Reactions of Spanish Agricultural Co-operatives to Globalization

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RE ACTIONS OF SPANISH AGRICULTURAL CO-OPERATIVES TO GLOBALIZATION
Ideal Discourses Types

by

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Summary

The main objective of this article is to build up a typology of the ideological discourses which guide and legitimize the different, and often mutually contradictory, reactions of Spanish agricultural co-operatives to the processes of ever-increasing socio-economic globalization in which they are immersed. In accordance with this typology, in which we have followed a criterion similar to Max Weber's, we distinguish four ideal ideological discourse types. These go along a continuum from those which stress a more or less egalitarian mutualism, which has traditionally characterized co-operatives, to those which tend to look towards efficiency and managerial competitiveness. Although it focuses on the situation occurring in Spain, the analysis strategy adopted in the present work could be applied to the study of the reactions of agricultural co-operatives in other countries in similar socio-economic circumstances.

Introduction

The feeling that we live in a global world has been growing, especially since the collapse of the Soviet Union and China's de facto conversion to the capitalist system, which for the first time ever has spread over the whole planet. In this context, the present globalization processes have brought with them the trans-nationalization of capital flows, the privatization and deregulation of national economies and the decline of socialist policies, as well as an increase in job insecurity and unemployment, and, in short, growing social exclusion. This is shown in a tendency towards a sharpening of the inequalities between North and South, between the Center and the Periphery, and in the gradual reduction of the services of the so-called "Welfare State" as well as a rise in the levels of polarization and social marginalization in the heart of traditionally "developed" societies, threatening the stability of social systems.

In these societies, problems and possible solutions are ever-more subject to unpredictable forces operating at a global level. Consequently, at the present time, social actors in local or regional communities are undergoing a set of socio-economic processes which are ever more out of their
control and initiated or conditioned by distant and alien decisions or interests. In this way, practically the whole of the world's population is today immersed in a single global society (Albrow, 1990:9).

In a nutshell, the local is quickly giving way to the global, so that we are seeing a burgeoning of different national and transnational organizations, as well as movements and institutions which have made frontiers between societies more permeable and open to outside influences (Robertson, 1993:5; Larochelle, 2004). Globalization manifests itself at socio-economic, political-institutional and symbolic-legitimizing levels (Entrena, 1996). In the socio-economic vein, we may observe a rise in emigration and immigration flows and the tendency towards the globalization of market forces to go beyond the national level to a world one, as well as innumerable difficult-to-regulate commercial and financial transactions. This makes for an ever-increasing "monetarization" of the economy, which in turn gives rise to a preponderance of financial as against productive capital. Currency markets and movements of capital are now more important than goods or service markets. Politico-institutionally, the spread of networks of national and transnational relations and institutions is bringing about the gradual loss of sovereignty and leeway on the part of nation states (Held, 1991:178-179). Lastly, regarding symbolic-legitimizing aspects, society is becoming culturally more standardized and exposed to such a deluge of messages and ideas that one of the results is the relativism and uncertainty of our postmodern era.

The effects of globalization on the farming sector

Given its traditionally disadvantaged socio-economic position, the profound crises, conflicts and uncertainties issuing from current globalization processes are usually felt more acutely in the agricultural sector. For example, in the relatively local European arena, the classic Fordist model (i.e., the production of homogenous goods on a massive scale) is being slowly replaced by a new one which, among other things, stresses the search for quality, specialization and competitiveness. Such is post-Fordism, which is ever more linked to an economic scenario on a planetary scale, in which "competitiveness" imposed by large transnational corporations’ rules supreme. Needless to say, these corporations are gradually exerting more and more control over every link in the agro-food chain.
In 1986, the entry of Spain, Portugal and Greece into what was then known as the European Economic Community (EEC) contributed to the acceleration of the globalization process which had started decades before in Europe. Recent crucial developments have all had a hand in this process, such as the following: i) the advent of the European single market in 1983; ii) the implementation of three important reforms of the Common Agricultural Policy (CAP) in 1992 (McSharry reform) and 2001 and 2003 (Fischler reform), with a gradual loss of European protectionist policies; iii) the European Union (EU) enlargement to the former European socialist countries, and iv) the end of the Uruguay GATT (General Agreement on Trade and Tariffs) Round and the beginning in Doha of the new World Trade Organization (WTO) Round which is not still finished. More specifically, the three CAP reforms have been undertaken with aims such as the following:

- Discouraging the accumulation of surpluses as well as restricting spending, which is resulting in a notable reduction in farming sector of certain products in many areas and which is forcing farmers to turn to other ones and being set up more and more non-agricultural activities based on multifunctionality principles in rural areas (Paarlberg, 2002).

