

# **GOOD GOVERNANCE IN THE SPANISH AGRARIAN COOPERATIVES AS A BASIS FOR SOCIAL COHESION**

**Cristina Pedrosa Ortega (PhD Student)**

[cpedrosa@ujaen.es](mailto:cpedrosa@ujaen.es)

Research Assistant

Department of Business Administration

Area of Business Organisation

Management Faculty

UNIVERSITY OF JAÉN (SPAIN)

**Elia García Martí (PhD)**

[egarcia@ujaen.es](mailto:egarcia@ujaen.es)

Assistant Professor

Department of Business Administration

Area of Business Organisation

Management Faculty

UNIVERSITY OF JAÉN (SPAIN)

## **Abstract:**

Given the characteristics of the current environment, the economy has gone global and we are seeing increased competition, has been a change in the conventional view of the organization. Although cooperatives are focused on meeting the needs and desires of their partners, are also working to achieve sustainable development of the community in which they are implanted, as the last of the principles of the cooperative culture. This implies that social cohesion with their environment is considered as a basis of competitive advantage of cooperatives.

Thus, there is growing interest in the study of agrarian cooperatives due to the importance of such organizations to the business of any country in the world. In Spain we have approximately 4,000 agrarian cooperatives are an important part of economic activity in the Spanish agro-food sector, with a 2007 turnover of 17.6 million euros. In addition, they concentrate a significant part of the Spanish agricultural sector, employing over 77,000 workers, mostly in rural areas. What makes these businesses into a consistent economic, social and cultural development in rural and less populated areas of Spain.

Therefore, Spanish agrarian cooperatives have had to respond to the new economic environment by developing institutional and financial innovations, and adopting new strategies in most business areas, particularly in human resources and government. In short, enterprises and cooperatives have to adapt their management model to the changing needs of today's environment if they are to remain competitive in the market.

In short, enterprises and cooperatives have to adapt their management model to the changing needs of today's environment if they are to remain competitive in the market.

In response to this complexity situation, and to ensure the survival of this type of enterprises, it is necessary the theory of the stakeholders to achieve good governance in the organization. Therefore, we will explore how this theory applies to cooperative organizations in the search for competitive advantage.

This paper will attempt to explain how, after the achievement of good governance in the organization, integrating all stakeholders in the enterprise and enables the development of the area and the social cohesion of the same. The lack of information in this area and the option to analyze how good corporate governance facilitates social cohesion in the area in context, have led us to develop a qualitative study based on analysis of a case.

The company has been chosen is Hojiblanca, an agrarian cooperative in the south of Spain (Antequera, Málaga) because it stands at number 593 according to the ranking of the 5,000 largest companies in Spain (Alimarket, 2008). With a turnover of 291.43 million euros in 2008. This company is the result of the union of a group of cooperatives engaged in the manufacture of virgin olive oil and olives.

**Key words:** Stakeholders Theory, cooperative culture, cooperative governance, social cohesion, competitive advantage

# GOOD GOVERNANCE IN THE SPANISH AGRARIAN COOPERATIVES AS A BASIS FOR SOCIAL COHESION

**Cristina Pedrosa Ortega (PhD Student)**

[cpedrosa@ujaen.es](mailto:cpedrosa@ujaen.es)

Research Assistant

Department of Business Administration

Area of Business Organisation

Management Faculty

UNIVERSITY OF JAÉN

**Elia García Martí (PhD)**

[egarcia@ujaen.es](mailto:egarcia@ujaen.es)

Assistant Professor

Department of Business Administration

Area of Business Organisation

Management Faculty

UNIVERSITY OF JAÉN

## **Abstract:**

Given the characteristics of the current environment, the economy has gone global and we are seeing increased competition, has been a change in the conventional view of the organization. Although cooperatives are focused on meeting the needs and desires of their partners, are also working to achieve sustainable development of the community in which they are implanted, as the last of the principles of the cooperative culture. This implies that social cohesion with their environment is considered as a basis of competitive advantage of cooperatives.

In response to the complexity this situation and to ensure the survival of this type of enterprises, it is necessary the theory of the stakeholders to achieve good governance in the organization. Therefore, we will explore how this theory applies to cooperative organizations in the search for competitive advantage.

**Key words:** Stakeholders Theory, cooperative culture, cooperative governance, social cohesion, competitive advantage

## **1.- INTRODUCTION**

Society and the economy suffer rapid and extensive changes associated with globalization, technological progress, the volatility and the high demands of consumer demand, market deregulation, the trend towards concentration business corporations, etc. (Martinez, 1990; Menguzzato and Renau, 1991; Brealey and Myers, 1993; Mascareñas and Lejarriaga, 1993; Sanchis, 1995; Arcas and Ruiz, 1997; Hernández and Munuera, 1997; Juliá, 1999; Planells and Mir, 2000). All these changes have led to an increase in international competition because the competitive environment is increasingly uncertain and complex. As a result, the characteristics of today's markets make it increasingly difficult to gain a competitive advantage and can be extended in time. New forms of management and governance are necessary to compete.

