

COOPERATIVES AND REGIONS IN FRANCE: SPECIFIC AND COMPLEX RELATIONSHIPS*

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This article looks at the relationship between cooperatives and regions. After presenting some aspects of the transformation of cooperatives and the possible impact on the relationship with their region, the article draws on a qualitative survey conducted in autumn 2013 and winter 2014 of some fifty cooperatives in ten French regions. We then present a series of factors of regional embeddedness: increase in participation in a cooperative, cooperative education, investment in real estate and, in the big cooperative groups, savings on transaction costs and containing agency costs. The article puts the history of these changes into perspective and proposes five types of cooperative regions that define the contours of a cross-cooperative meso-republic.

Coopératives et territoires en France : des liens spécifiques et complexes

Cet article se penche sur la territorialité des coopératives. Après avoir présenté quelques aspects des transformations des coopératives et de leurs impacts possibles sur les liens que celles-ci nouent avec leur territoire, la contribution résume les résultats d'une enquête qualitative menée au cours de l'automne 2013 et de l'hiver 2014 auprès d'une cinquantaine de coopératives dans dix régions françaises. Sont ainsi présentés successivement des facteurs d'ancrage territorial: l'accroissement de la participation à la vie coopérative, la formation coopérative, l'investissement dans le foncier et, dans les grands groupes, l'économie des coûts de transaction et la maîtrise des coûts d'agences. L'article met en perspective l'historique de ces évolutions et propose une typologie de cinq territoires coopératifs qui illustrent le concept de méso-république intercoopérative.

Cooperativas y territorios en Francia : vínculos particulares y complejos

El presente artículo trata de las características de la territorialidad de las cooperativas. Tras haber presentado algunos aspectos de las transformaciones de las cooperativas y de sus impactos posibles en las relaciones que éstas han establecido con su territorio, el estudio se basa en una encuesta cualitativa realizada en el otoño 2013 y el invierno 2014 a una cincuentena de cooperativas en diez regiones francesas. Así, se presentan sucesivamente factores de vinculación territorial: el aumento de la participación a la vida cooperativa, la formación cooperativa, la inversión en tierras, y en los grandes grupos, el ahorro de los costos de transacción y el control de los costos de agencias. El artículo pone en perspectiva el desarrollo de estas evoluciones y propone una topología de cinco territorios cooperativos que ilustren el concepto de mezo-república intercoopérativa.

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Acte 1 is a cooperative action-research centre where practitioners and researchers work on regional issues of the social and solidarity economy. Acte 1 currently has two main research streams: the "reasoned autobiography" (*autobiographie raisonnée*) as an educational approach through action-research (Stream 1) and the relationship between local communities and cooperatives (Stream 2).

(1) “The DNA of the Social and Solidarity Economy (SSE) is its embeddedness in the community”, wrote Benoît Hamon, Deputy Minister of the SSE at the time, and Philippe Frémeaux, in issue no. 328 of the magazine *Alternatives économiques* (October 2013).

This article examines the commonly held assumption that a cooperative’s relationship with the region differs from that of a conventional company⁽¹⁾. We observe and analyse the cooperative reality from a regional perspective to develop a theoretical definition of this relationship and sketch a typology of the specific relationships between cooperatives and their regions.

During the past few decades, decentralisation and the growing expertise of local and regional authorities have brought political power closer to the regions. This trend contrasts with the globalisation of the economy and particularly deregulation, which treat a region first and foremost as a collection of exploitable resources or as a market. The distance separating the decision-making centres of companies from the regions where their businesses are located is a reflection of this evolution. These two contradictory trends, one political and the other economic, are the source of growing tension in the dynamics of local communities, employment, consumption and the conditions for accessing public services. In this context, the issue of cooperatives’ embeddedness in local communities is central and should be studied rather than taken for granted.