- Balancing out protection among regions and producers of the EU countries through the reform of the different CMOs (Common Market Organizations).

- Developing an incomes policy through decoupled direct payments to farmers and structural funds aimed at compensating the gradual dismantling of former price-guaranteeing measures (Swinbank and Tranter, 2005).

- Changing the EU system of customs and levies, which is taking European agricultural products ever more into the arena of international competition. Since the advent of the single market (1st January 1993), the borders of EU countries have become more and more permeable. As this market becomes more established, some EU countries, like Spain, are feeling the effects of increased commercial pressure caused by products from other European countries which are usually more competitive.

- Environmental protection and development of new sustainable agriculture-oriented farming production systems (organic farms, integrated productions, extensive farms,...) through the EU agro-environmental program.
• Maintaining the numbers of European rural population, with measures to avoid the aging of its demographic structure through the bottom-up rural development programs (such as the Leader schemes) focusing on the diversification of economic activities in rural areas (Halfacree, Kovach and R. Woodward, 2002).

All in all, the CAP reforms are an example of how EU agricultural policies are being impelled to adapt to growing worldwide standardization, extension and integration of the production, processing and commercialization of farm products, which has turned agriculture into a global industry (Le Heron, 1993; Delorme, 2004). In this situation, consumers are ever more concerned about the quality and health value of food. This occurs to a large extent because food production and commercialization processes are more and more out of consumers' control. As well, greater competition gives rise to the increased need for services related to the product and for the importance of marketing, whose adequate use is essential to successful commercialization (Massot, 2003).

**A brief historical approach to the agricultural co-operatives in Spain**

Small and medium-sized farm owners have traditionally joined together in co-operatives as a way of protecting their interests against intermediaries and companies that furnish the inputs they need for their land (Pérez Yruela, 1990:224; Moyano and Entrena, 2002). In the modern history of Spanish agricultural co-operatives, firstly, we must mention how Catholic unions, which were a part of the old National Catholic Agrarian Confederation, came to the fore at the beginning of the XX century promoting marketing co-operatives in the Spanish rural areas, as well as mutual credit societies aimed at small farmers (Herrero, 1975, Castillo, 1979; Cuesta, 1978). These catholic co-operatives continued to spread until the 1930's, especially over the area which is now Castilla-León (see Map n.1 on Spanish Regions, which are called Autonomous Communities too).

**Map n. 1**

AUTONOMOUS COMMUNITIES (Regions) OF SPAIN
Secondly, we must also mentioned the socialist FNTT-UGT (National Federation of Land-workers) and the anarchist CNT (National Labour Confederation) unions since they encouraged the creation of co-operatives for the collective exploitation of the land, as a way of achieving its collectivist project (Paniagua, 1982; Biglino, 1986), particularly in Andalusia and Extremadura, and Aragon (see Map n.1). After the Civil War (1936-1939), the assets of co-operatives were seized and union organisations with socialist and anarchist links banned, and Catholic agricultural organisations were integrated into the corporatist structure of Franco’s dictatorship (Majuelo y Pascual, 1991). The General Co-operatives Law came into force, under which many co-operatives were started in the 50's and 60's and remain at present (Monzón y Barea, 1991). On the death of General Franco, in 1975, the restoration of democracy allowed greater freedom of association, which in its turn meant that farmers’ unions and many more agricultural co-operatives sprung up in the second half of the 70's and the eighties. However, the relations between farmers’ unions and co-operatives in Spain have not reached the high level of collaboration existing in other European countries (Just, 1990; Moyano, 1993).