Agrarian cooperatives have had to respond to the new economic environment by developing institutional and financial innovations, and adopting new strategies in most business areas, particularly in human resources and government. So, these types of entities attempting to respond to the environment in which they operate, seeking to ensure effective action involving them into a successful business and achieve a competitive advantage (Ruiz et al., 2008).

The purpose of these organizations is based on specific principles and values that makes cooperatives are businesses with distinctive features of capitalist enterprises. What can be placed in a position of competitive advantage over other companies and may be the center of their success and survival.

Thus, there is growing interest in the study of agrarian cooperatives due to the importance of such organizations to the business of any country in the world. "*The agrarian cooperative is characterized as the main social and economic boost for rural areas and into jobs, fixing the population on its territory, it increases the business, create wealth, improve social welfare of citizens and contributes to the conservation landscapes and natural resources<sup>1</sup>*".

In Spain we have approximately 4,000 agrarian cooperatives are an important part of economic activity in the Spanish agri-food sector, with a 2007 turnover of 17.6 million euros. In addition, they concentrate a significant part of the Spanish agricultural sector, employing over 77,000 workers, mostly in rural areas. What makes these businesses into a consistent economic, social and cultural development in rural and less populated areas of Spain.

In short, enterprises and cooperatives have to adapt their management model to the changing needs of today's environment if they are to remain competitive in the market. We believe that to develop a model of effective management, cooperatives have to take into account the interests of all stakeholders that constitute them, incorporating their objectives and demands. To this end, the government of the cooperative must be based on the integration of all its stakeholders, as the role played by stakeholders in organizations is becoming ever more important. Companies must be prepared to identify and to establish their needs and expectations regarding the organization, with

the aim of achieving an alignment between the interests of these groups and those of the cooperative. This alignment of interests is to reconcile the objectives of all stakeholders of the enterprise so that they can meet the expectations of all of them at the desired levels and no conflicts occur. Following Guerras and Navas (2007), the alignment of interests is achieved through the negotiation of all stakeholders to reach equilibrium, setting a goal which, in a sense, integrates all groups.

This paper will attempt to explain how, after the achievement of good governance in the organization, integrating all stakeholders in the enterprise and enables the development of the area and the social cohesion of the same. The lack of information in this area and the option to analyze how good corporate governance facilitates social cohesion in the area in context, have led us to develop a qualitative study based on analysis of a case.

The structure of this paper begins with an introduction, then it shows the necessity and reality of cooperative governance including the theory that develops a model of good governance, to further study how from search of social cohesion has succeeded in achieving a cooperative competitive advantage in the market. Then it shows a case study which reflects this reality to finish with the conclusions.

## **2.- THEORETICAL FRAMEWORK**

We assume that democratic governance is a feature of cooperatives in general, manifested in the participation of members and other groups in the cooperative life. This participation is a duty that arises from the rights that the law attaches to the partners as entrepreneurs, owners and is achieved through the cooperative (Hernández, 2001).

Now, what influences the democratic government of cooperatives in achieving business success of these organizations? This is an issue of central importance for research. We believe that the cooperative that is characterized by good governance practices, which includes all stakeholders of the company, gets a competitive advantage that will differentiate it from other entities, thereby ensuring continuity in the market.

Following Hernández et al. (2008), we define cooperative governance as "(...) how to manage, direct and guide the cooperative in achieving their goals." Therefore, its purpose is to guide your managers through democratic institutional mechanisms for their administration for the benefit of its members and, additionally, in the communities where they live (Chaves and Soler, 2004). Following Davis (2001), cooperative governance has, as a central part of its main objective: the maintenance of the cooperative. This includes the efficient delivery of services and products demanded by the members of the cooperative in the context of building their common community. And as stated by Romero and Pérez (2003), there is a high degree of association between participation in the governance of the cooperative society and development in the same of an appropriate organizational culture.

Thus, the characteristic of cooperative governance is presented as a distinguishing element of social economy enterprises compared to conventional capitalist firms. In this type of enterprise management is exercised directly by the partners through the general assembly, and these are involved in making decisions and setting policies for action. It tries to make responsible the partner of his own future, implying a target of the organization.

In summary, we can say that cooperatives are first of all, enterprises in which partners can rule by two types of instruments: indirect (partner's participation in the activity of the cooperative) and direct (participation in the internal organization, the choice of administrators and managers, management control, etc.). Always on compliance and respect for co-operative principles set out in International Cooperative Alliance at Manchester (1995). In addition, to face up environmental challenges, cooperatives have had to incorporate people skills who are professional managers. Contrary to the logic of government in order to allow the company to be competitive in the market, making the survival and the business success (Pedrosa, 2009).

