real historical events, such mistakes would lead to peculiar split of cooperative movement and difficulties of its development on the territory of various countries of the world. As the most illustrative example of these processes, experience of agricultural credit cooperation in France could be viewed.

3. French Experience of Creation and Functioning of Agricultural Credit Cooperation

By the appearance of first credit cooperatives in France in 1860's, there already were positive results of activities of credit cooperatives and Germany with intense preparation of legal field for credit cooperation at state level. The stage of initial spontaneous emergence of credit cooperation in Germany came to its end, and positive experience of its development was actively discussed. These circumstances were an impulse for actions of representatives of French legislative authorities. France surpassed Germany as to passing of the first legal norm, but this circumstance does not mean the priority in development of the whole system of agricultural credit cooperation. In 1884, a special law on creation of Credit Agricole system was passed. Provisions of this basic document became a legislative basis for functioning of credit cooperatives in France.

In 1920, the Ministry of Agriculture of France created National office of regional offices. Credit Agricole conducted state financing of credit cooperatives which sometimes played a role of distributor of concessional state loans among agricultural entrepreneurs. In 1960, Credit Agricole bought from the state its share in nominal capital and freed from the status of governmental establishment. It continued to receive concessional loans from the state, and, having become an independent structure, didn't not approach independent credit unions as to performed functions, but became one of the structures of large national business – far from needs and hopes of ordinary members of national cooperative movement.

In 1968, other categories of entrepreneurs and population received right of membership in Credit Agricole, together with agricultural manufacturers. In 1988, according to the Decree of the President of France, state subsidizing was ceased. Credit Agricole received a status of joint-stock company. Continuing to specialize on agricultural production from 1970's, in addition to crediting of agriculture, Credit Agricole began providing credits to small and medium enterprises of industry and trade. At present, Credit Agricole possesses correspondent connections with more than 800 banks of 140 countries of the world.

Besides Credit Agricole, the system of cooperative agricultural credit in France includes National federation of agricultural benefit, which is a member of National confederation of benefit and agricultural cooperation. This federation was created in 1946 by independent credit cooperatives which has left Credit Agricole protesting against its close relations with state credit system.

The main peculiarity of formation of credit cooperatives is the fact that the French state acquired leading and organizational role from the very beginning. Besides, legislative basis of the state was formed, and only after that the development of agricultural credit cooperation at the scale of the country began. This circumstance forms the main difference of development of the French cooperative movement from the German one. While the German approach values independence and spontaneity in the process of emergence of first cooperatives and initial absence of legal field, the French approach, quite on the contrary, features initial formation of legal foundations and lacks the elements of spontaneity in creation of first credit cooperatives [Khudyakova, 2003].

A peculiar feature of the stated approach is promotion of credit cooperation from above, which was a historical mistake, to be continuously repeated by governments of other countries. Acknowledging justice of this provision, it is necessary to note obviously positive moments which are present in the general process of development of credit cooperation in various countries, independent on observance or non-observance of initial principles of its formation.

3. Financial peculiarities and achievements in development of agricultural credit cooperation in Europe, America, and countries of Asian-Pacific region

In the Netherlands, the first cooperative farm banks were created at the end of 19th century by the example of German Reiffeisen banks. At the beginning of 20th century, consolidation of local cooperative banks led to creation of two banks, and in 1972 – as a result of their merger – to establishment of the central Rabobank

which became the foundation of single financial structure which included all local farm cooperative banks of the Netherlands.

Agricultural credit cooperation in Scandinavian countries developed quickly. Agricultural credit cooperatives which emerged in Sweden in 1830's, by 1861 were united into the Swedish mortgage bank for provision of credit activities of its cooperatives.

In the Netherlands, almost all products, manufactured by farmers, are collected, processed, transported, stored, and sold through cooperatives which also possess almost all of the production of commercial fertilizers, 75% of capacities of food industry, and large part of flour production. Processing and sales of all the milk and 80% of meat were involved into relations of cooperation at the scale of the country. Recently, credit cooperation has been developing very quickly. All farm enterprises of the country are members of credit cooperatives, united into the Union of credit cooperatives.