A survey of the literature suggests that combining regional and cooperative approaches should yield results as a cooperative approach is well suited for validating approaches based on trust and proximity (Parodi, 2005). In this article, we pursue a complementary line of thinking that consists of analysing the following:

- how cooperatives participate in local development by creating social ties,
- how cooperative principles can be the source of regional conceptions that are not market-based,
- how cooperatives can genuinely grow from the local community and simultaneously structure it.

Cooperatives and regions: Relationships to investigate

Multiple and sometimes problematic interactions

There is hardly any discussion about cooperatives that does not assert that they are fundamentally the expression of local communities, even when their formation is not strictly endogenous. This is the view reflected, for example, in the monographs published in the collection *Pratiques utopiques* by REPAS, particularly for the cooperatives Ardelaïne (Barras, 2014), Le Veil Audon (Barras, 2008) and Ambiance Bois (Lulek, 2003). Writing about Mondragon, Jacques Prades argues that the cooperative participates in the transformation of the region, which he defines as the “imaginary in construction” (Prades, 2005). This positive relationship is also emphasized by René Mauget, who shows that agricultural and food-processing cooperatives continue to play an original and essential role in keeping businesses in local communities despite the internationalisation of cooperatives (Mauget, 2008).

Serge Koulytchizky (2006) underlines the emergence of local public-interest projects that are part of the continuity that exists between

cooperative associations and regional governance. Furthermore, forms of inter-cooperation have appeared through the involvement of agricultural cooperatives, and more particularly agricultural equipment cooperatives (*coopérative d'utilisation de matériel agricole*, or CUMA), in community-interest cooperatives (*société coopérative d'intérêt collectif*, or SCIC), original marketing schemes between producers and consumers, and short supply chains (Thomas, 2008). Confirming this working hypothesis, Amélie Artis, Danièle Demoustier and Emmanuel Puissant (2009) look at six regions and argue that the key to understanding the impact of the social economy lies in the importance of cross-sectoral activity, which is consistent with a horizontal approach of local development. These works appear to confirm the idea of an “inter-cooperative meso-republic” (Draperi, 2012). According to their view, the innovations are part of a broader framework than a micro-republic (which worker cooperatives were hoping to be) but less broad than a Gidean cooperative republic (of consumer cooperatives; Gide, 2001) and are based on both local producers and consumers, reflecting the inter-cooperation.

However, what happens when cooperatives pursue a strategy that mixes cooperative and capitalist principles generally to tackle competition? Several authors have examined the phenomenon of degeneration, especially among cooperative banks and agricultural cooperatives (Jacques Moreau, 1994), isomorphism (Bernard Enjolras, 2005) and even demutualisation (Claude Vienney, 1994) in the late 20th century. What impact do these changes have on the relationships with the region?

In agricultural cooperatives, some fundamental principles – such as exclusivism and a-capitalism – are not strictly followed or sometimes not followed at all (Koulytchizky, Mauget, 2003). In hybrid cooperatives, conflicts can appear that negatively affect members (Ory, Gurtner, Jaeger, 2006) and undermine the cooperative's cohesion. European and world trade policies drive cooperatives towards concentration and internationalisation (Filippi, Frey, Mauget, 2008), leading them even to adopt solutions specific to conventional companies such as franchises (Bobot, 2007).

Since the 1990s, French cooperative banking groups have also undergone similar profound changes. Cooperative banks have turned into groups oriented towards full-service banking but are frequently hybrid organisations, which can pose problems. In particular, one of the challenges is remaining able to meet needs that are not satisfied by the market by prioritising public service over profitability (Richez-Battesti, Gianfaldoni, Gloukoviezoff, Alcaras, 2006). Once the cooperative starts to increase its size, the central issue is the role of the member and the importance of the political project (of the region) in relation to the economic imperative of profitability. Retracing the remarkable steps of *Crédit Mutuel Anjou*, Dominique Nouvel concludes on the importance of “membership management”, which combines an economic dimension (the member as a customer of banking services) and a political dimension (the member as an activist of social causes; Nouvel, 2008), while Gilles Caire reminds us of the difficulty of maintaining strong democratic practices in large credit institutions (Caire, 2010).