Therefore, in cooperatives, the incorporation of professional managers is a transformative element of the logic of government. According to Cornforth (2002), democratic governance perspective suggests that the task of these professional managers to represent the interests of members in the cooperative. We may ask, what is the objective of the incorporation of this type of stakeholder in the governance of the cooperative? According to this author, the presence of this figure is due to a number of factors including: the growing apathy of the participation of partners in making business decisions, the loss of the cooperative identity, the largest dimension of the cooperative, and the professionalization of these managers.

Similarly as in the private sector, in cooperatives the quality of its government have been questioned, since they have indicated serious concerns about its democratic legitimacy and effectiveness (Cornforth, 2002). As a result, the current concern in relation to good governance is widespread (Spear, 2004). Proof of this are the various publications that have come out today, focusing on the theme of cooperative governance (Hermes et al., 2006; Berglöf and Claessens, 2006; Reaz and Hossain, 2007; Taliento, 2007, etc.). But the study of governance has not been carried out only from a general perspective, other authors have focused their research on markets or specific codes of good governance (Mallin, 2003; Pass, 2006, Cheung et al., 2007; McGunable , 2007; Tipuric, et al. 2007; Okike, 2007, Von Rosen, 2007).

In short, if the traditional capital for companies to achieve good governance is a necessity, not less so for cooperative enterprises. These companies have had to respond to the new economic environment by developing more appropriate institutional innovations to new market conditions, financial innovations and new strategies in the fields of human resources and government.

To solve all these problems in the government of the cooperative, there is a need of search a model of cooperative governance. In the words of Chaves (2004), "It is one that

achieves the highest level of economic performance of the cooperative compatible with the preservation or development of their cooperative identity."

Good governance in cooperatives is a problem of management culture. It is a topic that "it is easier to speak and write, but it is not easier to achieve." To improve cooperative government should follow the following premises allegedly Davis (2001):

- Good governance is primarily the defense of the cooperative and its objectives
- Good governance requires the exercise of leadership values
- Good governance requires a collaborative culture that meets the needs of members and other stakeholders

### **2.1.- The Stakeholder Theory in the cooperative model**

In the search for good of cooperative governance, stakeholder theory allows for a broader view of the relations established in the organization and responsibilities that entails, beyond profit maximization, and includes interest and demand different entities to shareholders (Mitchell et al., 1997). That is, it focuses on companies should be accountable to a set of groups interested in it, and not just worry about the partners (Cornforth, 2002; Spear, 2004).

Therefore, the origin of the stakeholder theory is explained on the basis that the organization has gone to be considered as a transformation system resources from the market in search of obtaining a final product in order to obtain maximum benefit to consider also a set of groups who understand and expect results of the cooperative and to which it feels responsible (Caballero, 2005).

Following Caballero (2005), we can distinguish three stages in the development of the term stakeholder: (1) a first initial phase of Stanford Research Institute (SRI, 1963), which considers the stakeholders as the base for the survival of the organization, (2) then we would find the decisive stage of the term, which would be provided by Freeman in 1984 and that relates to the discipline of Strategic Management, (3) finally, we differentiate also the current stage, the relations between the organization and each one of the stakeholders have gone from being a minor activity in the competitive success to have seen as a central requirement. Since the company has passed to consider the stakeholders of the need to survive to consider all those who have an interest or feel affected by that. Because the desire of the powerful set of all interests is necessary in the development and control strategies of the organization, looking for it the right balance of all of them.

The theory of stakeholders is considered as recent, but dates back to the last century, is in late 80s when they begin to highlight significant, as is Freeman (1984) which can be considered its predecessor.

This position can be used as a methodology for the strategic business management of the organization and will allow the agrarian cooperatives success in their locality.

In summary, stakeholder theory is a holistic view of organizations, looking for a balance between the stakeholders of the company to adapt to continuous changes in their environment and ensure the survival in the time (Pedrosa, 2009).

It is necessary to give prominence to the people and their interests as are those who, set the real economic progress of the organization (Alvarez, 1999).

As a result, the cooperative's main objective is the identification of stakeholders, because in order to be effective, must be able to find the balance between the interests of all stakeholders and their own. So companies try to identify, understand and communicate with each stakeholder deciding the level of responsibility to each one, using a wide range of performance indicators related to the interests of all groups (Wheeler and Sillanpaa, 1998).

In this way and as we have indicated throughout this work, agrarian cooperative must to identify and take into account compliance with the objectives of all stakeholders, as a basis for good cooperative governance, so it gets a competitive advantage that differ from other enterprises. This will be an advantage in the market that will ensure their survival, thus achieving business success.

