

Cooperative Identity: A Review and Future Research Agenda

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Abstract: For the purpose of revisiting the appropriateness of cooperative identity, principles and values, we have performed a structured literature review. Despite evidence found that cooperative identity relates to the principles of sustainability, the importance of the reliable measurement and reporting on the achievement thereof has also been identified. Although cooperatives in some industries and countries are successfully achieving these objectives, the importance of educating the public and own members on cooperative principles is highlighted as necessary to ensure the resilience of cooperative identity. It also seems that empirical papers provide limited information on how to address a redefinition of cooperative principles and values, and isomorphic pressures on cooperative values

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1. Background

Cooperative enterprises have been addressing the economic, social and cultural needs of individuals and communities since the 17th century (International Cooperative Alliance [ICA], 1995). The cooperative movement has survived global events over past centuries, including industrialisation, two world wars and more recently the financial crisis of 2008. The time has however come to revisit the appropriateness of cooperative identity as a means to ensure resilience, in spite of the economic, social and environmental challenges in a world that is also known for new technologies, and sustainability-, inequality- and discrimination-related issues (Wilson et al., 2021). Moreover, during the 33rd World Cooperative Congress of the ICA (33rd ICA Conference) cooperative members from all regions and sectors globally, were advised to adapt their cooperative identities to meet demands of current times, whilst also guarding the cooperative ethos (Hoyt, 2021). It therefore seemed appropriate to review the body of literature and research on cooperative identity, and to address the following issues: What are the cooperative values, identity and principles? How are cooperative values, identity and principles applied by cooperatives in different countries and sectors?

The story of the Rochdale Society of Equitable Pioneers that has inspired cooperatives since the 19th century led to the establishment of the famous Rochdale Principles. The impoverished weavers in the small English town of Rochdale, who established the Rochdale Society, thereby illustrated how to develop a successful organisation while achieving mutual benefits for members and laid the foundation for cooperatives' principles (Fairbairn, 1994; Zeuli,

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Cropp, & Schaars, 2004). The ICA, established in 1895, struggled with the definition of cooperation during the interwar period; after many controversial attempts, in 1934 they defined the Rochdale principles as follows: “Open membership, democratic control, distribution of the surplus to members in proportion to their transactions, political and religious neutrality, cash trading and promotion of education” (Hilson, 2011; Miller, 1937).

In 1966, the ICA updated these principles. The most significant changes included: cash trading fell away; more guidance and prescriptions were provided on surpluses and share capital; and consideration for the community obtained substance in a new principle (Fairbairn, 1994). Today, globally, cooperatives are operating according to the Cooperative Values and Principles, adopted by the ICA in 1995. These values include “self-help, self-responsibility, democracy, equality, equity, and solidarity”. The ICA Principles, according to which these values have been put in place, include: “1. Voluntary and open membership; 2. Democratic member control; 3. Members’ economic participation; 4. Autonomy and independence; 5. Education, training and information; 6. Cooperation among cooperatives; 7. Concern for the community”(ICA, 1995).

According to the ICA’s Statement of Cooperative Identity, a cooperative is an “autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise” (ICA, 1995). Ownership therefore distinguishes cooperatives from investor-owned firms (IOFs). Cooperatives are owned by members with whom they also have a transactional relationship (i.e., vendors, customers, employees) whilst IOFs are owned by capital providers (Cook & Chaddad, 2004; Hansmann, 2013). Across the globe, the cooperative economy comprises three million cooperatives with one billion cooperative members, providing 280 million work opportunities (ICA, n.d.). The most prominent economic activities cooperatives operate in are insurance, agriculture and foods industries, wholesale and retail trade, as well as financial services (WCM, 2021).

