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Agricultural cooperatives remaining competitive in a globalised food system: At what cost to members, the cooperative movement and food sustainability?

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Abstract

There are more than 40,000 agricultural cooperatives (ACs) in Europe with 9 million farmer members and over 600,000 workers. Due to the democratic nature of the cooperative form, it is assumed ACs empower their members and allow small farmers to have a stronger voice in the supply chain. However, much of the academic literature on ACs focuses on the economic analysis of their performance, while hardly any research has been done on analysing the impact that policy, long supply chains and the internalisation of the food system have on members and labour dimensions. This paper contributes to covering this gap by analysing how ACs are being shaped and misshaped by the European farming policy context and the architecture of global food systems. Following Schneiberg’s thesis on social movements being a condition for processes of diffusion and mutualism, the paper reflects on critical issues in organisational studies related to ACs, the cooperative movement and sustainable food systems. Case studies from Spain and UK illustrate the Northern and Southern European perspective. The concept of deviant mainstreaming is applied to discuss how ACs are being co-opted and losing their transformative potential as a result of pressures to remain competitive, with effects on members, social justice and the environment. The findings suggest policy changes at the European Level and the increasing internationalisation of the food system is fuelling the amalgamation of ACs, which is threatening their local embeddedness, and creating organisational tensions between the local, co-operative space and the global, capitalist space.

Key words: cooperatives; social movements; diffusion; farmer members; food sustainability; UK; Spain; farming policy; deviant mainstreaming; mutualism
Introduction

For decades, organisational studies scholars have been researching collectivist organisations, their potential to challenge existing capital-labour relations, as well as their effect on, and how they are affected by, political dimensions (Rothschild and Whitt, 1986; Schneiberg, 2013). However, despite their social and economic significance, cooperatives have received insufficient attention from critical management and organisation studies scholars, who by default take large for profit organisations as the unit of their analysis (Kokkinidis, 2014; Safri, 2015). This is even more so in the case of agricultural cooperatives (ACs), a type of organisation and subject of study clearly dominated by the economic discipline (Wilson and MacLean, 2012). The economics literature has shown an interest in studying finance, governance, and board and investors’ control in ACs (Cook et al., 2004; Ortmann and King, 2007; Chaddad, 2009). Hardly any research has been done on analysing the impact that farming policy, long supply chains and the internalisation of the food system have on members, labour, food sustainability and political dimensions (Mooney et al., 1996; Stofferahn, 2010; Gray, 2014a; Ajates Gonzalez, 2018).

Scholars studying alternative organizations including cooperatives normally place the focus on worker-owned cooperatives, highlighting their potential for transforming labour relations, the economy and society more generally (Cheney et al., 2013; Böhm et al., 2014, Parker, 2017). Most worker cooperatives are embedded on social movement discourses and their local areas (Cheney et al., 2012; Böhm et al., 2014; Parker, 2017). What happens however when cooperative members do not share working time and spaces, and their focus on growth dramatically takes them away from their original localities? As presented in the paper, this is the current standard situation large agricultural cooperatives find themselves in.

Despite the interest in worker cooperatives, food producer cooperatives account for a larger share of the cooperative economy (Wilson and MacLean, 2012). Agriculture is in fact the largest sector by annual cooperative turnover, with more than 39%, or €347 billion, of the total annual cooperative turnover in Europe, followed by retail with nearly 30%, or €264.38 billion (Cooperatives Europe, 2016). Cogeca, the European body representing ACs, has over 40,000 cooperatives on its books with a turnover of approximately €350 million (Cogeca, 2015). European ACs employ about 660,000 workers and have 9 million farmer members (Tortia et al., 2013) supplying more than 50% of agricultural products and more than 60% of the collection, processing and marketing of agricultural products (Bijman et al. 2012).

There is a huge diversity of informal, and non/legally incorporated cooperative initiatives, from informal buying groups (Kneafsey, 2015), Community Supported Agriculture (Böhm et al., 2014), to multi-stakeholder cooperatives (Lund, 2012; Ajates Gonzalez, 2017). In this special issue, I have chosen to focus on conventional ACs with a single type of member i.e. farmers, to interrogate the general assumptions that the power of a large cooperative directly reflect the efficacy and increased freedom that individual farmer members have, and that ACs are by default, active and part of the wider cooperative movement.

Cooperatives have to compete in capitalist relations that put pressure on their democratic values. These “dual realities” of cooperatives (Parker et al., 2014) reflect the imbalance between their internal principles and the external context in which they have to survive. In the case of ACs, the grounded and locally-embedded food growing activity clashes with increasingly internationalised and competitive farming and food retail markets. This research considers the following questions: How do these contrasting dual realities
of ACs play out in a global food system? What is the effect in AC members and labour relations when not only social and economic realities are at play, but also the reality of climate change? And more importantly, how has the adaptation to the global economic and policy frameworks in which they exist affected their transformation potential and connections with social movements? To answer these questions, the paper is structured as follows: after this first introduction to ACs and some statistics on their central role in European farming, the theoretical framework of the research is presented. Next, the methodology section offers a rationale of the choice of the two country studies, Spain and UK. Two case studies of ACs are then analysed, followed by a discussion of the findings and conclusions.