It is necessary to knowing how to reconcile all the interests, to fulfill the objectives of the company. This provides the credibility of the stakeholders in the organization and the good image of it. That is, organizational identity is verified when stakeholders are performed their expectations in the organization (Scott and Lane, 2000).

### **3.-LOOKING FOR SOCIAL COHESION AND THE COMPANY'S COMPETITIVE ADVANTAGE**

After study the good governance, we focus on the cooperative identity as a factor that may affect the survival of the cooperative. If all stakeholders have a sense of belonging to the organization, it will remain competitive in the market, being able to achieve business success. For a cooperative the key to good government is recognizing the essence of the cooperative form of business and not try to imitate the conventional capitalist firms.

The cooperative identity is based on its cooperative principles. These constitute a differential element that can provide certain advantages and enable cooperatives getting from a favorable position to face up the challenges created by rapid and continuous change in the environment that influence the competitiveness of the cooperative (Vargas, 1995, 1999; Diaz, 2000, 2004; Agirre, 2001). However, the influence of certain principles is more direct than others (Gomez and Miranda, 2006).

Thus, cooperatives are characterized by values such as democracy, social interest and distributive justice, which result in certain operating rules. This operation is based on

the cooperative values (self-help, self-responsibility, democracy, equality, equity and solidarity). Moreover, these have to be accompanied and reinforced by a set of ethical values: honesty, transparency (openness), responsibility (social and mutual) and social vocation (interest or concern for others) (García, 2000). These values are embodied in the cooperative principles that shape the identity and parameters of government in these companies. It is fair to say that we are referring to a set of values that are not in any way monopoly of the cooperative societies. The resulting situation is that these values are considered cooperative, is producing a positive effect on the efforts of people when involved in the management of an enterprise for the benefit of all its members (Nilsson, 1996).

Still according to Garcia (2000), for an organization to survive and succeed, there must be an adequate set of principles to serve as a guide for action. That are based on all its policies and activities and serve to implement the values of their partners. These values are implemented through cooperative principles established by the International Cooperative Alliance (ICA, 1995), determining patterns of cooperative action. These principles are:

- 1) Voluntary and open membership
- 2) Democratic member control
- 3) Member economic participation
- 4) Autonomy and independence
- 5) Education, training and information
- 6) Cooperation among cooperatives
- 7) Concern for community

The final principle objective of our work, concern for community, refers to that, while cooperative societies focus on the needs and desires of their partners are also working to achieve sustainable development of their communities as criteria approved by the membership. Following Moreira (1999), from the point of view of values and cooperative principles, social cohesion is part of the cooperative advantage. The essence of cooperative focuses on the values of cooperation and solidarity. In opposition to the current values of individualism and competition, characteristic of globalization, with those intangible values and components of a cooperative advantage (Jordao and Briz, 2004).

As seen in this paper, the cooperative principles are the pillars on which cooperatives are structured. They are a guide to economic and social activities, creating a strong corporate culture, which represents a competitive advantage over other companies with weak cultures. Thus, the cooperative principles are the life force of the cooperative and the implementation of the values that shape its organizational culture. The principles

state structures and determine the attitudes that give it its distinctive perspective. These are the guidelines under which the cooperative members try to develop their organizations (Tous and Ciruela, 2005). In the values and principles found in the collaborative culture is reflected the engagement with stakeholders. Taking into account the expectations and needs of individuals and society to which they relate, which may be an important source of competitive advantage (Tous and Ciruela, 2005).

Taking into account all the arguments we make the following proposition:

*Proposition 1: The achievement of cooperative governance through the integration of all stakeholders, allows the social cohesion of the implanted area in which the cooperative are boated and achieving a competitive advantage for the company.*

#### **4.- CASE OF STUDY**

To justify the proposition raised we have used a illustrative case study, following the methodology of cases established by Ryan, Scapens and Teobal (1992). These authors show that the illustrative cases attempt to show innovative practices that affect the organizational development of enterprises. Empirical research, conducted in such cases focuses on the description of the process of implementing best practices within organizations.

We believe this methodology suitable for the realization of this work, it allows us to analyze the phenomenon in its real context using multiple sources of evidence, quantitative and / or qualitative simultaneously (Villarreal and Landeta, 2007, Yin, 1989 and Eisenhardt, 1989). In particular, we made individual interviews, reviewed documents and articles about the company analyzed, and information was obtained directly through visits to the area where the company is located.

The case chosen, given the nature of this paper, had to be a large-scale cooperative with a consolidated and advantageous position in the market. In addition, it had to be characterized for their good management practices, meeting the cooperative principles as a means of achieving business success.