Recently, certain potential development areas and associated actions have been identified as necessary to ensure the longevity of cooperatives’ values, identity and principles. Thus, cooperatives can improve on the inclusion of women, youth, people of colour and marginalised communities (Hoyt, 2021). Cooperatives are encouraged to communicate their unique nature, values and principles (DotCooperation LLC, 2023) to their members as well as their client, supplier and customer bases. To improve on the general management and governance of cooperatives, and to preserve the cultural heritage of local cooperatives in their communities, the importance of the education of members, directors, staff, and the general public have also been recently emphasised. Training programmes are also needed to provide the necessary competence to manage and govern cooperatives (Hoyt, 2021). Preceding these concerns, Birchall (2005) identified the merit of revisiting the Cooperative Principles again. Examples of aspects that should be considered for addition to the existing principles are concern for the environment (more than ‘concern for the community’); a principle recognising the contribution of employees; and a principle defining consequences of non-compliance with the principles.

Since the early 1900’s, cooperatives have been established by producers who acted collectively to correct negative impacts of market failures (i.e., depressed or excessive prices) (Cook, 1995). Market failure therefore became a reason for the establishment of cooperatives. Organisations, however, tend to compete for social and economic fitness to gain political authority and to earn institutional legitimacy, leading to isomorphism (organisations becoming more similar to each other) (Meyer & Rowan, 1977). Isomorphic trends in cooperatives normally constitute the adaptation of the organisational form, the separation of the social and economic dimensions of the organisation, hybridisation and degeneration (Spear, 2004). Novkovic et al. (2022) describe isomorphism as the situation where cooperatives do not acknowledge their cooperative identity and the collective dimension of the organisation, rather using investor orientated ownership and not member ownership performance management criteria, thus hindering cooperatives’ efforts to meet their full potential. Another source of institutional isomorphism is in the form of organisational response to pressure for the adoption of corporate social responsibly reporting (CSR) (Roszkowska-Menkes & Aluchna, 2017). Identifying a cooperative’s perspective, Mattila (2009) came across cooperative bank employees who are convinced that CSR is motivated by peer pressure, and they therefore questioned the sincerity behind the adoption thereof. Bretos et al. (2020), on the other hand, are of the opinion that cooperatives are more likely to mobilise resources and activate processes to revitalize rather than to conform in response to any isomorphic pressures.

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In summary, isomorphic pressures in the case of cooperatives could be caused by pressure to adopt IOFs' related attributes or by certain expectations for CSR practices to be implemented. In some instances, cooperatives could find mechanisms that resist the imposition of isomorphism. In this study, cooperative identity will be investigated from the lens of isomorphic pressures, including the causes, effects and possible responses to it.

2. Methodology

We performed a Structured Literature Review (hereafter referred to as an SLR), following the four steps set by Stechemesser and Guenther (2012). Limitations of this study are that only English language publications were considered for the study, and that we were unable to obtain access rights to some journals, so have had to exclude those publications.

Step 1: Selecting research questions, databases, websites and appropriate search terms

In response to the identified need, the research question we address is: How are cooperative values, identity and principles applied by cooperatives in different countries and sectors? According to the ICA (1995), cooperative identity comprises the values and principles of a cooperative. Our search terms for investigating cooperative identity therefore included: "cooperative*identity"; "co-operative*identity"; "cooperative*principles"; "co-operative*principles"; "cooperative*values"; "co-operative*values". The search terms were used to search for documents in which the title contained at least one of these search terms. The databases used were SCOPUS (scopus.com), and Web of Science Core Collection (www.webofscience.com). A total of 170 articles were initially identified, based on these broad criteria.

Step 2: Applying practical screening data

Publications, excluding books, from 1990 to present day were included in the search. We then excluded publications relating to non-economic disciplines such as the arts and humanities, computer sciences, engineering, and psychology. Duplicates between the two databases were also removed. Based on the enhanced criteria, 54 of the 170 articles were thus excluded. Some publications were also not accessible as we did not have access rights, whilst some publications did not have an English language edition/version, and were thus also excluded. Applying these last two criteria led to the removal of another 73 publications, leaving forty-three publications for analysis at this stage. Subsequently, the contents of the publications were further scrutinised, and it was found that some publications did not in fact discuss cooperatives as an organisational form, resulting in the exclusion of another eight publications. Thus, for example, cooperative values referring to an organisational culture but not to the type of organisation, or cooperative values referring to other disciplines, were excluded. A total of 35 publications were ultimately considered for the analysis.