Isomorphism due to the market may also affect retailer cooperatives. In a study of the cooperative Leclerc, Marie-Laure Baron asks how a “self-centred” cooperative can maintain its size and competitiveness on the market. Yet the triple capacity of member as a capital provider, service user and decision-maker (requirement to devote a third of time to administrative tasks in the cooperative) facilitates the convergence of interests (Baron, 2005) and limits agency costs as we will see further on.

This brief overview suggests that cooperatives change in relation to the constraint of competitiveness, but they do not necessarily change in the same way as conventional companies. Can they develop other ways of operating that impact the region? This is what Daniel Côté suggest. “While cooperatives were traditionally seen as a solution to market failures [...], it is now important to look at the cooperative form from a proactive perspective by asking what are the specific advantages of the nature and structure of this organisational form in a competitive environment?” (Côté, 2007.)

Methodology for going from the cooperative to the region

Two approaches can be followed for studying cooperatives’ local and regional embeddedness. Given that the activity of a group of persons in a cooperative aims to fulfil the needs of its members, we can start from the idea of the region as a determinant variable and look at the cooperative as a determined variable. This should be looked at more closely, in particular the issue of needs, and we will try to do this at the end of the article with a typology of what we call “cooperative regions”. The other approach considers cooperatives as a determinant variable and the region as a determined variable. This is the approach we prefer. Starting from the individual, four types of social ties can be taken into account: ties with friends, ties with the family, ties concerning work, and ties with the local community, which Paugam called “citizenship ties”. The importance of the impact of work’s social ties on the other ties has been shown (Paugam, 2005). Currently, the focus is on work ties in a cooperative, and citizenship ties. The hypotheses tested concern all the relationships between people, cooperatives and local communities. We are specifically trying to understand how cooperatives create and strengthen social ties in the local community. We thus examine the impact of cooperative rules on citizenship ties (which corresponds to the 7th principle of the International Cooperative Alliance, the ICA) and their role in local and regional development. Our central hypothesis is that cooperatives participate in local and regional development starting from the development of people, regardless of their role. We base our argument on three types of cooperatives – user cooperatives, worker cooperatives and cooperatives of entrepreneurs.

Starting from groups of persons who have created enterprises, made choices, and act on their environment, we consider whether conceptions of a region other than market-based ones appear. Strong social cohesion would be an asset for local development (Angeon, Callois, 2006). Do cooperative principles, values and rules foster and strengthen social cohesion? Is there any support for the idea that there are forms of economic organisation that are so rooted in the region (Gumuchian, Pecqueur, 2007) that they actually create and shape it?

This article comes out of a study commissioned by Coop FR. The authors conducted surveys between autumn 2013 and spring 2014. The study was presented at Coop FR's AGM on 26 June 2014. Some fifty semi-structured interviews lasting two to three hours were conducted among officers (chairs, directors, federation officers) of cooperatives of all sizes and from a range of business sectors in ten regions (Nord-Pas-de-Calais, Lower Normandy, Ile-de-France, Alsace, Champagne, Centre, Rhône-Alpes, Aquitaine, PACA, Languedoc-Roussillon). The interviews were exploratory and encouraged discussions on the themes of innovation, cooperatives, and local development. The information collected was used according to the illustrative method, which consists of making emblematic examples emerge that are not representative of a general situation but reflect trends and have a highly heuristic value.

The development of people: The key to local development

From the cooperative tie to local development

DOING THE "RIGHT THING" COLLECTIVELY: A SOURCE OF TIES

A product's quality comes firstly from the quality of labour (Dion, 1959). A symbol of local embeddedness, cooperative participation also comes from an investment in work, which gives greater value to the region and the individual. "The member used to identify the cooperative solely with the CEO or occasionally a few directors. Today, it's a whole team of professionals and specialised committees in which many people, both directors and ordinary members, are involved. Ties with the region are stronger than twenty years ago. Of course, regulations play a part, but the movement that cooperatives are involved in goes beyond simple regulations with the adoption of the Agriconfiance campaign, which was proposed by Coop de France. The cooperative understood the value of a reciprocal relationship in which information flows both ways. Wine growers inform the cooperative about their practices, and