**Theoretical Framework**

While most of the academic literature dealing with ACs do so from an economic lens (Gray, 2014a), this paper provides a novel angle by framing its analysis from an organisational studies perspective. The research follows Schneiberg’s thesis on social movements being a condition for processes of diffusion and mutualism in order to consider on how critical issues in organisational studies related to ACs, the cooperative movement and sustainable food systems (Schneiberg, 2013). Diffusion refers to the spread of practices within a social system, including behaviours, strategies, beliefs, technologies, or organisational process, values and structures (Strang and Soule, 1998). Diffusion studies have historically investigated the introduction and adoption of an innovation (Boxenbaum and Jonsson, 2017). In this paper, diffusion is applied to the analysis of the spread of changing cooperatives practices in agricultural systems in the context of mutualism. Mutualism refers to an alternative form of economic organisation, namely common ownership of the means of production or shared resources (material or financial), with the aim of providing mutual benefit and risk protection to members (Birchall and Simmons, 2004).

In his study of cooperatives across states and industries in the United States, Schneiberg found that anti-corporate movements are political conditions that help inspire, sustain and realise organisational processes of change towards diffusion and mutualism. Cooperative innovations are commonly identified as threats by corporations and/or other elites, whose fierce reaction is to present a strong opposition to suppress them and maintain the status quo. At this point when innovations are contested, social and anti-capitalist movements serve as “political forces that magnify or ‘turn on’ diffusion effects, enabling or accelerating the spread of controversial forms” (Schneiberg, 2013:655). When threatening forms are contested, institutional change will not result from conventional organisational processes of mutualism or diffusion alone; rather, Schneiberg argues, change will depend on the combination of these processes with sustained and effective mobilisation by movements for alternatives (Schneiberg, 2013:675). In this paper I apply this thesis to the perpetuation of certain cooperative practices in European farming.

Cooperatives are four times more likely to be described as ‘fair’ and ‘honest’ compared to public limited companies (Wilson and MacLean, 2012; Cooperativas Agro-alimentarias, 2013). However, ACs offer a not so clear picture (Berthelot, 2012; Kontogeorgos et al., 2017). At first sight, ACs present quite radical and anti-capitalist features, including allowing members to make savings by collectively purchasing inputs and paying for expensive infrastructure individual farmers would not be able to afford, as well as accessing training and shared policy and agronomy advice (Bijman et al., 2012). Due to the democratic nature of the cooperative form, it is also assumed ACs empower their members and allow small farmers to be more vocal and have a stronger voice in the supply chain. Following Schneiberg’s thesis, ACs should have met
substantial opposition from private agri-food interests, yet, current statistics show ACs are far from a fringe organisational model, but a dominant actor in European farming.

It is important to take stock of what cooperative dynamics ACs are diffusing and legitimising. Another question that emerges is how ACs have managed to continue to grow in numbers and power when, in theory, they represent an alternative way of doing business in opposition to dominant capitalist models in global food and farming trade. This paper suggests ACs’ practices and modes of cooperation are not a straightforward reflection of an idealised cooperative discourse. A useful lens to study how elements of alterity can be used by cooperatives to transform the wider neoliberal system while keeping afloat in it, is that put forward by Arthur and colleagues (2008) on deviant mainstreaming through internal dynamics that create autonomous transformative social spaces. This term captures the internal strategies of organisations trying to sustain a degree of alterity while remaining financially viable. To be successful while true to their values, organisations attempt to remain “deviant” and continue to enact a reflection of the prefigurative politics they would like to see in wider areas of society (Sutherland et al., 2014) while surviving in the dominant capitalism system (Arthur et al., 2008).

The authors coined the term complementary incremental radicalism to weave together the process and outcome of organisations applying deviant mainstreaming; it refers to the organisations’ capacity to inspire others, resulting in more transformative spaces becoming “emancipated” and creating the conditions for being “more widely challenging of the processes of domination” (Arthur et al., 2008:31). By providing a visible alternative, they create the conditions for like-minded organisations to evolve and challenge the current status quo (Arthur et al., 2008). However, when the pressure to compete gradually erodes the deviant elements of ACs, they can enter a dynamic of mainstream diffusion, which involves standard diffusion processes that involve practices that are no longer deviant or transformative.

These concepts can both explain counter cooperative-degeneration realities as well as degenerative ones in which ACs no longer resemble grassroots and transformative cooperatives (Gray, 2014b). As ACs become larger as a response to competition and to take advantage from economies of scale, governance and member participation become more complex (Pearson and Parker, 2016; Birchall, J., 2017; Nilsson, 2018). These tensions are also present in the constantly contested international policy boundaries and spaces created by the multilevel governance of the global food system. ACs have to navigate internally with members and externally with representative bodies a wide range of national, EU and international policies. It is important to analyse the impacts these tensions driving amalgamation and internationalisation are having in ACs and their members.

**Methodology**

**Rationale for the selection of the case studies**

Since the Common Market was created, a geographical pattern in the European AC sector has emerged: more consolidated single-sector ACs in Northern Europe (including some multinational cooperatives) in contrast to more locally-embedded and with a higher number of multi-sectorial cooperatives in the South (Bijman et al., 2012). However, concentration of power and market share of ACs is also common in
Southern Europe, where although atomisation of the AC sector is widespread, a handful of large ACs account for most of the cooperative trade (Bijman et al., 2012). The overall trend seems to be for increasing concentration, with fewer but bigger cooperatives and a growing number of transnational ACs with members in more than one country (Bijman et al., 2012). To represent both the Northern and Southern European dynamics, Spain and UK were selected as country studies. Their rich historical and socio-economic differences and some present policy similarities make these two country studies a thought-provoking entry point to explore labour and organisational dynamics in ACs. First, it is revealing to consider the differences.