A common denominator of all co-operatives in Spain is that they are enterprises which strive to avoid antagonism between management and worker. In other words, they are enterprises in which
the worker has become a manager while still carrying out executive tasks, or, if you wish, the manager has ceased to contract wage-earning workers and he substitutes them himself both individually and collectively (Carrasco, 1993:27). What is more, profit-sharing and the decision-making process are not governed by the competitiveness criteria inherent in capitalism. Rather, they may be considered in general as enterprises which, in the face of these criteria and the insolidarity prevalent in the global capitalist market, are based on mutual principles which make them a paradigm of enterprises of social economy (Barea, 1991; Morales et al., 2003; Domingo, 2004).

**Economic globalization and the setting up of co-operatives in Spain**

Today, the economic and social importance of co-operatives is notable in the Spanish farming sector. According to 2003 data, 4,195 agricultural co-operatives had a total turnover of 14,194,17 millions of euros, representing the 43% of Spanish Final Agricultural Production (in the seventies they were the 10%, an increase of 400% over 1980). Besides, the 85% of farms production was linked to co-operatives that year. Data for 2003 showed that 932,124 farmers were members of either one or several co-operatives. However, their number and importance vary significantly among the 17 Spanish regions (see Table n.1). The most prominent region is Andalusia, with 845 co-operatives (20,14% of the total number of the Spanish agricultural co-operatives), an annual turnover of 3,170,20 millions of euros (22,33% of the total turnover) and 241,353 members; Valencia, with 559 co-operatives (13,33%), an annual turnover of 1,892,18 millions of euros (13,33%) and 212,546 members, is the second most important Spanish region.

<table>
<thead>
<tr>
<th>Table n. 1</th>
<th>Distribution of agricultural co-operatives over Spain (2003)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTONOMOUS REGIONS</td>
<td>NUMBER OF AGRICULTURAL CO-OPERATIVES</td>
</tr>
<tr>
<td>Andalucía</td>
<td>845</td>
</tr>
<tr>
<td>Aragón</td>
<td>215</td>
</tr>
<tr>
<td>Asturias</td>
<td>75</td>
</tr>
<tr>
<td>Baleares</td>
<td>40</td>
</tr>
<tr>
<td>Canarias</td>
<td>79</td>
</tr>
<tr>
<td>Cantabria</td>
<td>15</td>
</tr>
<tr>
<td>Castilla-La Mancha</td>
<td>472</td>
</tr>
<tr>
<td>Castilla y León</td>
<td>413</td>
</tr>
<tr>
<td>Cataluña</td>
<td>427</td>
</tr>
<tr>
<td>Valencia</td>
<td>559</td>
</tr>
<tr>
<td>Extremadura</td>
<td>310</td>
</tr>
<tr>
<td>Galicia</td>
<td>272</td>
</tr>
<tr>
<td>La Rioja</td>
<td>56</td>
</tr>
<tr>
<td>Madrid</td>
<td>30</td>
</tr>
<tr>
<td>Murcia</td>
<td>121</td>
</tr>
<tr>
<td>Navarra</td>
<td>194</td>
</tr>
<tr>
<td>País Vasco</td>
<td>72</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4.195</strong></td>
</tr>
</tbody>
</table>

Source: Spanish Confederation of Agricultural Co-operatives (CCAIE, 2004).

The importance of co-operatives in Spain varies among sectors and production branches too (see Table n. 2). According to 2003 data, the supplies sector is the most relevant with 1.264 co-operatives (30% of the total number of agricultural co-operatives) and an annual turnover of 1.693 millions of euros (12% of the total turnover). The olive oil sector (with 965 co-operatives and an annual turnover of 1.420 millions of euros) and the fruits and vegetables sector (with 943 co-operatives and an annual turnover of 3.700 millions of euros) are two prominent ones too.