Financial provision of activities of farm enterprises in Sweden is conducted by the Federation of Swedish cooperative banks. The Federation includes Commercial Banking Company, which has 388 branches all over the country. The main goal of the country is to provide service for farm cooperatives and husbandries. The main type of services, which are provided to more than 80,000 clients (more than 81% of farm husbandries) – short-term crediting. Long-time crediting of farmers is conducted by subsidiary banking company Agro Jordbrucks Kredit AB. A peculiarity of Swedish credit cooperative system is direct participation of Commercial Banking Company as a shareholder of some of the largest processing companies [Kozenko, 2007].

Denmark's credit cooperation includes more than 200 branches of cooperative bank, grouped into 54 geographical sectors. The sectors are controlled by managerial councils which consist of local shareholders. They form a committee of 44 members. The supervisory council appoints members of the executive board of the bank.

In Finland, credit cooperative system is represented by Okobank bank group with extensive branch network of 1,224 branches which cover the whole country. As to the total sum of deposits, Okobank is ranked 2nd among commercial banks in the country. It is accounted for 60% of total volume of crediting of agriculture. Cooperative movement of the USA was created not so long ago. However, financial power of the state and accumulated global experience of development of credit cooperation were an impulsive cause for increase of the role of American capital in the processes of cooperative movement management in the global scale.

The first credit cooperative in the USA was founded in 1909 in Manchester (New Hampshire). In 1930, the number of credit unions in the country constituted 1,100, and they were present in most of the American states. A peak of creation of credit unions was in 1970's – a crisis period for the U.S. – when the number of unions' shareholders grew to 12 million people, and unions' assets grew to USD 61 billion. By that time, a system of state regulation of credit unions and mechanism of mandatory insurance of shareholders' deposits appeared.

Financial peculiarities of agricultural credit cooperation in the U.S. are the following: credit unions provide loans to their members, as a rule, by means of their own savings. The principle of intra-cooperative management "one shareholder – one vote" is always observed. All shareholders are equal during solving the issues of unions' activities.

Credit unions in the U.S. became popular not only due to their transparency, controllability, and manageability from shareholders, but also due to simplified order of receiving the loans. Money is given to borrower, as a rule, on a day of his application – which cannot be done by any other credit organization.

Except for saving and loan operations, credit unions of the U.S. conduct direct debit from members' accounts for payment of goods and services, provide guarantees for shareholder's liabilities for third parties, and provide agent services for insurance contract. Over the recent decades, many credit unions expanded consultation services provided for their members as to issues of financial and tax planning. Credit unions in the U.S. form associations of a higher level, which are called corporate credit unions. Leagues of credit unions exist in each state. Corporate credit unions, in their turn, are united on cooperative basis into the U.S. Central Credit Union, which is a member of the Global Council of Credit Unions [Khudyakova, 2003].

In 1970, the U.S. Congress, for the purpose of state regulation of credit unions' activities, created an independent agency – the National Credit Unions Administration. It is managed by governing body, which consists of three persons appointed by the U.S. President and confirmed by the Senate. This agency, together with performing the function of registration of emerging unions and their associations, collects accounts of financial states and methods of credit unions management and provides methodological, financial, and organizational support for regional and federal credit unions.

Regulation of credit unions' activities is performed in the form of recommendations. Credit unions have to keep a certain correlation of own and borrowed assets, own money and assets. Role of state regulation at the stage of creation and current

functioning of credit system of agricultural manufacturers in the USA belongs to Farm Credit Administration. The system is managed by Farm Credit Association – FCA, which includes independent federal agencies responsible for regulation and control of activities of banks, associations, and other organizations which form the system of farm credits, including the Federal corporation of agricultural mortgage credit. FCA was founded according to the Decree of the President F. Roosevelt in 1933, and its modern authorities are determined by the Act on farm credit of 1971. Control over activities of the FCA is performed by the Committee on Food, Agriculture and Forestry of the U.S. Senate.