The UK was the first country to undergo the Industrial Revolution, have formalised cooperatives, and a highly industrialised agricultural sector. The UK was the second country after Denmark to consolidate farming, and by the 1980s, the UK had the largest farms in Europe. However, agricultural cooperation developed less and more slowly than consumer and industrial cooperation. UK cooperativism flourished in retail, as the bulk of the working population was formed of industrial workers who had to buy their food and other goods. Peasants became factory workers and consumers. In Spain, however, the movement had more political weight owing to the still high proportion of the population living off agriculture at the time, and the spread of anarchist and communist ideas. In contrast to the UK, Spain was one of the last 17 Eurozone members to industrialise agriculture (Simpson, 2005). More recent disparities in farmers’ needs for marketing during the second half of the 20th century were another factor affecting farmers’ incentives to cooperate. In the UK, a much bigger average farm size and better developed retail sector with a greater degree of vertical integration decreased UK farmers’ need to cooperate, unlike their Spanish counterparts, who had to find a way into the market for their products. The effects of multilevel governance manifested themselves during the paradigm shift that took place in both countries when they had to get their agricultural sectors ready to join the EC, replacing their mandatory bodies with voluntary organisations to comply with EU competition law. The changes were even more dramatic for Spain, where, after many decades of autarchy, the country opened its borders and swiftly became a key exporter to the European market.

In the UK, there are 420 (down from 621 four years ago) ACs in the country (Co-operatives UK, 2019), providing approximately 8,000 jobs (Co-operatives UK, 2017). Vertical cooperation in the supply chain is prominent. In Spain there is a long cooperative tradition in this Mediterranean country, which has the second strongest cooperative economy in EU, accounting for 2.2% GVA/GDP and 4.3% of employment. Spain has 4,000 ACs providing approximately 100,000 jobs (OSCAE, 2015).

These two countries also share some similarities in their approach to AC policies. Both countries have undergone relatively recent cooperative legislation changes: Spain introduced a new law to promote mergers and acquisitions in the AC sector in 2013 (MAGRAMA, 2013). In 2014, the Liberal Democrats and Conservative Coalition government in the UK approved the Co-operative and Community Benefit Societies Act 2014, bringing cooperatives on to the political agenda to combine 17 pieces of different legislation that had not been updated for decades (UK Legislation, 2014).
Multi-level methodological approach

The bulk of the literature on ACs focuses on the economic dimension of transaction costs due to democratic governance models of these organisations. For this reason, an existing economic-based methodology was not adequate for the purpose of this study. The research presented in this paper is interested in the labour, organisational, socio-economic and sustainability related conflicts and contradictions that large ACs are encountering, and how this is having an effect on their members, social justice in the food system and the environment. To cover these dimensions, a multilevel approach to data collection was followed:

1. **Macro level**: national and European level (Phase 1), focused on national and EU policies relevant to cooperatives and food policy. This level related to the role public policy has in shaping ACs’ practices. Macro data included AC statistics from government, EU and industry reports, as well as academic literature and public policy documents.

2. **Meso level**: organisational case study (Phase 2), focused on the cooperative organisation, including longitudinal data from their history and origins to nowadays, as well as current statistics about their members, operations and turnover.

3. **Micro level**: Individual accounts of cooperative members’ experiences (Phase 3); this final level of analysis aimed to collect and analyse cooperative members’ points of view about the role of ACs and their reasons for joining; investigate the subjective views and experiences of members and policymakers regarding differences amongst ACs.

In total, 41 interviews were conducted including both ACs’ members and other relevant actors. Although all were included in the analysis, not all are specifically referenced or quoted in the text. A smaller group of 12 interviewees familiar with the case studies provided their specific perspective on the ACs. The interviewees were selected from each of the following categories based on an advanced version of the food policy triangle (estate, industry and civil society) proposed by Lang et al. (2009):

1. Industry
   1.1 Large cooperatives (included in the country top ten lists)
   1.2 Alternative food system cooperatives
   1.3 Industry representative bodies/unions
2. Government
3. Academics
4. Civil society

For MVF, a long standing member, a policy maker, an official from a cooperative representative body, an academic and a farmers’ union representative were interviewed. For Anecoop, a policy maker, two members of staff, two NGOs members, an academic and a farmers’ union representative were interviewed.

To take into account both the content and the context of documents, I followed Braun and Clarke’s six phases of Thematic Analysis (2006); the emerging themes are presented in the next section. Additionally, triangulation of data sources, data types and informants was used to support the case study research principle that calls for phenomena to be viewed and explored from multiple perspectives (Denzin and
Lincoln, 1998). Triangulation dimensions included: a) data types: different data sources and informants were consulted; b) data collection methods: interviews, desktop research and fieldwork; c) cross-country research: by exploring the same research problem and questions in two very different countries, an extra layer of data triangulation was added by the cross-cultural dimension of this study, which also contributes to the depth and richness of the findings (Hantrais, 2014).

Case studies

UK Case Study: From Farmway to Mole Valley Farm

Farmway was an agricultural merchant formed in 1964 from the amalgamation of three ACs, namely, Teesside Farmers, Northern Farmers and East Yorkshire Farmers. In its early days, Farmway had approximately 2,000 members, and it was the leading agricultural and rural retail business in the north of the UK, specialising in animal feed, the processing and dressing of cereal seeds, fertilisers, and also the drying, storage and marketing of grain. In 2013, Farmway was bought by Mole Valley Farmers (MVF). The acquisition of Farmway meant MVF expanded its geographical presence, and the AC now operates from Cornwall to the Scottish Borders.