Example: Cooperation created from social ties

The adoption of cooperative rules highlights that individualism, far from being a universal characteristic, is related to a specific kind of economic organisation that separates capital and labour. Organised in cooperatives, sole traders in a competitive situation practice mutual aid including organising together in response to markets. A case in point is the business and employment cooperative, which Stéphane Veyer (Coopaname) calls a "work mutual". In the cooperative Artisans à Domicile, near Tours, "a member of the cooperative had a fire about a week before the AGM. He lost all of his equipment. Everyone who could help lent him equipment and even workspace. At the office, we offered him an advance of 3,000 to 5,000 euros while waiting for the insurance" (D. Jouanneau, Artisans à Domicile). The same self-employed people working on their own would have a purely competitive relationship between themselves. Why? "Because they are organised in a cooperative, even if they are independent, they agree on work standards and support each other." (C. Cornu, Artisans à Domicile.)

the cooperative provides them with the required specifications.” (D. Saintout, director of the Fédération régionale des coopératives vinicoles d’Aquitaine.)

Thus at the wine producers’ cooperative in Sauveterre de Guyenne, “a quarter of our members have responsibilities in the wine cellar and a third outside on municipal councils and in associations” (C. Wlostowicer, president of the Cave de Sauveterre).

When a cooperative invests in the region’s assets, participation and democratic practices are stronger. Conversely, when participation and democratic practices are strong, the cooperative can promote the region’s assets better. There is a continuity between the region and the cooperative through the participation of the co-operators.

LEARNING ABOUT COOPERATIVES

By educating their members about democratic practices, cooperatives challenge and impact civic spirit. Large cooperatives have the resources to set up significant programmes to combat degeneration. “When you’re hired at Acome, you can choose to take a course that lasts two days run by someone from outside the company who explains what a worker cooperative is, how it functions, cooperative values [...]. There are also people from Acome who teach in this course. Then, after a period of six months to a year, the person gets a mentor who meets with them regularly to share and work on Acome’s values and rules of operation. An educational card game was developed to help in these meetings. After eighteen months, there’s an interview with one of the board members to see if the person fits in. At that point, a motion is proposed to put the person’s membership to a vote by all the employees at the AGM. Generally, 99% vote in favour. I have never seen anyone refused. If it’s not working out, people leave long before then.” (X. Servajan, Acome.)

Coop Atlantique, a consumer cooperative with 4,000 employees, headquarters in Saintes and branches from the Loire to the Garonne, has another noteworthy practice. “With Mr Argueyrolles, our CEO and the representative of the National Federation of Consumer Cooperatives on the national Economic, Social and Environmental Council, we have set up ‘Co-op Culture’, an in-house cooperative course. It’s unusual in that we didn’t need the help of outside instructors. We posted an announcement internally to see who would be interested in taking a course on cooperatives. We met with the candidates and then trained eighty voluntary in-house instructors from across the company. They then taught the same material to 3,600 employees. The course enables each person to be a cooperative spokesperson.” (S. Salles, Coop Atlantique.)

The relationship to work changes as a result. The job is no longer work in the usual sense but participation in a collective undertaking. Each person becomes aware of belonging to both the cooperative and the community. The person works at Coop Atlantique and lives near a store, whose success is a condition of the person’s employment. Their identity as a worker is connected with their identity as a user, and their voice become a means of developing the cooperative. The person becomes a proper co-operator the moment when the person establishes the connection between the company and the community in which the person lives.

