

Chapter 10

The Role of Agricultural Cooperatives Models Among Europe

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ABSTRACT

The chapter describes the situation from several EU countries on cooperation among farmers, with a focus on the approach of the cooperative concept related to legislation and function. The study comprises 10 member states from different parts of Europe: east, south, and north. The objective was to identify the differences and the existence of an integrative model for cooperative or producer organizations in agriculture. The member states included in the study were France, Italy, Spain, Denmark, Finland, Germany, Poland, Ireland, The Netherlands, and Romania. In order to find common features, the history and previous developing of cooperation were analyzed. Focused on the bibliographic research and comprising an analysis of the history and legislation, the author tried to underline some aspects that could facilitate the setting-up of new agricultural cooperatives and at the same time, a proper operation of the existing ones. The information gathered was presented and interpreted, in order to capture the situation of agricultural co-operative structures, legal type, and economic operation.

INTRODUCTION

“Cooperation can be defined as working or acting together for a common purpose or benefit (Webster’s College Dictionary; 1991, p. 300).

In essence, cooperation represents the process of interaction between: (1) cooperatively committed members, employees and leaders and their expectations for the future; (2) cooperative values inherited from the past and expressed in principles, programmes, statues, books, education material, etc; (3) practical cooperative applications, structures, methods of activity, education, etc. also inherited from the past, and; (4) the environment of cooperatives, e.g. the government, the institutional structures of the society at large, the economic system, the values in the community, etc. (ICA; 1998).

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The overall aim of this chapter is to present the current situation of cooperation in the agricultural sector in several EU Member States. The objective is to identify an integrative economical, viable model which can be defined as proper, suitable and successful at European level.

In the study a number of 10th Member States from different parts of Europe are included: France, Italy, Spain, Denmark, Finland, Germany, Poland, Ireland, The Netherlands and Romania. The analysis is focused on several points:

- Short history, evolution of the cooperation system;
- Legal bases and recognition;
- Economic information.

BACKGROUND

As a concept, at European level, cooperation was found in different activity sectors as an element of social economy, starting from the 18th century and with a significant development in the 19th century, mostly on the bases of association or mutual societies.

In 2002, the International Labour Organisation adopted the recommendation no. 193 on the promotion of cooperatives considering the cooperative as *an autonomous association of persons constituted on a voluntary basis for economic, social and cultural purposes, collectively owned and democratically controlled*.

A cooperative was created and still exists but not like a non-profit organization, like an entity aimed to obtain profits from an economic activity democratically controlled (one man, one vote) by its members and in their interest. While a commercial company has the objective to maximize profits, a cooperative exists to maximize the benefits of its members by participating in the cooperative activity, underline an economic and social nature of the structures (e.g. negotiating power, lower prices at inputs, access to equipment, but also to information and capital).

A cooperative has an economic and a social perspective. From the economic point of view in case of the cooperatives governed by democratic principles it is noted that they are constituted to assure support to their own members to access the market, strengthening the negotiating power for their interest against the retailers, using in common the assets/machinery, negotiation of the production and marketing costs.

From the social perspective, a cooperative constituted on democratic principles leads to cohesion, increasing social responsibility, helping each other, on the equality, equity and solidarity principles.

Apart of cooperatives, in European context there are many structures set up on association base as producer organisations that follow cooperative principles in their structure and functioning but are not cooperatives as defined by the general principles and common characteristics.

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