Step 3: Applying methodological screening data

We then analysed and categorised publications based on their statement of cooperative principles, values and identity in general; a further sort identified studies according to their focus on principles, values and identity as they related specifically to a country and/or industry. In the next section we discuss the application of the cooperative principles, values and identity in general (as presented in the identified literature), and thereafter the discussion focuses on these two categories, specifically by country and by industry.

Step 4 Synthesizing our findings

Our findings have been synthesised in Section 3, Results and discussion, that follows below. For the bibliographic analysis we have firstly addressed cooperative principles, values and identity in general, followed by the investigation of their application in individual countries, and then by types of industries. As a supplement to the latter, a view will be developed on isomorphic pressures affecting cooperative identity, and on possible responses to it.

3. Results and discussion

Literature relating to cooperative principles, values and identity will first be addressed in general.

3.1 Cooperative principles, values and identity

In order to identify the complementary features and to capture the integrative nature of cooperative enterprise, both Byrne (2022) and Novkovic et al. (2022) depart from the scholarly argument of cooperative identity being underpinned by its dual nature comprising a social and economic purpose, also resting on the tensions between the social and economic aspects of cooperatives. Novkovic et al. (2022) contribute to the understanding of cooperative organisations by explaining the nature thereof based on the theory of associationism. In the case of cooperatives, the associative practices of members (who are also users and beneficiaries) in combination with entrepreneurship are regarded as complementary features due to the potential to create value on economic, social, cultural and environmental levels. Recognition and protection of cooperative values (in response to isomorphic pressures) is therefore also an advantage for maximising cooperative impact. Byrne (2022) explains cooperative identity in terms of relational theory which, according to Blustein (2011), '*provides a framework to understand how working is embedded in external and internal contexts*'. The application of relational theory, according to Byrne (2022), not only allows the integration of member and cooperative values as well as social and economic values, but also bridges the social and economic tension (referred to earlier) as relationality is based on integration rather than separation (Gergen, 2009). From a practical perspective, Novkovic (2022) argues that social responsibility indicators for entities could be derived from cooperative identity, and a normative yardstick could simultaneously be developed for identifying context based indicators. Cooperatives are democratically managed, and their purpose is to meet the social and economic needs of members, rather than the maximising of shareholder wealth. In terms of socio-economic measures, cooperatives are leaders at addressing issues such as paying reasonable wages, effecting fair employment practices, and investing in the real economy.

An example of a social reporting-related innovation is the Social Responsibility Information System that was developed for Ambato's Credit Unions (Molina et al., 2018). This web-based system not only responds to the absence of standardised reports measuring compliance with cooperative principles, but also allows the credit union to manage, evaluate and report on social responsibility results that have been achieved. Utilisation of the tool by a specific credit union resulted in its services being expanded further into rural areas, and to an improvement of its corporate image with clients. The improved image arose from an improvement in social responsibility metrics through employing the principles of voluntary association and training (Molina et al., 2018).

In spite of this example, and Novkovic's (2022) stance on cooperative identity's positive impact on social responsibility, Diamantopoulos (2022) is of the opinion that co-operation has an image problem which could be ascribed to a communication gap of international proportions. Over the last two decades Diamantopoulos (2022) has observed trends where cooperative learning and training initiatives have been mainly aimed at sector insiders (such as cooperative management boards and members), to the exclusion of the cooperatives' communities and the wider public. A neglected and uninformed public allows ignorance of the concept to grow, and this leads to questions of relevance, and potentially undermines the concept of mutualism, thereby also threatening the future of cooperatives. Moreover, the ICA's Statement on Cooperative Identity (ICA, 1995) does provide legitimacy for those defending cooperatives against isomorphic influences. In order to reach outsiders, and to reinforce the cultural principles and advances of cooperatives, academics have been promoting informal learning initiatives to increase the popularity of cooperatives. They are also of the opinion that the cooperative movement should be contributing to informal education that could more easily reach the public through contributions to think-tank initiatives, for example, and by including cooperative principles in local journalism and media coverage. Egia and Etxeberria (2019) further confirm the seriousness of education, training and information relating to cooperative values in an era of digital revolution and modern cooperative training. The recommended point of departure to ensure the longevity of cooperative principles would be the technical training of aspirant cooperative members and employees, as well as increased cooperative training in the society where cooperatives operate.