Table n. 2

<table>
<thead>
<tr>
<th>SECTORS and PRODUCTION BRANCHES</th>
<th>NUMBER OF COOPERATIVES</th>
<th>%</th>
<th>TURNOVER (millions of euros)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olive Oil</td>
<td>965</td>
<td>23</td>
<td>1.420</td>
<td>10</td>
</tr>
<tr>
<td>Cereals</td>
<td>491</td>
<td>12</td>
<td>1.356</td>
<td>10</td>
</tr>
<tr>
<td>Fruit and vegetables</td>
<td>943</td>
<td>22</td>
<td>3.700</td>
<td>26</td>
</tr>
<tr>
<td>Wine</td>
<td>750</td>
<td>18</td>
<td>1.400</td>
<td>10</td>
</tr>
<tr>
<td>Livestock</td>
<td>421</td>
<td>10</td>
<td>3.027</td>
<td>21</td>
</tr>
<tr>
<td>Supplies</td>
<td>1.264</td>
<td>30</td>
<td>1.693</td>
<td>12</td>
</tr>
<tr>
<td>----------</td>
<td>-------</td>
<td>------</td>
<td>-------</td>
<td>----</td>
</tr>
<tr>
<td>Others</td>
<td>609</td>
<td>15</td>
<td>1.598</td>
<td>11</td>
</tr>
<tr>
<td>(Tobacco, rice, milk, cotton,...)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Spanish Confederation of Agricultural Co-operatives (CCAE, 2004).*

The degree of co-operative integration in Spanish agriculture shows the economic importance of co-operatives in each production branch. Thus, according to 2003 data, the tobacco sector stands out with 100% of total production managed through co-operatives, followed by the rice sector with 80% and olive with 75% and wine with 70%. In a third group we find cotton with 45% and milk with 45%. The lowest level of co-operative integration is located in livestock and fruit and vegetables, with 20% and 15%, respectively. The tobacco, fruit (excluding oranges) and vegetable sectors have seen the greatest increase in levels of co-operative integration in the last five years, owing to incentives set by the CAP through the respective Common Market Organisation (CMO), to encourage farmers to membership of co-operatives.

In general, agricultural co-operatives in Spain, however, are characterized by a high degree of fragmentation and internal heterogeneity, with a predominance of small scale co-operative models whose sphere of activity does not reach beyond the borders of the restricted local area where their head offices are located. Nevertheless, in recent years there has been an intense process of concentration through merging or coordinating their strategies to enable them to broaden their sphere of economic activity and meet market demands. Besides, a lot of second tier co-operatives have been created for the last decade to face the competition in global markets. In 2003, the number of second tier co-operatives was 205 which joined 3.192 single co-operatives and had a total turnover of 7.019 millions of euros (50% of the total turnover of the Spanish agricultural co-operatives). This explains the reduction of the number of agricultural co-operatives over the last decade: of the 5.376 co-operatives existing in 1994, only 4.195 remained in 2003 (CCAE, 2004). Even so, it is the rapid globalization process felt in the Spanish economy over the last decades that is behind this recent burgeoning of co-operatives, which to a large extent is a reaction to the crises, challenges and also opportunities afforded by this process.
In the face of current economic liberalization processes, which have become all the more severe under the GATT and WTO, and the CAP reforms, co-operatives are coming to the fore as instruments of defending and organizing producers. This is especially so in the light of the commercialization problems posed in markets which are becoming ever less controlled (Garcia Azcárate, 1992; Massot, 2003). These processes are also behind the springing up of new co-operatives and the merging of former ones, and the creation of second tier ones, which, like existing ones, may be considered as associations reacting against the productive-commercial requirements, growing competitiveness and socio-economic imbalance born of globalization.

By comparison, the Spanish agricultural co-operatives are still having more problems in its development than co-operatives in other European countries like Denmark or France (Börjn, 1988; Chiffoleau, 1999). In Spain the economic weight of co-operatives is certainly very pronounced in the first links of the commercialization chain, but as products approach the consumer, their importance diminishes to the benefit of the agro-food industries and above all the large transnational corporations, which are taking over the final stage of food commercialization and distribution to the consumer. In fact, the Spanish co-operatives are only important in the first stages of commercialisation, where they contribute towards concentrating the offer of agricultural products. Many agricultural co-operatives are restricted to bulk selling of their members’ products to large agri-business companies, and are incapable of meeting the challenge of industrial transformation. Consequently, agricultural co-operatives in Spain can still be said to be more important for its social function than its economic one. This social importance stems from its wide extension throughout rural society (rare is the municipality that does not have at least one agricultural co-operative) and the large number of farmers who are members. While this could be interpreted as a good indicator of the social capital based on trust to cooperate among individuals (Putnam, 1993; Woolcock, 1998) existing in Spanish rural communities, and as a positive factor for revitalisation, it could be also an obstacle to the undertaking of larger projects for economic development. Excessive dispersion of co-operatives means that the particular values of each co-operative (whose point of reference is restricted to the area in which it is located) predominate over the universal values that are necessary for these projects to be successful (Moyano and
Entrena, and Serrano del Rosal, 1999). Thus, in the opinion of the majority of analysts, the greatest challenge for Spanish agricultural co-operatives lies in adopting strategies for coordination that transcend the limited local area and allow activities to be carried out on a larger scale to satisfy market demands.