State support for farmers stipulates preservation of financial stability in agrarian sector. In our opinion, in relatively stable conditions of development of agrarian sector of economy, American farmers – together with the use of budget funds for development of own production – were able to defend certain independence of initial principles of credit cooperation. By present time, the system of farm crediting in the USA functions independently from commercial banks. The process of concentration and centralization of credit cooperatives and unions allows increasing effectiveness of their activities in the system of crediting of farmers and production agricultural cooperatives.

In Canada, theoretical foundations of credit cooperation are more related to initial ideas of German founders of credit cooperation. This differentiates credit cooperation which develops in Canada from credit cooperation in the USA. The thing is that in Canada, credit cooperation was developed by A. Desjardins, who can be considered to be one of the founders of credit cooperation.

In his activities, he was guided by achievements of the European credit cooperation, proved by history. As a result, he had an opportunity to exclude and evade negative moments which, by that time, has expressed themselves in the European countries. In 1900, A. Desjardins founded the first benefit association in Levis, suburb of Quebec. Credit cooperatives of Desjardins became very popular in Canada. In 2000, the movement Desjardins was a leading financial institute of Quebec which provided services for 100% of province's population, issuing around 36% of consumer credits, 46% of home buyer's loans, 25% of commercial, and almost half of agricultural credits, accumulating around 45% of saving deposits of citizens of Quebec. At present, the movement Desjardins is the largest international organization of credit cooperation.

In 1970, in movement of national offices Desjardins saw the creation of department which worked with international projects and provided help for other countries in formation and development of national movement of credit cooperatives. In 2000,

the Society of International Development Desjardins led its activities in 25 countries, and beginning from 1994, it has been working in Russia.

Until 1920, the federal government of Canada stipulated the emergence of farm husbandries, issuing credits for purchase of land, equipment, cattle, and seeds. In 1929, a special department on agricultural credits was created. It was involved with credits charged upon land and property. Credits were primarily used for purchase of vehicles, fertilizers, land melioration, and current expenses.

During long years of existence of credit cooperation in Canada, large experience of effective crediting of farmers was accumulated. At present, the number of farmers which used corporate credits grows annually. Maximal size of credit for one husbandry with repayment time up to 25 years can reach USD 500,000 under the condition that 75% of cost of land, premises, and property of the farmer equal this sum. Around 10 – 15% of farmers which applied for credit are refused for the following reasons: farmer's over 46 (age limitation was introduced due to additional guarantee of borrowed assets return); bad indicators of economic activities for the past five years; lack of farmer's life insurance; low level of professional training.

Each year, around 400 – 500 farmers lose the land, other real estate, and property due to default on debt. As a result, the Federal agricultural corporation of Canada becomes temporary owner of land, real estate, and other property. According to the law on credits, this corporation is obliged to find ways of realization of farm husbandries, compensation of received credits, and expenses, caused by bankrupted enterprise within 5 years. Banking nature of corporation's activities with presence of government guarantee attracts not only Canadian but foreign investors. There is a special work group for improvement of the country's credit system in the Canadian Government [Khudyakova, 2007].

In the countries of the Latin America, peculiarity of agricultural credit cooperative activities is the principle of their creation due to state's initiative. While economic basis of first credit cooperatives of Europe was constituted by personal savings of citizens, in countries of Latin America it was state's assets which were used under the control of state employees as credit resources.

Such tendency for use of credit cooperatives and their unions for distribution of concessional credits, issued by country's government for development of agricultural production, observed in the countries of Latin America, is similar to the approach used in France. Thus, in Peru, structure of cooperative sector is a vertically integrated system.