Goel (2013) provides further legitimacy to cooperative principles and values by illustrating that it could also serve as a foundation for family businesses. Goel (2013) argues further that the application of cooperative principles and

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values could even enhance governance-related issues, including the role of outside board members, and the fair distribution of power and resources, as well as enhancing trust among family members. In spite of the positive confirmation provided by Goel (2013) and Waring et al. (2022) more recently, the latter have also provided evidence confirming a need for the revision of cooperative principles to make them more in tune with the currently globalising business environment. The framework and design principles (Baggio et al., 2016) provided by Ostrom (1990) for governance of common/pool resources by institutions addressing the collective actions, is recommended as a point of departure when revisiting cooperative principles.

Another phenomenon threatening cooperatives, that has also been the subject of many studies, is “free riding”(Carpenter, 2007; Giannakas et al., 2016). Peetz (2005) has studied free riding from the perspective of cooperative unions. Firstly, Peetz (2005) investigated the Rand formula that originated from a strike in the automobile industry in the early 1940’s in Canada. The Rand formula is a judicial requirement where non-union members pay equivalent member dues to unions. Inspired by the Rand formula, in the later 1990s, some Australian unions also introduced agency fees where non-union members were required to reward unions for negotiated agreements also covering them. These fees became excessive and were eventually prohibited by the state. Although mechanisms such as ‘social obligation fees’ are also available to ensure unions are compensated for benefits received by non-union members, the general answer for free riding is to ensure that non-members do not benefit from efforts that they do not contribute to.

In this section, we referred to theories explaining cooperative nature and the potential thereof to protect cooperatives against isomorphic pressures. We also touched on the benefits of cooperative nature for members and the environment, as well as matters that could potentially threaten cooperatives’ existence, such as the so-called image problem that cooperatives are facing, and the well-known concept of free riding. For the last part of this section, we will provide a broader view by referring to the interaction between cooperatives and mainstream economies.

From the historical view provided by Whyman (2012) it is evident that the relationship between cooperatives and economists ranged from help and support on the one side to criticism and rejection on the other side. Even when cooperatives were still marginal to the economy, Smith (1937) argued that human behaviour favours self-interest as the motivator for the economic person, putting a wedge between mainstream and cooperative economics. Alfred Marshall (Bankovsky, 2018; Whyman, 2012), on the other hand, acknowledged cooperation as a form of business for its ability to unite social reform and business acumen to the benefit of member talent, thus also benefitting the community. In spite of the fluctuating interaction between cooperatives and economists, the dynamic development of cooperatives has contributed to economic theory and theoretical frameworks about organisations and their performance that could provide direction towards further developments (Whyman, 2012).

In response to the rise and institutionalisation of the Social Solidarity Economy (SSE¹) in many Asia-Pacific countries over the past few decades, Iyer et al. (2021) investigated the longevity of cooperative identity. Although it could be argued that the decrease in cooperative performance had an influence on the rise of the SSE, cooperatives are still acknowledged. According to the findings made by Iyer et al. (2021) cooperatives are not only people orientated (with a strong international foundation), but their identity has the potential to provide further direction to the SSE. Similar to the potential impact of cooperative identity on SSEs, Mellor (2012) argues that cooperatives are well positioned to redirect the mainstream finance-driven economy to a Green Economy aimed to meet the needs of people on an ecologically and socially sustainable basis. Cooperative banks providing a large proportion of bank branch networks in European Union countries is a practical example of the potential of cooperatives towards the establishment of a Green Economy.

The functioning of cooperatives and the application of cooperative principles and values (even in strongly adverse circumstances) will be investigated next, from the perspective of select individual countries.