In the current global situation of fewer production incentives, decreasing turnovers and falls in prices are two of the major problems affecting Spanish agricultural co-operatives today. As regards financing and management, we must point out their low levels of capital and reserves in comparison with the average of other Spanish firms. Enterprises that are unfettered by mutualism so prevalent in co-operatives can increase their profit margins in the present global situation with its characteristic stocks and food surpluses, by pressurizing suppliers to lower their prices. Their offer is distended and disorganized. In the same way, these firms are free to shop around and choose high-quality products or in accordance with demand. Co-operatives, on the other hand, cannot do this. They are usually at a disadvantage, therefore, precisely because their members are both farmers and suppliers at the same time. Co-operatives came into being to create outlets for their produce, and their crucial objective, rather than managerial profit, is to defend farmers and increase their income. This means involvement with production problems and those of the producers themselves. Even though this assures steady supplies to the market, this guarantee tends to be economically harmful to the co-operatives themselves, in this global situation in which food mountains abound.

As important production and distribution players, co-operatives are seeing how present globalization is making ever more numerous, difficult and complex demands on the productive processes in which they are involved. In this situation, many Spanish co-operatives are questioning their social and productive roles. The structures and strategies adopted (or under consideration) by co-operatives vary significantly according to productive sectors or the type of discourses which legitimize (explain and/or justify) their socio-economic action. As we shall see, these discourses are at different points on a continuum which goes from those which stress a more or less egalitarian mutualism, which has been so characteristic of co-operatives up till now, to those which favor a paradigm which strives towards efficiency and competitiveness.
Four ideal types of discourse

Here we use "ideal types" in the same way as Max Weber (1979). This means that the types of discourse we establish, regarding the reactions by co-operatives to globalization, are not to be taken as superior and exemplary, but as abstract "pure types" which will serve as analytical models, to classify the diversity of real discourses made by or about these associations. Evidently none of these real discourses is completely covered by any one of the ideal models. Rather, they approach them to a greater or lesser extent. Any one agricultural co-operative will have some of the characteristics of all four types, but in socio-economic reality, it will gravitate towards one of them in particular.

Though focused on the Spanish situation, the typology of discourses we propose here can be easily applied to the study of reactions by agricultural co-operatives in other countries undergoing similar globalization processes. Obviously, the character of these discourses depends on factors such as the size and structure of the co-operatives from which they spring, the ideological inclinations of their members or the socio-institutional position of the agents who construct each discourse. In view of all this, in the typology we have developed, which we shall go on to describe in the following pages and illustrate schematically in Table n. 4, we have taken into account both discourses made by their members about what is considered to be or should be the action of agricultural co-operatives and those made by different individuals, groups or organizations of a more or less official nature, such as the Ministry of Food, Agriculture and Fisheries and the Spanish Confederation of Agricultural Co-operatives (CCAE), which is the umbrella association joining the majority of agricultural co-operatives in Spain.

1) Type I: radical left-wing

In accordance with this discourse, co-operatives should be the expression of values such as mutualism and solidarity in a new world. This is perceived as a utopia and is proposed as an alternative to the current capitalist system whose increasing influence on a global scale is totally rejected, as it is seen as a threat to rural communities. The guiding and legitimizing ideology behind this discourse is shared by several left-wing sectors of society, whose extremism and anti-establishmentarianism, however,
usually go no further than words. At this end of the scale we even find certain currents of Catholic thought which find a confluence between the solidarity values of co-operatives and their radical interpretation of the socially supportive values of the Catholic doctrine of Pope Leo XIII. Likewise, it is easier to understand this view of co-operativism held by some Catholics if we take into account the role played by certain priests, such as the Jesuit father J. Mª Arizmendiarrreta (1994), who infused the Spanish co-operative scheme with the solidarity values of this social doctrine.