MVF was founded in 1960 by a small group of farmers around South Molton who were concerned by the discriminatory practices and the large margins being taken by many of their input suppliers. Today, MVF is the fourth largest farmer-controlled business in the UK by turnover and the top supply cooperative (Oxford Farming Conference, 2014) owned by more than 8,000 farmer shareholders (Co-operatives UK, 2017). In contrast to Farmway, MVF decided to bring in a new customer base by going into retail and selling a wider offer of products, including horse-riding gear, clothes, pet food, shooting equipment and garden and homeware, to reach beyond farmers to a wider audience of non-members.

MVF has ten Mole Valley Farmers branches and three Bridgman’s stores across the south west, 38 Mole Country Stores, two Cox & Robinson direct farm outlets in the south and east of England, and 11 manufacturing sites across England and Scotland (MVF, 2016). MVF has a focus on precision technology and on continuing to grow and develop (MVF, 2016). MVF’s family of enterprises also includes: Molecare Veterinary Services, Renewables, Farm Buildings and Mole Valley Forage Service. In 2015 MVF’s accounts report, Farmway made a positive contribution to MVF’s financial results in 2014. However, as the report highlights, the underlying results fell short of the expectation of managing the transition of these investments into profitable growth-oriented contributors (MVF, 2015), highlighting their focus on growth. In the 2017/2018 season, MVF’s attempt to acquire Countrywide Farmers culminated in the Competition and Markets Authority ruling against the purchase (MVF, 2018).
**Spanish case study: Anecoop**

Anecoop, a second-degree AC with 70 associated cooperatives across Spain, is the largest AC exporter of citrus fruits in the world and the second largest wholesaler, exporting about 80–90% of its production, mainly to the EU (Anecoop, 2019). When asked how many different crops the AC commercialises, one of the representatives said, laughing, “I don’t know, I can’t remember, everything that grows on soil”, which is pretty much correct judging by the catalogue on their website: all sorts of fruits, vegetables and wine (Anecoop, 2019).

Anecoop was founded in 1975 by a group of 31 citric cooperatives from Valencia to gain negotiating power with retailers, and to be able to deliver big contracts with other countries that no individual cooperative could access owing to geographical and size limitations (Planells Orti and Mir Piqueras, 2004). The cooperative exports its produce to 70 countries and was an early adopter of internationalisation strategies; its first subsidiary company to carry out marketing operations abroad was set up in 1978–9 in Perpignan, France.

The 31 original cooperatives became 109 in 2004. By 2015, Anecoop had 71 cooperatives; some of the existing ACs merged into larger cooperatives; others were allowed to go out of business (Planells Orti and Mir Piqueras, 2004). Despite the reduction in its number of cooperative members, volume and trade have continued to grow. Their latest accounts (Anecoop, 2019) report a team of 72,670 people, of whom 25,803 (down from 28,206 in 2015) are farmer members, 22,588 (up from 22,300 in 2015) are members in other types of service, and 24,279 (up from 19,687 in 2015) are workers. Members are required to trade a minimum of 40% of their produce with Anecoop, although many trade more than that figure. The destination of the remaining percentage is negotiated with the cooperative to avoid sending it to the same market or buyer. Anecoop defines its strategy as based on permanent adaptation and innovation, quality, efficiency and growth (Anecoop, 2019).

The data presented in this paper focus on Anecoop in Almeria. This branch of Anecoop was chosen for its geographical location in one of the regions of Spain – Almeria – where farming is highly embedded in the intensive paradigm and global international markets. Almeria is an Andalusian province known for its miles and miles of plastic greenhouses along the coast. The explosion of greenhouses began in the 1960s. Before then, the coastal area in the southern part of Almeria did not have a significant pre-existing cooperative culture or significant commercial agricultural activity (Giagnocavo, 2012). During the 1960s and early 1970s, underground water found under some 30,000 hectares gave the area the status of a designated zone of national interest; soon, Franco’s regime introduced wells and basic pumps in an attempt to increase agricultural production (Giagnocavo, 2012). The first greenhouse was built in 1961 and by 1976, 3,081 hectares were covered in plastic; this area grew to 9,657 hectares by 1984 and doubled to 18,694 in 1999 (Sánchez Escolano, 2013). The figures from 2015, reveal an ongoing expansion, with the area dedicated to intensive greenhouse cultivation reaching 29,596 hectares, it is one of the few human-made constructions, commonly known as the “sea of plastic”, visible from space (Europa Press, 2015). Another reason for selecting this case study is that Anecoop shares an experimental farm with the University of Almeria (by far the largest in Spain), where new trials are tested for the market in collaboration with multinational agri-input companies and for international retailers (Anecoop 2013; Fundacion Finca Experimental, 2013).
Findings

Amalgamation and integration: The battle against middle ACs and effects on cooperative membership

Farmers’ decision to legally incorporate or be part of informal models of agricultural cooperation is shaped, among other factors, by the policy context at the time. Owing to the complicated policy arena where domestic and international levels of food governance often clash (Lang et al., 2009), farmers have to negotiate CAP subsidies, competition law regulations and EU directives. The following quotes illustrate how they pursue of vertical growth has pushed both Farmway and Anecoop to follow similar strategies as private companies:

*Yep, they were just merging, they weren’t federating, they just merged together and largely that was because of the financial pressure on the small ones, you know, I know Farmway was formed because basically the three it was made up of couldn’t, just basically couldn’t survive, the financial pressure. (Farmway member)*

This quote highlights the issue of imposing the same performance indicators as in private profit making organisations. In the case of Anecoop, a couple of interviewees external to the AC mentioned in their interviews that the cooperative had been losing members recently. This was an interesting point not covered by the interviewees from Anecoop until they were directly asked about it. This was their answer:

*Well, the majority of members we have lost is because they haven’t integrated themselves, because there have been cooperatives that have absorbed and integrated each other and there are others, logically due to their dimension, that not having integrated themselves in first-degree structures have disappeared for lack of viability, but we are continuing to do more volume with fewer members. (Anecoop rep. 2)*

Interviewees from cooperative representative organisations pointed out that, although the EU is not able to dictate the legal form of farmer enterprises, it is actually, through subsidy signals, fuelling forms of cooperation that neglect the cooperative principles, either by focusing on capital, not members, or by providing funds to Producer Organisations (POs) and other looser cooperative forms (Bijman et al., 2012). In this sense, EU policies have cognitive effects on the strategies of societal actors and their incentives to mobilise and/or build coalitions and collaborate (Skogstad, 1998). Those effects also take place at the national level, through domestic policies and legislation. A high degree of polarisation in the AC sector is leaving behind small and medium ACs in favour of more financially competitive and larger ACs (Gray and Stevenson, 2008). In Spain, the government is actively promoting the mergers of uncompetitive medium-sized cooperatives in order to improve the efficiency of the Spanish agricultural sector (and the efficient administration of subsidy payments). At the opposite end, large ACs are benefiting from subsidies and rewards when they increase their size.

*I have a very small spectrum, roughly 10 cooperatives: Anecoop, Conen, Guisona, Decoop, Baco, which are going to merge next week . . . ok, say 20. Then at the other end I have 4,000. This is really, really sad. Here I have 2,000 that are garage cooperatives, 9 subsistence ones, of “the virgin such and such” [. . ] and the ones in the middleeee, the ones in the middleeee [in an annoyed voice] are the ones I want to catch. (Spanish policy maker)*
Smaller cooperatives such as those you are telling me about [referring to small alternative multi-stakeholder cooperative models], fantastic, but with that model, 4,000 cannot survive. Those that already have that model, fantastic, we provide them with certain services, this is not an issue that worries us. Those at risk are those that are not big and are not small. Right now they don’t export but they are not able to sell all their production [. . .] we need to look at [those with] 300 members who are not ready to export and don’t know what to do with their product, they are under-selling it. But the other ones, fantastic, we are not aiming to make all of them like Anecoop [. . .] apart that not all consumers are willing to pay for organic production, and here in Spain even less, so they are compatible. (Cooperativas Agro-alimentarias rep.)

We have been trying for a long time that fewer ACs exist. For us it is not an achievement that there are 4,000 ACs . . . and if there were 5,000 it would be a disaster. What we are trying is to have 3,000, and if it is 2,000 better and 1,000 even better. (Cooperativas Agro-alimentarias rep.)

The image of modernity for the sector is heading towards a future with fewer but larger ACs that can compete in the European and international markets and have enough power to negotiate conditions with large supermarkets. The following quote, however, reflects how embedded in the Spanish countryside the AC culture is, and how far from this top–down modern vision the sector actually is:

It is not a problem of the cooperatives, it is a problem of the agrarian structure of Spain, very, very atomised. But it is not a problem of the cooperatives. Who hasn’t got a cooperativist granddad? Who hasn’t got a granddad that owns half a hectare in a village? What is that good for? NOTHING! And then you have the Anecoop model that is a monster. So then I have these and these other ones. And then I have these in the middle; my policies go to the ones in the middle. To the guy who’s got a cow in the garage, against him, I can’t do anything. To the big ones, in reality the policies should not bother them, they are going to serve them as small levers. But to those in the middle, I’m going to try, I shouldn’t say it but this is what it is, or get them out of the market so they stop bothering, or get them to integrate in stronger market strategies. (Spanish policy maker)

This comment reflects the retaliation effect predicted by Schneiberg that takes places when new or alternative organisations directly challenge elites and perceived as threats to market or political order. In these cases, corporations and other elites make use of different mechanisms, bad publicity or policies to suppress them (Schneiberg, 2013) and reduce their deviant characteristics (Arthur et al., 2008). Continuing on the topic of vertical expansion for competitiveness, for Anecoop, increasing size is a trend that the participants saw as ongoing, as the next quote suggests. Interviewees were asked: Where do you see Anecoop in 5 years’ time?

“I: In 5 years . . . [thinking] I still won’t be retired . . . [laughs]. Let’s see, we have an integration project, that although it does have a certain parallelism with the cooperative law, what tries is, well, to increasingly integrate members in the structure of Anecoop, integrate the business management, so, where do we see it? I think it’s a simple survival logical way of looking at it, we have to continue growing, we have to continue growing.

R: In trade or members?

I: In everything. It would not worry us not to grow our members as long as our members’ dimension continued to grow. We would not mind in 5 years’ time to have instead of 72 cooperatives, have 50 but that those 50 made more volume than the 72.