3.2 Application of cooperative principles, values and identity, by country

Based on the findings of Fairbairn (2000), the effective implementation of cooperative values could be subject to/compromised by political circumstances and culture. During the start of the Cold War in Germany, in the later

part of the 1940's, the largest part of the German cooperative movement, namely the German consumer movement, suffered severely under the political circumstances of the time. Although the movement has subsequently been rebuilt, the circumstances under which this occurred did not make it easy to establish the credibility and usefulness of the cooperative ideal. Cooperatives in East Germany in particular could fulfil economic functions, but meaningful autonomy and member control were largely absent, by political design. In West Germany, cooperatives were allowed to function autonomously as working class institutions, but could offer only limited economic benefits to their members (Fairbairn, 2000). Another example of government/regulatory interference with the autonomy of cooperatives is provided by Bierecki (2020). Although credit unions in Poland are some of the most developed credit unions globally, state supervision by means of the Financial Supervision Authority (FSA) has, since 2012, led to a decline in Polish credit unions. The decline is mainly caused by the FSA regulating and limiting the establishment of credit unions, as well as the encouragement of credit union mergers and even their takeover by large commercial and cooperative banks. From this, it is evident that cooperative autonomy could be threatened by isomorphic influences of governance structures.

A case study of worker cooperatives in Spain (Guzmán et al., 2020) again showed the potential power of cooperative identity by illustrating how cooperative principles can enhance performance. In this case performance was represented by sales growth and employee/payroll growth. The application of cooperative principles was measured by partners' attendance of the general assembly and their share in profit distribution, as well as expenditure on education and the community.

In a different industry entirely, cooperative education has gradually emerged over the past few years as a viable response to the neoliberal invasion of education in the UK (Noble & Ross, 2021). This study on Higher Education Cooperatives (HECs) showed how cooperative principles enhance cooperation, growth and democracy in HECs, thus providing useful, less stressed learning environments. An educational environment relies on the wholehearted participation of teachers, researchers, graduates, students and providers of professional services, and according to Noble and Ross (2021), recognising this multiplicity of stakeholders necessitates the incorporation of principles that not only form a basis for open membership and democratic control, but also establishes requirements for members' contributions to the generation and maintenance of social, financial and cultural capitals. The principle of education, training and shared information should also therefore inform the skills and interventions required by members and management to ensure that cooperative principles are effectively applied in the organisation.

Determining cooperative values was approached from a different angle in a Finnish study conducted by Puusa et al. (2016) in which 3,680 Finnish students' perceptions of different business forms were gathered and analysed by means of a survey. In comparison to other business forms, it was found that students are more positively inclined towards cooperatives. As an extension of this result, a textual analysis was performed on a sample of 36 students' responses. It showed that although cooperative values (including democracy, equality and social responsibility) are valued by students, the safety offered by cooperatives was found to be the most appealing aspect of cooperatives. Cooperatives were seen as providing employment, having a positive impact on society and being aware of the long-term impact of their actions, and this created a sense of security and continuity in an environment of otherwise rapidly evolving fragmentation of domestic and global societies. Another Finnish study on cooperative identity, showed that the members in general perceive cooperative identity in accordance with ICA cooperative values and principles. Cooperative attributes reflected in members' responses in the study mainly included cooperatives' unique mission, solidarity and commonality, reciprocity and commitment, as well as their social and long term influence (Puusa & Varis, 2016). Similar to Diamantopoulos (2022), the findings made by Puusa and Varis (2016) also suggest that it is important to actively promote cooperative ideology in society to maintain the viability and acceptance of the ideology.

In order to investigate cooperative members' views and understanding of cooperative principles from an Australian perspective, Oczkowski et al. (2013) conducted 18 in-depth interviews with members of a variety of types and sizes of cooperatives. Although it was found that the application of cooperative principles varies between industries, there was an indication that small/local community-based cooperatives tend to practice cooperative principles more diligently than larger, regional and national business-focussed cooperatives. Principles that received more support from participants include voluntary and open membership, democratic member control and member economic

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participation, whilst the other principles showed greater variance in the support shown by participants. While some participants even saw the principles relating to education, training and information, as well as concern for the community, as preeminent, there was an absence of emphasis on cooperation among cooperatives, and this could be ascribed to the still very few cooperatives present in Australia. During the interviews conducted by Oczkowski et al. (2013), some participants argued that there should be fewer cooperative principles: unfortunately, very few reasons justifying this preference were provided. During the interviews, recommendations for additional principles were also made, with participants advocating for revisions to the current principles, should changes in circumstances occur, and advocating particularly strongly for a more commercial focus for operating cooperatives.