<table>
<thead>
<tr>
<th>Ideal types of discourse</th>
<th>Emphasis on:</th>
<th>Globalization is:</th>
<th>Reaction towards globalization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>mutualism</td>
<td>efficiency</td>
<td></td>
</tr>
<tr>
<td>Type I: radical left-wing</td>
<td>Yes</td>
<td>No</td>
<td>A threat</td>
</tr>
<tr>
<td>Type II: moderate left-wing</td>
<td>Yes</td>
<td>No</td>
<td>A threat</td>
</tr>
<tr>
<td>Type III: managerial</td>
<td>No</td>
<td>Yes</td>
<td>A challenge</td>
</tr>
<tr>
<td>Type IV: official line</td>
<td>Yes</td>
<td>Yes</td>
<td>A reality of our time</td>
</tr>
</tbody>
</table>

*Source: authors*

As a paradigmatic example of this kind of discourse, we make reference here to the case of the "Cooperativa Industrial San Marcos". It is situated in the Serrania de Ronda (Málaga-Andalussia) and makes cured meat products (Sánchez García, 1994). According to one of its members, it produces and distributes its products in a way that is far more egalitarian than would be the case if they used ordinary capitalist methods. Here, co-operation and solidarity are put forward as strategies for carrying out Christian values and as an expression of the struggle for a new world. The great self-exploitation and self-sacrifice which its members must undergo are seen as a consequence of the inhuman competitiveness imposed by the unjust capitalist system, which, instead of attending to needs and strengthening values of solidarity, strives after efficiency for the sake of capital gain, to the detriment of the legitimate profit of work.

This co-operative understands its work to be a struggle to avoid "the small fish being eaten by the big fish" (i.e., its enemy, capitalism). It takes into consideration "the small in all its capacity, capability and dignity". More than an economic scheme, the co-operative is seen as a framework for
the development of honesty, self-management, solidarity and democracy (Sánchez García, 1994:10-11). Its members are committed to bringing about a transformation in society and, as far as possible, an improvement in their own standard of living. They also aim to be an example for the establishment of other co-operatives who wish to act as alternatives to the status quo. For they consider that:

"Even a tiny ant in an elephant's ear (the author is obviously referring to the capitalist system) can be extremely uncomfortable; not to mention two tiny ants; and why say what would happen if three, or four tiny..." (Sánchez García, 1994:10) (This text has been translated to English from the Spanish language).

2) Type II: moderate left-wing

Here the emphasis is also on the mutual character of co-operatives. These are proposed as an alternative which reinforces solidarity as a means of defense or a way of redressing imbalances, maladjustments and other threats of capitalist globalization. Nevertheless, in contrast to the anti-system position of the previous type, this one adopts a reformist stance. According to this discourse, in a society in which there is unemployment and crisis, co-operatives must strive towards freeing farmers from exploitation and instability, and redress the disadvantaged situation of the rural population. To this end, the co-operative must find, or if necessary create, a human means of achieving a social unit cohesive enough to allow mutual trust among its members (Salinas, 1987:5-6). This is the point of view of certain sectors of the moderate left, who consider that the State ought to encourage the setting up and development of co-operatives as a way of enabling farmers to take part in the commercialization and industrialization of agrarian production, which as a consequence of globalization is more and more out of their control (Alternativas para el.., 1993:23). Although these sectors are aware of the need for co-operatives to adapt in their search for efficiency and other socio-economic demands of globalization, in reality, however, they tend to stress mutual principles, for they believe that this is the only way to stop them from becoming merely mercantile associations who subordinate their social duties to purely economic ends. One example of this type of discourse is the vision of co-operatives seen in a study entitled Analysis of the conflict inside agrarian co-operatives and strategies for overcoming them (Díaz, 1993). It was financed by the "Banco de Crédito Agrícola"
and carried out by the Largo Caballero Fondation, which is linked to the General Workers' Union (UGT) and the Spanish Socialist and Workers Party (PSOE).