Cooperative movement in India began in 1904. Its basis was the corresponding state act. Almost 45% of agricultural credits are issued through cooperatives. The share of cooperatives in manufacture of sugar constitutes 60%, of cotton yarn – 12%, cloth – 17%, milk – more than 50%. An important role in export of agricultural products belongs to cooperatives. Having achieved the level which could cover internal needs, the country began exporting agricultural products, including corn, rice, fruit, and dairy products.

In India, cooperatives conduct crediting of agriculture in remote villages. Also, there is cooperative & credit network in India which issues long-term loan for development of agriculture. Around 65% of rural population of the country are members of this cooperative structure. Receiving credits from the National Bank for agriculture and agricultural development, cooperatives not only provide financial help for farmers but perform measures for improvement of trade and activities of their members, thus weakening peasants' dependence on private money-lenders [Gallerani, 2004].

Financing of small business for the purpose of provision of rural population's employment poses special interest. Thus, women in the country receive initial capital from cooperatives. Simplified system of the credit acquisition allows women to adapt quicker to purchasing materials and household appliances for household work.

In the country, cooperatives take part in distribution of a range of food products, which are issued by the state for the poor. This shows that cooperatives are more and more involved into solving the social programs. Developing cooperatives horizontally and vertically, the Indian government provides financial help and moral support so they become responsible for production, scientific research, measures for implementation of innovational projects, and creation of infrastructure.

Peculiarity of development of cooperative sector in India consists in the fact that cooperatives were created by the government for realization of the set goals – for example, for distribution of credits with interest lower than that of money-lenders. At present, financial policy in the sphere of development of cooperatives is reconsidered in the direction of provision of autonomy with more responsibility.

In Japan, system of credit cooperation gained the largest momentum. Many cooperatives were created under the guidance of state employees. The law on cooperatives was passed in 1900, which was based in the German law of 1889. In 1906, credit cooperatives were allowed to combine credit operations with other types of activities. Cooperatives were under tough administrative control. Agricultural cooperatives traditionally preserve numerical advantage among other cooperative organizations. Relations of cooperation cover almost all rural population

and play an important role in sales of agricultural products and supplying the production means to agriculture.

Japanese complex farm economy includes four types of services: crediting, marketing, supply, and use of production means. Post-war many-targeted cooperatives united these functions. From that time on, such approach became a peculiar feature of movement in development of agricultural cooperatives of Japan. Women in Japan care not only for housekeeping and the state of family budget but take active part in management of farm husbandry. They organize women's associations of agricultural cooperatives for the purpose of improvement of medical service and increase of living standards. Women's associations have their opinions on the issue of cooperatives' work, and executive board members are obliged to take all necessary measures to take into account women's opinions [1].

As the number of young farmers in Japan grows, youth associations of agricultural cooperatives start to play more active role in the sphere of business activities, including the sphere of modernization of methods of farming. There is the National council of youth associations of agricultural cooperatives in Japan. Youth associations orient their members for cooperation and support for agricultural cooperatives, support new ideas and youth's striving for modernization of agrarian production and development of agricultural communities.

Complex approach to organization of production, starting from the stage of adjustment and finishing with product realization, allows individual farmers to increase their income. Cooperatives hold campaigns for development of self-provision with farm products and centralized purchases of perishable food, provide help with expansion of medical services, processing of food products, and provide consultation services.

Substantial share of cooperative credits is issued under concessionary terms with financial support of the state. The main financial institute is the central cooperative bank for rural and forestry economy. As a rule, cooperative credits are of short-term nature. Long-term crediting is provided by government programs of agricultural financing.

China deals with issues of cooperation between credit organizations and banking system. Changes in credit cooperation are observed in the context of reformation of agrarian economy. Agricultural credit cooperatives which stay in the structure of state agricultural bank of China were granted certain independence. Their functioning is based on general cooperative principles and is oriented at crediting of agricultural production. The share of credits to rural inhabitants in the total sum of issued credits should be no less than 50%. With significant level of state control, the

network of agricultural credit cooperatives of China is transformed into genuinely cooperative credit structures. They cover more than half of Chinese peasants. The share of agricultural credit cooperatives constitutes 60% of all credits for agricultural production, including more than 70% of loans to farm husbandries.