When a cooperative replaces the local authority through purchasing land

BUYING LAND TO LIMIT URBAN SPRAWL AND HELP SET UP YOUNG FARMERS

Cooperatives often buy land for the benefit of their members and the local community. In 1990, the Bléré cooperative winery (Indre-et-Loire) set up a real-estate investment company subsidiary (*société d'investissement foncier*, or SIF) “to secure the long-term future of the Vallée du Cher vineyard by restructuring the vineyard, buying and selling land, and planting stock” (G. Bas, cave coopérative de Bléré). “Through the SIF, the Bléré winery does something that most vineyards do through a rural land and farm development company (*société d'aménagement foncier et d'établissement rural*, or SAFER). The subsidiary manages vineyard purchases and sales and planting policy. This remit allows it to restructure the vineyard and control, as much as possible, production by improving quality [...]. The cooperative purchased land and reduced the urbanisation of Bléré, which is in the suburbs of Tours. It sells land back to members according to their needs. However, it doesn't always find buyers, which has led it to become an agricultural company. Owning 30 hectares, the group directly cultivates the land and has another 70 hectares that it rents to former wine growers [...]. Working in a municipality where the mind-set is urban, the Bléré cooperative has become a symbol of the region, reconnecting the population with a history of wine-making that is nearly two thousand years old.” (G. Bas, cave coopérative de Bléré.)

The situation of the Montlouis cooperative winery is similar. “We're close to Tours. Farm land is under threat. There are some vulnerable vineyards, and others where the boss is nearing retirement age, and we're also worried about obtaining planning permission. There are still three hundred surplus hectares that are uncultivated. In the past three years, we've realised that we'll be facing new problems because of producers who retire and are not replaced and because of planning restrictions on new vineyards. That's how we decided to follow Bléré's idea of a property investment company. We set one up a year ago. It's 100% owned by the cooperative. We don't envisage becoming an agricultural company like Bléré but instead we intend to buy and sell back land, acting as a sort of SAFER.” (G. Vinet, cave de Montlouis.)

BUYING LAND TO REVIVE THE RURAL ECONOMY

In a very different context since it is far from any large town, the cooperative winery of Irouléguay (northern Basque Country, Pyrénées-Atlantiques) did the same thing in 2002. In 2007, the St-Emilion cooperative (Gironde) also set up a non-trading agricultural company (*société civile d'exploitation agricole*, or SCEA) 100% owned by the cooperative to help young farmers get established. This SCEA currently has 32 hectares in cultivation. In Luc en Diois (Drôme), the cooperative set up an agricultural cooperative of jointly owned farms (*société coopérative agricole d'exploitation en commun*, or SCAEC) to manage and run vineyards.

The shared aims are to protect farm land, help young farmers, promote wine growing, and encourage mutual aid. The help for young farmers is not only a commitment to the region but also a commitment to sustainability. By giving young farmers access to land, the real-estate subsidiary acts as

a springboard for new wine-growers. In Irouléguy, in the Basque Country, several independent wine producers have gone through the cooperative to get started and then later on set up on their own. “By expanding the supply beyond its own boundaries, the cooperative was able to play a major role in getting the AOC certification for its wine.” (X. Pierre, cave d’Irouléguy.)

While pursuing the objectives of its members, the cooperative simultaneously serves the region and guarantees a local relationship with the environment (Leclerc, 2014). This convergence comes from the fact that the cooperative regards itself not as an end in itself but as a means of local development.

Social ties putting the cooperative and region before the market

As commercial enterprises, cooperatives think in terms of competitiveness and sometimes encounter situations that may weaken their embeddedness in the local community. Indeed, a number of trends have been observed in cooperatives such as declining member participation, members increasingly acting like consumers in their relationship with the cooperative, and growing tensions between the cooperative’s commercial and social aims (Spear, 2011). These trends can be considered either as inevitable – this is the process known as isomorphism – or as an area of innovation that is connected with the traditional purpose of cooperatives, i.e. people joining together to buy better, produce better and sell better (Le Corroller, 2014). It can be argued that cooperatives are able to develop business strategies to remain competitive that serve the community, thus succeeding economically through the social sphere. Cooperatives would thus tend to put cooperative and regional considerations before market considerations.

Looking at cooperative principles, values and rules from the point of view of transaction costs allows thinking about how large cooperatives can interact with the market differently and what effect that can have on competition between regions. Adopting an agency cost perspective is relevant for showing that the cooperative spirit can unite actors in the region and there again produce gains that improve competitiveness. In both cases, cooperation assumes specific kinds of interactions in the region, which is considered as a social environment into which the enterprise is integrated.