The company has been chosen is Hojiblanca, an agrarian cooperative in the south of Spain (Antequera, Málaga) because it stands at number 593 according to the ranking of the 5,000 largest companies in Spain (Alimarket, 2008). With a turnover of 291.43 million euros in 2008. This company is the result of the union of a group of cooperatives engaged in the manufacture of virgin olive oil and olives. There are 35,000 families that cultivate 30 million of olive trees in 300,000 hectares. They produce an annual average of 150,000 tons of virgin olive oil and 44,000 tones of olives. These figures make this company the largest producer of olive oil and olives and the first extra virgin olive oil bottler in the country (Pedrosa, 2009)

In general, the contribution of agrarian cooperatives has shown from the European Union, recognizing the role played by the cooperative sector in regional development,

contributing to better integration and social cohesion. So, cooperatives become a type suitable to achieve business development goals. The participation of partners in all processes, the implementation of cooperative principles and the settlement of these enterprises in rural areas, are the keys to give them a basic role in the development of the territories. Cooperatives have an important role because they represent the interests of groups in the area in which they are located. They are a link with the economic and social fabric of the area to try to ensure job creation, mobilizing resources, generating investment and transfer of information to develop the processes of integration and social cohesion (Bel and Ausín, 2007)

The cooperative represents, from its beginnings, to an organization able to articulate and defend the needs of the weaker sections of the population. It must be the service of man, every individual, whatever the organization in which it insert. As the cooperative will not be able to position regardless of the activity carried out by its members, but must be located adjacent to them, working for economic development and social environment in which they find themselves.

Focusing on the environment and the local community as a stakeholder to be taken into account to get social cohesion with the business environment and thus ensure the success of the cooperative, we will say that assures the agricultural cooperatives the right to build their structures, sometimes gives facilities to do: to change it benefits from the tax rates for business and the economic contribution (it is a source of income) and social development of the cooperative. Also, there is some interest in the organization which seeks to defend and try to respect. These interests include: looking for environmental sustainability (no pollution, reduce noise, prevent odors, ...), creation of employment and reduce social costs, the maintenance of social stability in the community, the formation of industrial, local development, etc.. The most common conflicts that often occur between the cooperative and the community as a stakeholder are two: the closure of plants and air pollution (González, 2001).

Furthermore, when we identify the environment as a stakeholder we mean the natural environment. For although by its nature should not be included within the classification of stakeholders. It is important to consider it as such, because these stakeholders can drastically change your relationship with the cooperative in terms of treatment accorded by it to nature, respect and conservation is demonstrated by it.

Other manifestations of the interdependence that agrarian cooperatives and its environment would be: first, we can see how there are certain communities or certain type of environment that fosters the development of collaborative cultures, which is a favorable aspect continuity of these companies. Then they have the support of their community and in turn, are favored by the environment in which they operate.

The value that is capable of generating a cooperative is so important to their partners and for the environment in which it is located. In most cases, especially in the towns of small size olive oil, cooperatives are the engine of development and local economic base. Thus, higher interest ensures community development and prosperity of the

geographical area in which the organization is implanted. Cooperatives are working in the activity carried out by its partners. Cooperatives are located next to them working for the improvement of living standards of the environment in which they find themselves. They try to ensure the identification of ideas and needs of the members of the company to promote the survival and success of it.

We need to seek sustainable development of the communities in which cooperatives are inserted through policies supported by their partners. Thus, as more individuals involved in the organization, it is easier to identify new ideas and help develop the environment. In this way, cooperatives may be considered democratic associations of entrepreneurs.

In summary we can say that the principle “concern for community” refers to the degree of relationship or union with any experience local cooperative. The endogenous component is considered as an element of great importance for the functioning and development of cooperatives (Moreira, 1999). From the point of view of values and cooperative principles, social cohesion is part of what this author calls the cooperative advantage.

We also believe that the alignment between the partners and professional managers in the implementation of cooperative principles and values in the cooperative helps to achieve business success and competitive advantage of the organization. In relation to the case study analysis, we noted the importance in the area that is implanted (Málaga). One of the stakeholders interviewed told us:

"[...] Málaga is almost Hojiblanca"

We can say that most people in the area of Antequera (Málaga) is linked to this cooperative. In this way, we can consider our case study as a driver of development in the locality, being a major source of income that brings out a commercial activity linked to it. This is the speech of one of the stakeholders interviewed:

"It would be very difficult to understand the economies of many municipalities without the presence of cooperatives"

Moreover, it is essential to Hojiblanca closer links with the environment to improve relations with it, especially with the different administrations. To this end provides numerous institutional relations at both national, regional, and local. It also conducts numerous collaborations with the environment in which it is immersed. This is educational partnerships at all levels, since oil provides school breakfasts at local and regional festivals. Institutional collaboration with the Ministry of Culture and Agriculture of the Government of Andalusia, with the County Councils ... Collaborate with other associations (agricultural, neighborhood, ...) requesting support for the activities they organize. In short, we can see how Hojiblanca positive influence on the development of its environment to any national, regional and local levels.