3) Type III: managerial

Here, agricultural co-operatives are conceived as real enterprises in their own right, which above all must work towards efficiency, even if this means sacrificing the mutualism which traditionally has been at the heart of these kinds of social economy (Ballestero, 1990). Productive and commercial re-adjustments are seen as a challenge. And the best way of reacting is an instrumental attitude to seek the most advantageous means of adapting to them. This perception of co-operative strategies points out the financial difficulties and the obstacles in the way of organizing their production in the most advantageous and profitable way possible and in accordance with the dominant capitalist model. The acceptance of the co-operative society as a proper business means questioning some of its ideological bases, at least as far as their so-called "co-operative principles" is concerned. Between these principles and co-operative practice, the gap is widening every day, not only in neighboring European countries, but also in Spain (Juliá, 1994:244). An example of this managerial perception of agricultural co-operatives was to be heard in one of the official presentations given at the First Agricultural Co-operatives Congress, held in Madrid in October, 1993:

"Agricultural co-operatives are facing a common crisis. On top of the difficulties they have as food-producing businesses, there are having problems with their members, their inevitable involvement with agrarian production and the rural setting, as well as their peculiarities as far as decision-taking is concerned. We must diagnose ourselves from within and be above all self-critical. We must analyze the problems of our environment in order to face up to them and our own shortcomings. Only then we will be able to define the individual and collective performance which will allow co-operatives to adapt to their new surroundings." (Borrás, 1993:68) (This text has been translated to English from the Spanish language).

This type of discourse reflects a tendency to stress the managerial character of co-operatives, which is widespread all over the European Union. Over the last few years, Spanish agricultural co-operatives have been taking on some managerial aspects of the European model, in spite of considerable legal and social difficulties. This has been most pronounced in fruit and vegetable production sectors, especially citrus fruits, which are precisely the most recently-established co-operatives. But co-operatives as enterprises are still less abundant than in Europe and are centered mainly on second tier co-operatives,
that is, co-operative enterprises which are a kind of umbrella organization for other co-operatives (Montero, 1991). At the present time, as we mentioned above, there are more than two hundred co-operatives of this kind. About 80% of them were started in the 1980's, and those devoted to supplying inputs and commercializing fruit and vegetables are the most well developed (CCAE, 2004).

In practice, co-operative enterprises organized into one or more sections are the most favored model in Spain. Each section is named after the kind of activity which takes place in them. So there is a clear predominance of co-operatives with more than one section, and among these, it is most usual to find co-operatives with production, supplies, commercialization and/or processing sections. This is a different model from the Dutch one for example, which is much more specialized, and in which products are supplied by service co-operatives and sold by commercialization ones, such as auction hall co-operatives (Börjn, 1988).

The growing adoption by agricultural co-operatives of managerial-type behavior and discourses is explained to a large extent by their need to adapt to the new post-Fordist quality requirements, as well as compete in an increasingly more global market operating in accordance with the demands of large transnational corporations. In Spain, where the food production sector is in a stage of growth, concentration and internationalization, the influence of these corporations is on the increase (Abad y García, 1990:154 and following), even though the concentration of food production firms delivering directly to the consumer is still well below the European average.

But the adaptation by co-operatives to these new global circumstances is bringing about numerous psycho-sociological contradictions. So, despite the widespread tendency to opt for a managerial discourse in line with the deregulating principles of the global market, many of these societies feel defenseless and threatened by their most important customers: large transnational agro-food corporations who distribute to the consumer. This usually leads co-operatives to demand State support, such as tax relief, and especially measures to regulate relations with these corporations. The contradiction here is manifest: you cannot demand more commercial freedom at the same time as more state intervention.

4) Type IV: official line
Here we see the typical ambivalence or rather "polyvalence" of discourses made by officialdom or by certain organizations representing a variety of interests, such as umbrella entrepreneurs’ associations or federations of co-operatives, or workers’ unions of modern societies whose labor structure is so complex that it is difficult to define what has traditionally been conceived as proletariat. This polyvalence, whether by accident or design, enables different social sectors, however contradictory they may be, to feel that they are an integral part of what is said or represented by the official stance, which thereby legitimizes and/or asserts its hegemony or influence over them.

As regards Spanish agricultural co-operatives, this kind of ambivalent discourse is seen in a tendency to reconcile contradictory factors trying to stress their traditional mutual character, on the one hand, and their present demands of competition and managerial efficiency, on the other. These are understood as instrumental attitudes in order to achieve, in the most profitable way possible, the adaptation of agricultural co-operatives to the requirements of increasing socio-economic globalization of the farming sector, conceived as an inescapable reality of our time.