R: So it’s growth in terms of volume?
This extract reflects how the focus is placed on turnover growth rather than number of members and efforts to support local growers. In fact, the fewer but larger and more “competitive” members, the easier to agree on decisions and implement consistent standards across the board. Both ACs exemplify the increasing preference for growth through mergers and acquisitions, even if expected results are not always achieved (Encina Duval et al., 2011 and Meliá-Martí and Martínez, 2014). It seems ACs are no longer perceived by most as transformative, but as functional enterprises aligned with the aims and logistics of the productionist paradigm. In Farmway, for example, members seem to be perceiving their AC more as a shop than the farmer-led initiative that in its origins changed their families’ lives:

Even then, the fact that it was a cooperative was weakening in the minds of its members. The fact that it was a good agricultural merchant was the driver really, rather than it was a cooperative. I have a rule that is the father, son and grandson rule. The father sets up the cooperative; the son keeps with it because he thinks he better keep father’s thing up, and the son marries in it but he starts to wander off a little bit, he doesn’t buy everything and his son basically packs everything up [. . .] The grandson, yes, the grandson . . . The real thing is the grandfather is the only one that experienced the problems that were there when there wasn’t a cooperative and therefore set the cooperative up and of course, the son might have done something to, you know, he might have listened to his father talking about and so on, but then the grandson, you know, things have moved on since then and go in a different way. (Farmway member)

This quote highlights the lack of organisational memory of original struggles that motivated the creation of ACs. By not being part of the struggle and the negotiation of the rules and the culture of the AC, new members feel more like customers than owners if no education programme to keep that knowledge alive is introduced. The lived experience of setting up an AC seems to contribute to a deeper commitment to the transformational potential and roots of cooperatives and the links with the cooperative movement.

Multilevel policy changes: Fostering competitive or cooperative labour relations in ACs?

The introduction of multi-level European governance brought the re-emergence of agricultural cooperation in the UK (late 1960s) and Spain (mid 1980s) as a driver to resist competition from, and take advantage of the newly formed Common Market, strengthening export potential. EU policies have promoted and subsidised the formation of farmer-owned enterprises in member states; however, nowadays, the cooperative model is currently being superseded by a different model of cooperation that the EU is indirectly promoting through CAP subsidies that can gain acceptance in all member states (including new Eastern European countries that still have a distrust of the cooperative label owing to their communist regime history). This model is conveniently unregulated and increasingly liberalised, i.e. POs. A PO can either be legally incorporated as a cooperative or not; it is not a requirement to access subsidies (Bijman et al., 2012). The consistent contradictory message is that farmers should both compete and cooperate, now promoted and encapsulated in the term “co-opetition” (Galdeano-Gómez et al., 2015).

Navigating the European policy arena to secure subsidies has also contributed to a growing lack of connections with the cooperative movement. This quote from a representative of the International Co-
operative Agricultural Organisation, a sector of the International Cooperative Alliance indicates this development:

“In developed countries, ACs are very focused on their business. I know they used to be very strong members of the ICA, but the ICA could not provide any profit for their business, so they withdrew all their members, so we don’t have many ACs in Europe [...] Specially in the EU there is the CAP, so in the European regions, ACs are more concerned about the CAP and they want to be more involved in the lobbying and the decision making in the EU.” (ICAO rep)

Beyond the CAP, the current discourse in most European countries is based on the perception of the state as a facilitator and the need to encourage farmers to become more entrepreneurial and business-like. Lockie (2009) has pointed out that this strategy is a means by which government can transfer food production responsibility from the state to farmers, also transferring accountability. If ACs are presented and used to concentrate farmers and produce, we lose sight of their radical social and political transformative potential. Dominant and instrumentalist images of ACs become diffused, with impacts on policy, and on the way the majority of farmers understand ACs and cooperation more generally. The concern that arises is that, as Jermier and Forbes have pointed out, once a dominant way of seeing becomes deeply engraained, it closes off alternative ways of seeing (Jermier, and Forbes, 2016). The diffusion of the capital-centred AC reduces the opportunities for incremental radicalism (Arthur et al., 2008). It is important, for this reason, to visualise alternative cooperative relations that are more conducive to creating sustainable relations amongst humans and the environment (Jermier, and Forbes, 2016).

When operating in international markets, the traditional local embeddedness of ACs suddenly becomes an unnecessary constraint that interferes with mobility of capital (Gray, 2014b) captured by a new economic rationality (Polanyi, 1957). This mismatched existence between spaces comes at a cost. As a result of international operations, ACs expand geographically to access new markets and remain competitive, losing their local identity and uniqueness and adding “another layer of distance – physical distance – between members, member governance and cooperative decision-making” (Gray, 2014b:26) as well as consumers.

If success metrics usually applied to private capitalist firms are imposed in ACs, the cooperative logic is lost, with vertical growth strategies and quantophrenic measures such as return on investment, becoming standard proxies for performance (Ajates Gonzalez, 2018). Safri (2015) has highlighted how these performance indicators are then distilled into models that are disseminated across public and private institutions, such as universities, consultancy firms and policy makers, perpetuating the same models and imposing the same performance indicators to organisations such as cooperatives, which originated to perform in alternative ways. A 2012 extensive European Commission study concluded that to compete in the farming markets, ACs’ strategies need to be similar to the ones the two case studies in this paper are following, i.e. vertical growth and capitalisation (Bijman et al., 2012; Giagnocavo and Vargas-Vasserot, 2012).
Lock-in cooperation hindering sustainable practices: Industrial and long food supply chains are difficult to escape

Interviewees reported that many farmers, while acknowledging they could not survive financially without being members of ACs, feel trapped in ACs that have a model of intensive agriculture for exports (McCarthy et al., 2017); this represents a social and political issue, not a technical one. Many ACs seem to have become active agents and victims of short-term pressure, pushing their members to produce faster and more intensively. Uniform produce fit to endure long travel distances until the place of consumption fuel local disembeddedness, intensive methods and affect environmental sustainability.