In South Korea, credit cooperation is highly developed, with almost each village having a credit cooperative. They actively attract population's savings. Initial cooperatives are united into the system managed by national organization, and the intermediary level includes regional departments of rural credit cooperation. More than 80% of farmers are members of initial cooperatives [Pakhomov, 2002].

At primary stages of development of agricultural credit cooperation, the state supported them with the budget funds. About half of the credit cooperation funds began reducing budget support, as the structure was able to work independently, based on population's deposits. Thus, in the countries, viewed in this part, there is a symbiosis of the approaches that were viewed earlier. While experience of development of credit cooperation in Canada is close to the German approach, in case of other countries it is possible to speak of the certain level of mix of German and French approaches. Together with positive moments of coordination of activities with government establishments as to the issues of provision of various credit unions by specially trained specialists and involvement into economic turnover of temporarily free financial resources of the state, it is necessary to mention that agricultural credit cooperation becomes a component of state financial system [Kozenko, 2008].

Current system of cooperative relations acquires – as it internal contradiction – danger of crisis of accessibility of financial resources, together with the rest of financial system of the state, instead of being an independent economic alternative which maximally takes into account population's interests. Experience of economic crisis in modern Russia, which didn't have the system of counterweights in the period of starting crisis, can prove this thesis.

3.1 Russian experience of development of rural credit cooperation and international cooperation

Organization of rural credit cooperation in Russia

The main organizations at national level which perform coordination of activities on formation of the system of rural credit cooperation in Russia are fund of development of rural credit cooperation and union of agricultural credit cooperatives. At present, the Fund of development of agricultural credit cooperation (FDACC) and the union of credit cooperatives play the role of financial center in the formation of the system of rural credit cooperation in Russia. Nowadays, the Fund

controls own and attracted resources equal to more than RUB 300 million and is a strategic investor of rural credit cooperatives.

Through credit cooperatives, the FDACC performs financing – on the return and paid basis – of rural manufacturers – shareholders of credit cooperatives, providing them with necessary means for development of production, purchase of forage, seeds, fuel, fertilizers, pesticides, machinery, cattle, and equipment.

Over the recent years of its work, the FDACC has been paying a lot of attention to support for regional systems which are the most important links to multi-level system of rural credit cooperation. In 25 regions of Russia, there are two-level systems of rural credit cooperation (cooperatives of the 1st level are united into regional cooperatives of 2nd level). Volgograd Oblast possesses the most developed regional system of rural credit cooperation [Balashova, 2012].

3.2 Cooperation of Russian credit cooperation with the society of international development Desjardins (Canada)

The society of international development Desjardins, with the center in the Francophone Canadian province of Quebec, provides help for more than 25 countries of the world. Beginning from 1994, such help has been provided to Russia. At present, the third five-year program for restoration of the system of credit cooperatives in Russia is underway. The project is financed by the Canadian government as a part of the program for support for countries of Eastern Europe. This project has two levels.

Beginning from January, 1994, the society of international development Desjardins has been working on the project of development of credit unions in Volgograd Oblast. The main purpose of the project was to provide Russian population with access to loan and deposit services and propaganda of credit cooperatives, which had to help people to understand advantages of this type of financial institutes and make them develop their network in the region. This was ensured by highly qualified specialists from Canada who give free seminars and consultations for interested parties. The second, regional, phase of the project is in its 4th year: the society of international development Desjardins realizes the system of support for credit cooperatives in Volgograd Oblast through its Fund in Moscow.

Like the first stage, the second stage of the project is financed by the Agency of international development of Canada and implemented by the society of international development Desjardins. The projects will see the works for centralization and support for created network of credit unions in Volgograd Oblast and usage of accumulated experience of creation of credit cooperatives in four other countries. The project also supposes providing help for two national structures

which deal with problems of credit cooperation – National Union and Union of rural credit cooperatives [Kozenko, 2007].