Concerns were raised regarding democratic member control particularly in respect to apathetic members, as this could compromise effective and efficient decision-making. Open membership, on the other hand, is also not a universally acceptable alternative as this could, according to some participants, have an adverse effect on the interests of existing members. The Board members' understanding of cooperative culture, and their motivation in support of it, seems to have an important and generally recognised effect on the application of cooperative principles by cooperatives. Moreover, the education, training and information principles were seen as being especially pertinent to management and Board members, as, by improving their understanding of the cooperative principles and their place in a particular business sector, cooperative orientated decision-making and management emphasis would be improved. A final recommendation from this study was that effective communication channels are needed, as is a knowledge of the requirements for members soon to be appointed to the Board; these are still required to enhance democratic decision-making (Oczkowski et al., 2013).

3.3 Application of cooperative principles, values and identity, by industry

In the early 1990's, Davis and Worthington (1993) recognised that the structures initially offered by cooperatives, those based on the principles of mutuality, were valuable and relevant to a variety of industries previously not considered compatible with cooperative ideals. Compatibility could be achieved by redefining capital ownership so as to also accommodate the weaker segments of society. The updated version of this question is now posed: Can the model, while holding to its initial purposes, revive the cooperative movement in response to a decade of creeping materialism; and are managers and directors able to find a common theme articulating what cooperative members and management should be striving for? Davis' and Worthington's (1993) research offered a possible solution arising from an examination of the role of cooperative banks, with specific reference to the case of the British Cooperative Bank. The Bank started in 1872 as the Loan and Deposit Department of the Cooperative Wholesale Society. A century later, by the early 1970's, the bank had shifted its emphasis to non-cooperative sectors due to the need to survive competitive practices and risks in the market, and this threatened its commitment to practice cooperative values and ideals. However, thanks to management's commitment to cooperative principles, and to the strength of the organisational culture, the bank has now successfully combined cooperative and commercial banking. Moreover, it is argued that the commercial business has enhanced the performance of the cooperative business, as well as the organisation's ability to deliver cooperative banking services, and thus to achieve cooperative values and principles. Key successes in the early 1990's included the bank's renewed focus on customer needs, provision of free banking services for customers who stayed in credit, involvement in community projects, and sponsored training courses, especially for women. Further investigation of these successful applications of cooperative principles and values therefore seems appropriate.

Data gathered by Unda (2022) from credit union supporters during the 1990's illustrate that cooperative values (such as caring for members and social responsibility), not only play a pivotal role for maintaining relationships with their own members, but also definitively differentiate credit unions from other banks (Unda, 2022). Evidence of credit unions effectively demonstrating cooperative values is provided by a longitudinal study that extends from 1936 to 2020. This study not only found that cooperatives consistently addressed the needs that were specific to countries or areas, but also that they successfully provided access to credit to disadvantaged communities in rural and urban areas. The situation is similar in both developed and emerging economies (Parrales Choez et al., 2022).

From a U.S. perspective, van Rijn (2022) was able to confirm that credit unions are still serving society by maintaining branches in both underpopulated and low-income areas. Although van Rijn (2022) is also of the opinion that credit unions can improve on how their cooperative identity is demonstrated and how cooperative principles are

implemented, they found that credit unions in the U.S. are still able to differentiate themselves from other types of banks, even where, in the case of some credit unions, they have become almost as large as community banks. The data relating to credit unions gathered by van Rijn (2022) reflect that management tends to be more gender diverse, and their remuneration incentive schemes are less aggressive than mainstream banks. Credit unions' lending practices and interest rates also tend to be more conservative.