In their systemic review of the literature of the models of evaluation of the sustainability performance of agricultural cooperatives’ operations, Marcis and colleagues identified that, as with performance indicators, most sustainability evaluation models for cooperatives do not address sustainability in an integrated way, with a predominance of economic and social aspects and a neglect for environmental dimensions (Matthews et al., 2016; Marcis et al., 2018). The quest for more efficient, cost effective and faster processes displace efforts on bigger questions such as those related to biodiversity, depletion of natural resources and power imbalances. ACs, by fostering intensive farming and in some case supplying chemical inputs to members, are fuelling unsustainable productions methods that become difficult to escape once they are intrinsic to the ACs’ daily practices and operations.

One of Anecoop interviewees reflected on how the adoption of more ecological methods (not always certified) in the region of Almeria was pretty much the only solution to improve working conditions and reduced the serious effects of pesticide exposure under plastic that members and their labourers were suffering from. However, the organic farming they converted to was not the transformative one envisioned by the early organic movement, but one highly embedded in international supply chains, involving intensive production, several harvests a year and monocultures (Goodman et al., 2011). More radical changes in their way of growing and selling their produce would be much more complex to implement, and thus the current greenhouses and cooperatives’ contracts keep them locked-in, perpetuating their embeddedness in industrial and global food systems:

*It is the way chosen to survive, economically embedded in the economic model of exports, that is why they are trapped, there is not an easy political exit against this option, it is not a technical question, it is not a technical question. If you design your farm, your life, your family, your mind for export activities, something has to happen to make you change, something serious, something big that makes you move to get out of there, if not, you don’t come out, because you’re designed for that, not just your farm.* (Spanish academic)

Several AC members spoke with sadness about the locked-in situation many farmers find themselves in. Some reported not being able to convert to organic because their ACs could not accommodate processing and marketing a very small percentage of its produce as organic. Others reported feeling trapped and unhappy with the way their ACs were running but acknowledged their farming livelihoods could not survive without them. These feelings of inevitability spread into issues of scale and barriers to creating alliances between farmers and consumers, as the following quote from an SAOS representative shows:

*…* many farms in the UK in the last 50 years just got bigger and bigger, larger and larger farms and they have massive volumes of products to sell, so they have to be linked into supply chains that can take all that volume. So very often, they are linked in to supply chains that will be major food manufactures and major supermarkets so
that they know they will be able to sell all their produce, so it’s scale, there is a mismatch of scale quite often between farmers, coops and local food requirements. (SAOS representative)

This use of cooperatives as an economic and development policy tool is being imposed beyond EU borders on developing countries, reducing the space and ability of those being “developed”, being denied the opportunity to define their own understanding of cooperation in their own terms (Illich, 1976; Böhm et al., 2010). This path-dependent development model of ACs and farming methods in developing countries, increases reliance on institutions and agricultural inputs from more “developed” countries (Li, 2007; Böhm et al., 2010; Rhodes, 2012). Links between colonialism and globalisation are a serious issue when top-down ACs are promoted by both the EU farming industry and governments in lower income countries and there have been reports of land grabbing and exploitation of workers by large European ACs, where farmers contributing produce to the AC are not offered the opportunity to become members (Berthelot, 2012).

The importance of language: how “cooperative” is still a politically charged term

Despite the cooperative model’s principle of independence from state and creed, governments of different ideologies across the world, have tried to promote, control and/or shape this organisational form to achieve their own agenda (Coates and Benn, 1976), a history that resonates with Morgan’s (2006) thesis of ‘organizations as instruments of domination’. Factors such as land availability and ownership, and cultural dynamics, such as religion (Morales Gutierrez et al., 2005; Spear, 2010), shaped the development of ACs in Europe. Within the EU, ACs still mean different things to different countries: in the UK, the term “farmer-owned-business” is commonly preferred and fuelled by the vast array of legal forms that cooperatives can opt for under UK law; in fact, the word “cooperative” does not appear in many ACs’ names. Wilson and McLean found that many ACs try “not to look like co-ops as the co-operative identity is seen as ‘old-fashioned’” (Wilson and McLean, 2012:537). In Spain, the government is offering POs increasing support, and the term “associative entities” is becoming common in policy documents, a label more encompassing than ACs (CNC, 2012; MAGRAMA, 2013).