## **5.- CONCLUSIONS AND FUTURE LINES OF RESEARCH**

Cooperative movement throughout the world tries to solve a key question: how to interact with the new economic, social and technological environment without threatening the cooperative principles and without its objectives (Agirre, 2001).

New challenges are presented for agricultural cooperatives in the future that can be summarized as: increasing the size and competitiveness, adapting to new market demands, the promotion of education and training, concentration and organization of information, promotion of territorial development processes and the homogenization of social, financial regulations and promote inter-cooperation. Given this reality, rural entrepreneurs through its cooperatives have to solve problems and meeting the new demands (Bel and Ausín, 2007).

As we have observed throughout the work, the cooperative identity remains valid for the challenge supposed by globalization of the markets. Moreover, this cooperative identity based on culture-specific as these businesses and individuals operating principles, allows this type of company to achieve a sustainable competitive advantage to new environmental conditions.

We can say that the cooperative principles are a distinguishing feature of this type of company. That this feature can ensure excellent management, adapted to the changing needs of the globalized environment in which change, speed, innovation, flexibility and a reinvent each production activity or service. It is necessary to implement a management that understands the purpose and cooperative values. So we can use the differences cooperatives as a competitive advantage.

Thus, we have tried is to highlight how the implementation of cooperative principles, can be an instrument for the survival and competitiveness of the cooperative (Marcuello and Saz, 2008).

In short, cooperatives are a business reality of collective ownership and democratic management. They try to promote solidarity, participation and responsibility. Its operation must be guided by cooperative principles which constitute its uniqueness and essence.

The fulfillment of these cooperative principles allows the increasing of social capital in the cooperative, which is an intangible asset of strategic importance which can affect the competitiveness of the organization (Marcuello and Saz, 2008). In addition, we can say that the fulfillment of cooperative principles improves the relationship between the stakeholders of the cooperative (Marcuello and Saz, 2008).

According to the last of the cooperative principles, "while focusing on the needs and desires of members, cooperatives work for the sustainable development of their communities according to criteria approved by the partners" (ACI, 1995). This principle supposed a social cohesion with the environment in which the company is located. It

also offers the possibility of developing the geographical area of reference in which the organization is implanted.

This paper has attempted to improve the knowledge of the agrarian cooperative through Hojiblanca case. The analysis of this case we have seen how the application of cooperative principles, particularly the last one, it is essential to achieve a competitive advantage in organizing and promoting the development and social cohesion of the reference area. It has been observed how the cooperative principles put into practice the values of the cooperative, through participatory management. Thus, we can understand the case study analyzed as illustrative for future research.

Finally, we point out that the cooperative principles are the same function: to build a cooperative structure effective and appropriate to the interests of all its members. Therefore, the fulfillment of with these principles, the cooperative will become competitive.

## **BIBLIOGRAPHY**

**Agirre, A.**, 2001, “Los principios cooperativos “atractores” de la gestión eficiente: su medición. Aplicación al caso de Mondragón Corporación Cooperativa”, *CIRIEC-España, Revista de Economía Pública, Social y Cooperativa*, 39, pp. 93-114.

**Alianza Cooperativa Internacional (ACI)**, 1995, “Los principios cooperativos del siglo XXI”, *CIRIEC-España, Revista de Economía Pública, Social y Cooperativa*, 19, pp. 38-39.

**Alimarket**, 2008, “Ranking de las 5000 mayores empresas de España”.,*Publicaciones Alimarket S.A.*

**Álvarez, J.**, 1999, “Priorización de los stakeholders en la actual sociedad del conocimiento”, *Técnica Contable*, 610, pp. 665-670.

**Arcas, N. and Ruíz, S.**, 1997, “La comercialización de frutas y hortalizas en el entorno internacional”, *Distribución y Consumo*, 7 (35), pp. 55-91.

**Bel, P. and Ausín, J.M.**, 2007, “Contribución de las sociedades cooperativas al desarrollo territorial”, *REVESCO*, 92(2), pp. 41-71.

**Berglöf, E. and Claessens, S.**, 2006, “Enforcement and Good Corporate Governance in Developing Countries and Transition Economies”, *The World Bank Research Observer*, 21 (1), pp. 123-150.

**Brealey, R.A. and Myers, S.C.** (ed), 1993, *Fundamentos de Financiación Empresarial*. Edición Mc Graw–Hill, Madrid.

**Caballero, G.**, 2005, *Los stakeholders en el modelo de gobierno corporativo. Un análisis del impacto en las estrategias de empleabilidad de la universidad española*. Tesis Doctoral, Universidad de Vigo.