This process also included involvement of the Canadian experts on a short-term basis. The project included introductory educational programs for employees of credit unions and all interest parties, preparation of business plans and marketing campaigns, institutional arrangement of activities of selected regional associations, support for contacts at national level, and receipt of particular consultation help from Canadian experts [Yanbykh, 2011].

During joint work on development of the network of credit unions, the society of international development Desjardins provided consultation help for organization and creation of credit cooperative. Large experience of society of international development Desjardins allowed seeing that some of the created cooperatives were doomed for failure from the very beginning, as it was necessary to observe minimal norms and standards which corresponded to cooperative environment – especially in the sphere of protection of population's savings – while they began seeking their own purposes in the work [Yanbykh, 2011].

4. Russian-American program of financial support for rural credit cooperation

Russian-American program of financial support for rural credit cooperation has been working since 1998. The purpose of the program is to support the development of the system of credit cooperation in Russia through provision to rural credit cooperatives of direct loans for issuing credits to their members. The program aims at creation of reliable source of loan capital which allows agricultural manufacturers to finance their current activities and increase its effectiveness.

Management of the program is performed jointly by Russian and American parties and involves the following companies: from Russian side – the Fund of development of rural credit cooperation, from American side – ACDI/VOCA company. The assets for the program are provided by the USA. According to the Program, the main part of assets (80 %), aimed for loans to rural credit cooperatives, is provided for development of agricultural production, and the rest – (20 %) – for processing, storage, and realization of agricultural products [Khudyakova, 2003].

Within this program, loans are provided on a repayable basis for no more than 12 months under the condition of guarantee. Maximal size of loan which can be issued to rural credit cooperative is limited and cannot exceed 10x size of unit fund of cooperative. Maximal size of loan which can be issued to particular member of cooperative cannot exceed USD 5,000 in the ruble equivalent. The size of loan, issued to any borrower, cannot exceed 70% of market value of a pledge [Kozenko, 2008].

5. TESIS program

TESIS is a program developed by the European Union for new independent states (former republics of the Soviet Union, excluding the Baltic states) and Mongolia for the purpose of supporting the development of harmonic and close economic relations between the EU and these countries-partners. In June 1999, the realization of the Project "Strategy of development of rural credit cooperation and pilot projects" began, the main aim of which is to support the creation of initial rural credit cooperatives and rural credit cooperative structures at federal and regional levels. The Russian partners are Ministry of Agriculture of Russia and the Union of agricultural credit cooperatives. The project is performed by the ABG GmbH consortium (Germany) and Credit Agricole Consultants (France).

The main goal of the project was to support the creation of functioning and working system of credit cooperatives in the country, which included creation and support for initial rural credit cooperatives in pilot regions of the Russian Federation; improvement of legislative basis. Offices in Moscow and four pilot regions were created; they provided technical support and consultations for creation of new rural credit cooperatives and for management of existing rural credit cooperatives, as well as support for development of credit cooperation structures at regional and federal levels through provision of consultative and material support. There is also support for improvement of legislative and normative basis for agricultural credit cooperatives, together with federal ministries and regional administrations. Besides, the project helped the agricultural credit cooperatives to get access to external sources of credits from international donor organizations and banking sector [Kozenko, 2001].

6. Conclusion

Thus, generalizing global experience of development of agricultural credit cooperation, it is possible to distinguish – from diversity of cooperative projects – the main qualitative aspects of their successful development which consists in cooperative's emergence through the initiative from below, as a reaction to direct needs for credit resources from rural population of certain territory. At that, large role during initial emergence of project is played by horizontal ties of shareholders, which result in democracy in cooperative management, effective methods of scoring, and formation of long-term economic relations, based on trust, which are a practical manifestation of the principle of ethical economy. When projects of agricultural credit cooperation are created without regard to these principles or lose them in the process of their further development, they either stop existing or turn

into ordinary banking structure which serves the interests of large business and belongs to the system of agricultural credit cooperation only technically.

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