Lowering transaction costs to reduce competition between regions

Transaction costs are implicitly connected to a market purchase. These are additional costs, on top of the purchase price, that are needed for carrying out the transaction. These costs can be monetary or take the form of various disadvantages. The problems of asymmetric information, and uncertainty more generally, cause higher transaction costs. One approach envisages other relationships in firms than trading relationships in the strictly economic sense of the term and is useful for analysing social economy enterprises and therefore cooperatives. Luc Bonet (2010) even goes as far as to argue that there are points in common between Coase’s thinking and Proudhon’s.

Firms in general can decrease transaction costs through vertical and/or horizontal integration, which allows them to reduce the problems of uncertainty and information with regards to input and/or output markets. These lower transaction costs are accompanied by an increase in firm size. Large cooperatives generally go further because they group together to increase their purchasing power and market and sell their goods and services better.

It is safe to assume that transaction costs are lower when the purchasing and distribution of groceries are done collectively (one transaction) rather than when each household is left to look for these same goods on the market individually (several transactions). Furthermore, and again from a strictly economic perspective, the solution adopted already in 1864 by fifty cooperatives based on the Rochdale principles, in which 17,545 members created the first wholesale cooperative (the Co-operative Wholesale Society in Manchester; Draperi, 2012), enabled lower prices by buying wholesale. In addition to savings on transaction costs, there were also savings on opportunity costs corresponding to the price differential that households would have had to pay if buying the goods themselves individually on the market. Similarly, “Système U is a retailer cooperative that began in the late 19th century in the west of France. At that time, small village grocers banded together to buy their supplies at lower prices. The idea was to group together to be stronger in their dealings with wholesalers and food producers back then” (T. Desouches, Système U).

Large cooperatives also have lower transaction costs when restructuring. During a merger of cooperatives or the takeover of one cooperative by another, the valuation of the enterprises does not lead to a monetary transaction, and the merging of enterprise cultures is facilitated. “A big advantage of cooperatives is that a merger is in effect cash neutral when assets and liabilities are combined. You just have to work and agree on governance and combine the general meetings. The assets are combined without needing to determine the value of each company. To buy a private industrial firm today, you have to pay hundreds of millions of euros. If it’s a cooperative, we just say, ‘come and get married with us’. Cooperatives can become bigger without increasing their debt as they grow.” (F. Chausson, Sodiaal.)

Similarly, large cooperatives and cooperative consortia are able to cross-subsidize, which is contrary to the dominant economic model that argues that the biggest company has an advantage on the market, the reason that mainly explains the concentration of businesses in large companies.

More generally, cooperatives’ lower transaction costs come from the fact that grouping together allows making better choices by reducing the imperfections of competitive markets (Borzaga, Tortia, 2010), leading to decisions that are better for the region. As cooperatives increase their competitiveness thanks to these lower costs, this increases the sustainability of cooperatives, their jobs and their embeddedness in the local community. Seen from this perspective, the nature of the relationship between the firm and the region is cooperative and no longer competitive. This evolution is rather positive when looked at from the point of view of the negative effects of transferring competition between firms to competition between regions, i.e. disappearance of places to live and “desertification”.

The flipside is increased dualism between small and large cooperatives, as has been happening with agricultural cooperatives, and raises questions about cooperative identity as a whole (Carrère, Joly, Rousselière, 2011). However this evolution also shows the ability of cooperatives to adapt to competition and maintain relationships with local communities that are consistent with their values.

Managing agency costs to integrate the region

Cooperatives are also different with regards to agency costs. Agency costs result from the fact that economic agents may pursue conflicting objectives even if they work in the same organisation. There are a number of aspects to this issue. For example, any monitoring costs for limiting opportunistic behaviour, motivation costs for guiding the behaviour of agents, and possible losses incurred due to actions that adversely affect the firm should all be taken into account.