Theories of the commons normally refer to the challenges of managing common-pool natural resources, such as rivers, fisheries, forests and shared irrigation systems (Ostrom, 1990). This model has also been applied to worker cooperatives as “labour commons” that generate commonwealth through their practices (Vieta, 2010). Further theorisation of this term could inform a process of repoliticisation for ACs and their role in sustaining labour struggles in farming, a path already started by some multi-stakeholder cooperatives. The Open Coop model put forward by the P2P Foundation is an exciting model that calls for the creation of commons to be an intrinsic part of cooperatives (Ajates Gonzalez, 2017). There are hardly any workers’ cooperatives in agriculture compared to the huge number of marketing and supply ACs. In Spain, despite the dominant large ACs in top rankings, approximately 425 common-land cooperatives exist, where members co-own the land and cultivate it jointly (OSCAE, 2015). A member of a workers’ farming cooperative in the UK shared this comment on how workers cooperatives compare with conventional ACs:

“There are clearly many differences, lots of differences, but also many similarities. It means we have more in common with other worker cooperatives […] But it’s different because we are working together and making a lot of decisions together on a day-to-day basis, whereas in that kind of more classic AC you’re coming together
Not sharing the means of production could be the cause of a different cooperative reality in supply and marketing ACs. In contrast to workers’ cooperatives, AC members do not have to cooperate with each other daily; in fact, some authors argue they hardly ever have to cooperate, because farmers have delegated the act of cooperating to professional managers (Wilson and MacLean, 2012). The evidence presented suggests that the reasons for joining a workers’ cooperative can also be different from the outset from those that farmers might have for joining an agricultural cooperative; the latter appear to be more focussed on financial savings and the economic benefits of economies of scale, in line with what other studies have also found (see Wilson and MacLean, 2012). The data also indicates, especially in the case of MVF, that members have a passive rather than active relationship with their cooperatives, with many being distant from the governance of their cooperatives. In the case of supply cooperatives, farmers’ relationship with their AC fits more that of a consumer or buyer in a purchasing group. These findings are in line with those of from economic studies of ACs, which have found these cooperative organisations are developing similar managerial hierarchies to that of private companies (Iliopoulos and Valentinov, 2018), and losing social capital as a result (Nilsson et al., 2012).

Conclusions

This research has made a contribution to the organisational studies literature by discussing the under-researched topic of labour dimensions in the AC sector in Europe. It has provided evidence of how AC organisations are being shaped and misshaped by multilevel governance and the architecture of global food systems. Following Schneiberg’s thesis on movements as political conditions for diffusion to the study of ACs (2013), I have argued how, despite their strong presence in European farming, a focus on competitiveness and a detachment from the wider cooperative movement have weakened ACs’ transformative potential. The data discussed have showed how large ACs topping ranks, of which the case studies presented are an exemplar of, lack a social movement back up to serve as a political condition for the diffusion of contested alternatives. This skimming gradually moderates ACs’ deviant organisational and strategic characteristics, reducing in turn their capacity to foster incremental radicalism in the global food system (Arthur et al., 2008).

In order to delve deeper into the diversity of European ACs and the north–south divide, two ACs, one from the UK, Farmway, and one from Spain, Anecoop, were presented as case studies. The cases reflected intense processes of consolidation in the AC sector through mergers and acquisitions. The historical role of ACs to exert pressure outwards towards input suppliers and buyers to protect members’ interests, has been redirected to inwards, with ACs pushing their own farmers to accept the pressures and practices of agri-input companies, processors and retailers (Ajates Gonzalez, 2018).

The research findings suggest cooperatives are just a vehicle to reach many diverse objectives. The case studies have shown how ACs can be used or can act as convenient shortcuts to concentrate produce and tap into large groups of farmers in order to: (1) sell them inputs more easily (useful for agri-industries);
(2) buy their products (useful for large retailers); and (3) process subsidies or implement regulations (useful for policymakers and civil servants).

The tensions between the local, co-operative space and the global, capitalist space are further constrained by policy changes driving amalgamation of ACs. At the same time, internationalised activities means ACs are losing their local embeddedness, with effects on members and food system sustainability. As a result, it seems that the dominant system has been able to co-opt the cooperative model and make use of its advantages for its own market objectives. This finding is in line with Schneiberg’s thesis (2013), in which cooperative innovations are expected to be identified as threats by the dominant players, which react by presenting a strong opposition with the aim of suppressing them in order to maintain the status quo and erode the deviant elements of ACs. The cases presented have entered a dynamic of mainstream diffusion, no longer deviant or transformative.

Still, many questions emerge from this work. A constraint of this study is the limited number of AC members interviewed; a survey followed by a higher number of interviews with members of large ACs could be a next step to reach both a higher number of farmers and ACs in different countries and sectors. Future topics of research could include the nature of membership in large co-operatives, which has only started to be covered in this paper, and the shifting meanings of mutuality. Comparative research between worker cooperatives and agricultural cooperatives could highlight to what extent sharing means of production and cooperating on a daily basis contribute to sustained levels of deviant mainstreaming.

At the same time, the paper has also acknowledged the wide diversity of ACs that exist across Europe. Many food and farming cooperatives, even if not large players, strive for food democracy and sovereignty, key issues in food policy (Lang, 2005) and can help recapture real long term economic success on a non-exploitative and co-operative basis (Pearson, 2012).

To counter the dominant metaphor of ACs as organisations that are mainly used to generate efficiencies in costs, application of standards and concentration of produce, it is vital to celebrate and make visible the heterogeneity of actors, multiple forms of rationality and practice that takes place in food and farming cooperation (Ajates Gonzalez 2018). ACs have a potential and a role to maintain alive, formalise and legitimise the ongoing labour and class struggle and in rural areas, where variety of farmers and agricultural workers’ experiences create ongoing contestations in local dynamics and down the supply chain (Mooney, 2004; Schneiberg and Lounsbury, 2017). This potential to spark incremental radicalism (Arthur et al., 2008) in the food system and inspire others to follow through, can only be realised if ACs re-connect with the cooperative movement and other social movements calling for fairer and more sustainable ways to feed the world.
References