Forney and Häberli (2017) provide a view on the impact of the implementation of the values of democracy, solidarity and autonomy that goes beyond the traditional cooperative organisational form. The existence and operation of dairy cooperatives in Switzerland was adversely affected by the Federal Office for Agriculture's decision to end its regulation of milk quotas, thereby allowing all dairies to sell unlimited quantities of milk to the markets, at will. This weakened the position of some (smaller) cooperative dairies, but ultimately resulted in these cooperatives being forced to co-operate with each other, and thereafter with corporate farmers' organisations. Surprisingly, this has led to the rejuvenation of cooperatives' values in some instances. Complex and unexpected (but ultimately mutually beneficial) outcomes have also been observed in which co-operation amongst different organisational forms have resulted in democracy, solidarity and autonomy being practiced beyond the traditional cooperative structures. In the case of an agricultural cooperative, it has also been proved that there is a significant positive relationship between members' awareness of cooperative principles and the cooperative's adherence to such principles (Badiru et al., 2016).

Novkovic and Power (2005) investigated the use and impact of Collins' (1999) 'catalytic mechanisms' on agricultural and rural cooperatives as they adapted to challenges caused by new technologies, governance issues caused by heterogeneous member needs and regulatory requirements, collectively threatening cooperative identity. Catalytic mechanisms have been defined by Collins (1999) as: "the crucial link between objectives and performance; they are a galvanizing, nonbureaucratic means to turn one into the other". The rural agricultural cooperatives studied showed great concern for their members and their communities when they opted to diversify the range of goods and services they offered (so as to address member needs), rather than simply leaving such communities. In so doing they also gained a larger market share in the delivery of agricultural products and services (Fulton, 2001).

A similarly catalytic mechanism that led to the extensive growth of a sugar business and to the improvement of produce delivered by producers, was the so-called Quality Payment System, introduced in the Red River Valley of Minnesota and North Dakota. Sugar beet farmers are now being paid according to the sucrose yield of their produce, and this has proven to not only address market demand more effectively, but has given rise to innovative agricultural practices that have also enhanced members' financial wellbeing (Fulton, 2001; Novkovic & Power, 2005).

The examples of the Swiss dairy cooperatives, the sugar beet producers in the Red River Valley and catalytic mechanisms for enhancing the performance of agricultural cooperatives illustrate that cooperative values could be adaptable in modern society. This is however not always the case as illustrated by the challenges which Third Wave² coffee brought to the Maya farmers in Guatemala (Fischer et al., 2021). These farmers can simply not keep up with the new sensory norms and focus on esoteric tastes. The farmers are further alienated from markets due to limited knowledge of consumer preferences and reliance on middlemen and agents who cannot always be trusted. Eventually, larger suppliers fulfilling consumer expectations benefit from this trend to the detriment of smallholding farmers. Based on the work performed by Nilsson and Ollila (2013), it is evident that pressure on agricultural cooperatives is not limited to smallholding farmers. An increasingly competitive environment in agrifood industries necessitates that a range of measures be taken by agricultural cooperatives to survive. Such measures affect member control, ownership structures and governance of cooperatives, and frequently lead to the cooperative model being diversified and, in some cases, to their adopting IOF attributes.

In response to worker cooperatives that are in a competitive international market, and similarly to other organisation forms, are challenged by internationalisation, Flecha and Ngai (2014) performed a qualitative case study on the Mondragon Cooperative Group³. The study showed how Mondragon expanded operations whilst maintaining cooperative values, by creating mixed cooperatives, and by extending the cooperative management model to subsidiary companies. Cooperatives principles such as participation in ownership, management, profit sharing by

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workers, as well as improved communication and the involvement of workers in democratic decision making, and participatory management, has for example been expanded to non-cooperative companies.

Rabong and Radakovics (2020) investigated the different perceptions of cooperatives' members and customers with regard to the core values of credit cooperatives, housing cooperatives and a mixed general group of cooperatives active in Austria. The data was amassed from a survey conducted amongst more than 2,000 Austrians older than 14 years. Firstly, a principal component analysis (PCA) was performed to establish if a homogenic value core existed for cooperatives across these different industries. "Responsible business conduct", "regionality and tradition" and "economic soundness" were the three core values identified, that are similar across industries. Secondly, the statistical significance of differences in the rating of credit cooperatives in comparison to other credit institutions was performed by means of a Student's t-test. Results indicated that Austrians are more positively inclined towards credit unions than other credit institutions because they are present in many regions that are not otherwise served by such institutions, and their customer-focused orientation, openness, and honesty is in striking contrast to conventional banking institutions. A notable finding of this study was that country-specific forces/factors have a stronger effect on the perceptions and attributes of cooperatives than specific industry forces do.