The larger the firm, the greater the risk of higher agency costs. Large cooperatives with hundreds or thousands of members and employees face this problem. Greater agency costs reduce competitiveness and may consequently have a negative effect on local embeddedness at least in terms of employment and distribution of wealth.

However, the double capacity of cooperative members limits conflicts of interests even though it requires meeting, consulting, informing each other, and finding compromises, which can be complex and costly, particularly in terms of time. Implementing cooperative practices involves both higher agency costs and a process of working together to achieve shared objectives hammered out during meetings and general assemblies and contributes to reducing the same agency costs. The objective is to make the second effect compensate for the first.

The crucial difference of cooperatives is to manage agency costs, rather than incur them, through several levers that are economic but also and, more importantly, social. Managing agency costs is not only a question of money; it can weave and strengthen social ties.

In this respect, cooperative banks should be able to ease agency conflicts and motivate in particular managers other than economically (Gianfaldoni, Richez-Battesti, 2007). By participating in and establishing forms of local governance, cooperatives integrate personal, collective and regional interests. "Our regional groups, the 'federal' branches, are not gimmicks. They undertake policy decisions as well as communications. Decision-making starts with the local banks. Overall, depending on the federations, 80-95% of lending decisions are made at the local level to better meet local needs." (G. Leseul, Confédération nationale du Crédit mutuel.) The organisation of the system of elections supports and provides expression for the citizenship relationships of elected directors. The objective of cooperatives is to involve members and make them accountable in regards to the choices made, in order to group together, and thereby reduce net agency costs.

Information systems are essential for building shared interests, as are the election systems and how members are involved in the business

conducted by employees. The relationships between members, their elected representatives, employees and management teams are all channels for passing information, expressing values, and trust that the decisions taken make sense. “You have to let time take its course for a project to mature. You can have a brilliant idea, but it still takes time to convince others, to go through all the machinery of consultation between groups of members and with the board. The time needed to make a decision can be relatively long but, once made, the decision has really been examined from every possible angle, and then it’s more likely to be supported by everyone.” (C. Lallau, the Kryss Group.)

Through the way they manage agency costs, cooperatives aim to create communities based on a local compromise. They acquire a political role, helping to construct and institutionalise networks by generating social innovations (in electoral systems and director/member/manager/employee relationships) that are implicitly part of a regional vision (Le Corroller, 2012).

Towards a typology of the regional embeddedness of cooperatives

Cooperation and a meso-republic of regions

It is interesting to put in perspective the current geographical distribution of cooperatives to understand its underpinnings. From this angle, the study on which this article is based confirms the conclusions of earlier works (Draperi, 2012) that put the innovations of contemporary cooperatives in historical perspective. Over two centuries of history, the cooperative movement has experienced four major phases of creative dynamism. The first was the micro-republic of workers that culminated in 1848 through the creation of workers’ associations. The second was the macro-republic of consumers that spanned from the 1880s to the 1970s. It was based on consumer cooperatives that represented the public interest. The third cooperative utopia was the republic of cooperative development in the decade of the 1960s. Countries gaining independence promoted cooperatives to establish an endogenous form of development that was meant to free them from the influence of the two superpowers.

We are today experiencing a fourth phase of cooperative dynamism that we have suggested calling an “inter-cooperative meso-republic”. The term is perhaps a bit cumbersome, but it is precise. “Meso” because it is neither at the enterprise level like the first phase (micro), nor the level of the second phase (macro) nor the state level, but the middle level of a region and, more precisely, the milieu (Berque, 2000). “Republic” because like the earlier phases, it represents another way of conceiving local and regional development that is rooted in democracy. Lastly, “inter-cooperative” because unlike the previous phases, it is based on both producers and consumers, which can be seen with, on one hand, organisations like community-interest cooperatives (SCIC), farmer-to-consumer associations (AMAP), worker cooperatives of self-employed entrepreneurs (CAE) and “integral cooperatives” and, on the other hand, the development of fair trade, buying direct, buying locally, etc.