- Chaves, R.**, 2004, "Gobierno y democracia en la economía social", *Revista Mediterráneo Económico*, 6, pp. 35-52.
- Chaves, R. and Soler, F.** (ed), 2004, El gobierno de las cooperativas de crédito en España, CIRIEC-España y Ministerio de Trabajo y Asuntos Sociales, Valencia.
- Cheung, Y.L.; Connelly, Th.; Limpaphayon, P. and Zhou, L.**, 2007, "Do Investors Really Value Corporate Governance? Evidence from the Hong Kong Market", *Journal of International Financial Management & Accounting, Oxford*, 18 (2), pp.86.
- Cornforth, C.**, 2002, "Making Sense of Co-operative Governance: Competing Models and Tensions", *Review of International Co-operation*, 95(1), pp. 51-57.
- Davis, P.**, 2001, "The governance of co-operatives under competitive conditions: issues, processes and culture", *Corporate Governance*, 1(4), pp. 28-39.
- Díaz, F.**, 2000, "Cooperativismo, valores e ideología", *Anuario de Estudios Cooperativos*, 1, pp. 127-142.
- Díaz, F.**, 2004, "Actitudes, motivaciones y creación de empresas: el caso de los emprendedores en sistema cooperativo", *REVESCO*, 24, pp. 37-52.
- Eisenhardt, K. M.**, 1989, "Agency Theory: An Assessment and Review", *Academy of Management Review*, 14(1), pp. 57-74.
- Freeman, E.** (ed), 1984, "Strategic Management: A stakeholder approach". *Boston: Printman Press*.
- García, E.**, 2000, *La profesionalización de la sociedad cooperativa almazarera andaluza: un enfoque de agencia*. Tesis Doctoral, Universidad de Jaén.
- Gómez, P. and Miranda, G.**, 2006, "Sobre el régimen económico y financiero particular de las sociedades cooperativas", *REVESCO*, 90, pp. 28-56.
- González, E.**, 2001, *La responsabilidad moral de la empresa: una revisión de la teoría de stakeholder desde la ética discursiva*. Tesis doctoral, Universidad Jaume I de Castellón.
- Guerras, L.A. and Navas, J.E.** (ed), 2007, La Dirección Estratégica de la Empresa. Teoría y Aplicaciones. *Thompson Civitas*.
- Hermes, N.; Postma, Th. J.B.M. and Zivkov, O.** (2006): "Corporate governance codes in the European Union; Are they driven by external or domestic forces?", *International Journal of Managerial Finance*, 2 (4), pp. 280.
- Hernández, M. J.** (ed), 2001, *Base Social de las sociedades cooperativas almazareras*. Caja Rural de Jaén.
- Hernandez, M. E. and Munuera, J. L.**, 1997, Consideraciones sobre la competitividad de la empresa de comercialización hortofrutícola. *Distribución y Consumo*, Agosto/Septiembre.

**Hernández, M.J.; Ruíz, C. and García, E.**, 2008, “La cultura como mecanismo de gobierno y control en las organizaciones cooperativas”. *REVESCO*, 95, pp. 94-111.

**Jordao, J. and Briz, J.**, 2004, “Aproximación sostenible del tema del cooperativismo en Portugal: situación actual y perspectivas para el futuro”. Congreso Internacional del Cooperativismo Agrario y Desarrollo Rural, Valencia.

**Juliá, J.F.**, 1999, “La concentración en el cooperativismo agroalimentario”. *Cuadernos de Agricultura, Pesca y Alimentación*.

**Mallin, Ch.**, 2003, “Los Códigos de Buen Gobierno: la experiencia británica”. *Análisis Financiero*, 90 (número extraordinario), pp. 73-80.

**Marcuello, C. and Saz, M.I.**, 2008, “Los principios cooperativos facilitadores de la innovación: un modelo teórico”, *REVESCO*, 94, pp. 59-79.

**Martínez, A.** (ed), 1990, *Análisis de la integración cooperativa*. Universidad de Deusto, Bilbao.

**Mascareñas, J.M. and Lejarriaga, G.** (ed), 1993, “Análisis de la estructura de capital de la empresa”. Ed. EUDEMA Universidad.

**Mcgunable, D.M.** (2007): “Corporate Governance in China”, *The Business Review, Cambridge*, 8 (1), pp. 52-60.

**Menguzzato, M. and Renau, J.J.**, 1991, “Innovación Tecnológica, hilera de producción y estructura de una industria”, *Esic market*, 73, pp. 93-102.