The case of the CCAE (Spanish Confederation of Agricultural Co-operatives) is very typical of this ambivalent discourse. Its conception fits in with the official-line type, for although within this umbrella association of Spanish agricultural co-operatives there is a great diversity of groups with different interests and ideological tendencies, we are seeing how they are tending to come together for the sake of showing a united front (Moyano and Entrena and Serrano del Rosal, 1999). The polyvalent character of this stance of the CCAE may be explained as the result of its need to live up to its organizing role, which represents and integrates the heterogeneous and often contradictory interests and objectives of the many agricultural co-operatives which make up the bulk of its members. This integrative vision is also shared by the Spanish Ministry of Agriculture (Política de apoyo al... 1990). So, the polyvalent nature of this government body towards agricultural co-operatives is in accordance with its need to respond to the contradictory interests and claims made by the co-operatives themselves. It is not surprising, therefore, that while this Ministry adopts measures to support or give incentives to mutualism-oriented agricultural co-operatives it also sees the need to carry out the necessary legislative and fiscal modifications to improve managerial efficiency and adaptation of co-operatives to present-day globalization. To this end, the following objectives are seen as crucial:
concentrating farming income, achieving a sufficient commercial dimension or typifying products, thereby making a successful impact on the market (CCAЕ, 2004).

**In conclusion: the dilemma between co-operative mutualism and managerial efficiency**

Each one of the four ideal discourse types outlined above has a different view of what is, or ought to be, the reaction and the role of co-operative associations towards the challenges of re-structuring and change brought about by the progressive involvement of farming production and commercialization in the increasingly competitive socio-economic whirlpool of the global market. Rather than discuss the internal workings of co-operatives, we have discussed their discourses in the face of the rapid and unforeseeable changes occurring in the growing socio-economic globalization of these times.

In this situation, some co-operatives, such as those in type I, are a paragon of resistance to and rejection of the system. Other, for example, type III, on the other hand, try to adapt as best they can to present globalization circumstances, and use them to their maximum advantage. These adopt a discourse of a managerial nature in accordance with the model of market economy which is prevalent world wide.

The visions of types I and II coincide with the traditional idea that co-operatives are for organizing production on the mutualist principles inherent in socialist ideology. Both visions seem to ignore, or at least insufficiently stress in the second case, the real consequences of globalization which is putting more and more obstacles in the way of independent action by agricultural co-operatives. These, both as social players and as economic groups who are key links in the agro-food chain, at a regional and even state level, are under increasing pressure from transnational agro-food companies, whose global tentacles are progressively penetrating Spanish food commerce.

In these circumstances, the behavior of co-operatives which act in accordance with a managerial-type discourse appears to be the most profitable way of exploiting their relations with agro-industry and transnational agro-food corporations. It must be said, however, that this kind of behavior on the part of co-operatives tends to relegate their very *raison d'être*, mutualist co-operativism, to second place. In many cases, they cease to be the paradigmatic mutualistic champions of social
economy. They remain as co-operatives in the formal sense only and in practice work as if they were full-blown business enterprises.

To a large extent, the conflict within co-operatives stems from this tug-of-war between managerial and mutualist discourses. The intrinsic solidarity of co-operative association is a way of collectively facing up to the competitive challenges of an ever-more global agricultural economy, increasingly taken over by large transnational agro-food corporations. Even so, co-operatives need to adopt managerial-type socio-economic behavior in order to become established and succeed in today's market conditions. This usually leads to strict economic rationale and a loss of co-operatives along the way. Somehow, they have to reconcile this dilemma between co-operation and competition (Bager, 1996).

In conclusion, in circumstances in which the world of agriculture and the whole of Spanish rural society are undergoing a process of intense globalization and subsequent socio-economic restructuring, we are seeing a profound modification in the nature and role of co-operatives. These are experiencing anomic situations, and have expectations of efficiency and progress, as well as uncertainty, dilemmas and contradictions which stem from incessantly having to question and rebuild their roles and objectives. As we have seen, while globalization and subsequently increased competitiveness encourages the development of co-operatives, on the one hand, it also encourages them to compete more and become business enterprises, on the other hand. As a consequence, these tend to lose their essence of solidarity.

(Translated by Jean Stephenson)

References