These associations and the cooperative schemes between producers and consumers are the basis of local embeddedness by raising the awareness of local populations as both workers and inhabitants, i.e. users. However, local communities differ from one to the next and affect the way cooperatives are locally embedded.

Towards a typology of cooperative cultures

By helping to reconcile solidarity and competition and taking into account different perceived levels of local development, cooperatives challenge local and regional models (Bioteau, Fleuret, 2014). In addition, although they are all rooted in their local communities, their relationships vary. From around fifty interviews conducted in ten regions, five main types of relationships between cooperatives and regions emerge. This typology does not claim to identify complete types, which would be homogenous, distinct and comprehensive. It is just a suggested approach for furthering the identification of cooperative regions as variations on the inter-cooperative meso-republic.

TYPE 1: COOPERATION ROOTED IN TRADITION

This type is found in regions that can be described as traditional, balanced and integrated. These include Touraine, Franche-Comté, Burgundy, Gironde, the wine-producing region of Champagne, Mâconnais, rural Lower Normandy, etc. Cooperatives are part of the region's traditions. It is not necessarily remarkable, but it is connected with a way of life that values traditional skills and expertise. Cooperatives are frequently an extension of traditional forms of mutual assistance while at the same time are very innovative.

TYPE 2: "INTEGRATED" OR SERVICE COOPERATION

This type primarily concerns industrial and/or intensive farming regions that share the characteristic of being an integral part of substantial capitalistic development. Thus, in the region of Nord-Pas-de-Calais, with its history of heavy industry, cooperatives are essentially either integrated in the capitalist economy (agricultural and food-processing cooperatives) or involved in repairing the effects of capitalism (social cooperatives).

TYPE 3: PUBLIC-INTEREST COOPERATION

This type concerns regions with strong identities that are well integrated into larger regions or groups of regions. In Alsace, for example, cooperatives serve the region and its inhabitants. Crédit mutuel is a good illustration. The collective interest of cooperative members merges with the public interest. This identity is integrated. The local culture plays a strong role (even including linguistic practices). It is not opposed to other cultures, nor does it provide a differentiated economy. On the contrary, it draws advantages from French and German cultures and forms a bridge between the two.

TYPE 4: IDENTITY AND INNOVATIVE COOPERATION

This type corresponds to regions with a strong identity which, unlike the previous type, is broader than the cultural dimension. The region's economy and its autonomist tradition are part of its identity as is the case in the Basque

Country or Brittany. In the Basque Country, activism and involvement in promoting Basque culture play a decisive role. Cooperation is integrated into a wider cause and contributes by meeting the growing demand for Basque products. The goal is not economic success first and foremost but promoting products and more generally Basque culture. Innovation and alternative values are also very prominent features.

TYPE 5: MULTI-FUNCTIONAL COOPERATION AND ECONOMIC INTER-COOPERATION

This type refers to regions that are relatively remote and relatively independent economically such as high mountain valleys. These regions are far from centres of power and are used to a certain amount of economic autonomy such as the Queyras, the Millevaches plateau, etc. Cooperatives are an organisational form favoured by a population faced with difficult living conditions. There is little or no industrial activity, and crafts, small shops and high quality agricultural production play a central role. This work is done by multi-activity self-employed people who are very attached to this lifestyle and turn to cooperatives by economic necessity.

Conclusion: Unity and diversity of cooperatives and cooperative regions

Looking at cooperative types by region is a promising approach. It allows a better understanding of cooperative diversity. Cooperatives do not face the same difficulties and production challenges in Origny-Sainte-Benoîte (a village in Picardy where the cooperative sugar factory was the start of the Tereos group) and in Saint-Pierreville (a village in Ardèche where the local development cooperative Ardelaine is located). Precisely because it highlights the economic, social and cultural differences that cooperatives face, it allows a better understanding of the unity of the cooperative reality beyond these differences. It is just as important to understand the universality of cooperatives as it is their diversity connected to their unique ability to respect the natural environments, cultures and regions in which they are rooted.

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