**Mitchell, R.; Agle, B. and Wood, D.** (1997): “Toward a theory stakeholder identification and salience: defining the principle of who and what really counts”, *Academy of Management Review*, 22(4), pp. 853-886.

**Moreira, M.A.**, 1999, “Globalizacao e o movimento cooperativo. Tópicos para o debate”. En *O Cooperativismo no novo milenio. A vantagem cooperativa*. Lisboa: INSCOOP, pp. 53-94.

**Nilsson, J.**, 1996, “The nature of cooperative values and principles”, *Annals of Public and Cooperative Economics*, 67(4), pp. 633-653.

**Okike, E.N.M.**, 2007, “Corporate Governance in Nigeria: the status quo”, *Corporate Governance*, 15 (2), pp. 173.

**Pass, CH.**, 2006, “The revised Combined Code and corporate governance: An empirical survey of 50 large UK companies”. *Managerial Law*; 48 (5), pp. 467-478.

**Pedrosa, C.**, 2009), *Factores de éxito en la gestión de las sociedades cooperativas: el caso de Hojiblanca*. Trabajo de Investigación realizado en el Departamento de Organización de Empresas, Marketing y Sociología de la Universidad de Jaén.

**Pedrosa, C.**, 2009), “Modelos teóricos que nos ayudan a comprender el gobierno de las sociedades cooperativas, una apuesta por el enfoque de los stakeholders”, *Revista de la Agrupación Joven Iberoamericana de Contabilidad y Administración de Empresas*, 4, pp. 54-71.

**Planells, J.M. and Mir, J.**, 2000, “Situación actual de la Distribución Europea”, *Levante Agrícola*, Primer trimestre, pp. 76-85.

**Reaz, M. and Hossain, M.**, 2007, “Corporate Governance around the World: An Investigation”, *Journal of American Academy of Business, Cambridge*, 11 (2), pp.169-175.

**Romero, A.J. and Pérez, M.**, 2003, “Organizational culture, individual differences and the participation system in cooperativism of associated workers in Andalusia, Spain”. *Annals of Public and Cooperative Economics*, 74(2), pp. 283-320.

**Ruíz, M.C.; Hernández, M.J. and García, E.**, 2008, “La identidad cooperativa como respuesta al desafío de la globalización: la búsqueda de la excelencia empresarial”. 27 Congreso Internacional de CIRIEC (Sevilla, 22-24 Septiembre).

**Ryan, B.; Scapens, W., and Theobal, M.** (ed), 1992, “Research Method and Methodology in Finance and Accounting”, *Academic Press*.

**Scott, S. and Lane, V.**, 2000, “A stakeholder approach to organizational identity”, *Academy of Management Review*, 25(1), pp. 43-62.

**Spear, R.**, 2004, “El gobierno democrático en las empresas cooperativas”, *CIRIEC-España, Revista de Economía Pública, Social y Cooperativa*, 48, pp. 11-30.

**Taliento, M.**, 2007, “The Role and The Ambit of Corporate Governance and Risk Control Frames”, *Journal of American Academy of Business, Cambridge*, 11 (2), pp. 251-256.

**Tipuric, D., Hruska, D. and Aleksic, A.**, 2007, “Corporate Governance and Ownership Concentration in Croatia”, *The Business Review, Cambridge*, 7 (1), pp. 207-211.

**Tous, D. and Ciruela, A.M.**, 2005, “Responsabilidad social y cultura en las sociedades cooperativas agrarias. Modelo general de balance social”, *CIRIEC-España, Revista de Economía Pública, Social y Cooperativa*, 53, pp. 209-240.

**Vargas, A.**, 1995, “La identidad cooperativa y la cooperativa como empresa: luces y sombras”, *REVESCO*, 61, pp. 179-192.

**Vargas, A.**, 1999, “De la participación en la empresa a la empresa de participación democrática”, *REVESCO*, 67, pp. 219-234.

**Villarreal, O. and Landeta, J.**, 2007, “El estudio de casos como metodología de investigación científica en economía de la empresa y dirección estratégica”. XXI Congreso Anual EADEM, Universidad Rey Juan Carlos, Madrid, 6-8 Junio.

**Von Rosen, R.**, 2007, “Corporate Governance in Germany”. *Journal of Financial Regulation and Compliance*, 15 (1), pp. 30.

**Wheeler, D. Y Sillanpaa, M.**, 1998, “Including the stakeholders: the business case”, *International Journal of Strategic Management: Long Range Planing*, 31(2), pp. 201-210.

**Yin, R. K.** (ed), 1984/1989, *Case Study Research: Design and Methods, Applied social research Methods Series*, Newbury Park CA, Sage.

---

<sup>i</sup> Anuario de la Economía Social 2007-2008 de la Confederación de Empresarial Española de la Economía Social.