4. Conclusion

The application of cooperative principles, values and identity have been investigated by numerous researchers in a variety of different geographic and academic settings. Some studies address cooperative identity from a global perspective or across all economic sectors, while some studies investigate the application of cooperative identity from a country- or industry-specific perspective. We have followed a similar approach for the bibliographic analysis under the lens of the isomorphic pressures, including the identification of causes, effects and possible responses to them.

The ICA's Statement of Cooperative Identity (ICA, 1995) itself provides legitimacy for the protection against isomorphic pressures threatening cooperative identity (Diamantopoulos, 2022). To improve on the understanding of cooperative identity Novkovic et al. (2022) and Byrne (2022) both refer to association and relational theories to help with the interpretation of cooperative identity. The associative and integrative practices of cooperatives enhance the impact they have on a social and economic perspective. Although mechanisms like Ambato's Social Responsibility Information System (Molina et al., 2018) exists to report on the value contributed to, and impact made by cooperatives, society's awareness of the role and nature of cooperatives is still lacking, contributing to the image problem cooperatives are accused of tolerating (Diamantopoulos, 2022). Education, training and sharing information about cooperative attributes are proposed responses to improve awareness of cooperative identity (Diamantopoulos, 2022; Egia & Etxeberria, 2019). Providing cooperative, education, and training and information on cooperative principles to those managing cooperatives, and to the members, could enhance members' involvement and cooperative orientated decision making (Oczkowski et al., 2013), further protecting cooperatives from the impact of isomorphic powers. In the case of an agricultural cooperative, it has been proved that a significant relationship between the awareness of members about cooperative principles and the adherence of the organisation to such principles exists. In addition to training and information, customer service and accessibility to cooperative service can also provide cooperatives with a competitive advantage in comparison to IOFs (Rabong & Radakovics, 2020). Studies on cooperative banks and credit unions proved that management, demonstrating consistent adherence to cooperative principles, is able to enhance organisational performance and growth (Davis & Worthington, 1993; Unda, 2022; van Rijn, 2022).

Isomorphic pressures, in addition to the poor image and awareness of cooperatives, are threatening the sustainability of the model and such businesses. Other significant threats include free riding, the competitiveness of international markets, and the diversity of member needs. Mechanisms to respond to free riding, include requiring compulsory fees from non-members, and to make sure non-members do not benefit from cooperative operations they do not contribute to (Peetz, 2005). Countering market competitiveness threats has been proved by the Mondragon example where employees of non-cooperative companies were included in decision-making and profit sharing, basically expanding the cooperative model to other organisations (Flecha & Ngai, 2014). In the case of agricultural cooperatives, it has been demonstrated that members can be mobilised, instead of being left behind. 'Catalytic mechanisms' and socially sustainable approaches could provide members with access to larger markets

and improve the quality of goods provided, thus benefitting members and cooperatives in a socially and economically sustainable way (Collins, 1999; Novkovic & Power, 2005).

Future research is necessary to identify and implement the changes required for cooperative identity to guard itself against isomorphic influences in the context of a globalised (and increasingly homogenised) economic world. The research should offer practical responses to and clarity on the application of cooperative identity, and provide guidance on the operationalisation of cooperative business practices (Birchall, 2005). It should also enable stakeholders to identify and address threats to cooperative identity, thereby enhancing pro-active responses towards that end.

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Endnotes

¹ ‘The social economy consists of an ensemble of activities and organisations, emerging from collective enterprises, that pursue common principles and shared structural elements’ (Neamtan, 2002).

² During the Third Wave, coffee became an artisanal product as complex as wine, differentiated by various attributes (Boaventura et al., 2018).

³ Mondragon comprises four specialist areas: Finance, Industry, Retail and Knowledge, consisting of 81 separate, self-governing cooperatives, employing around 70,000 people and supporting 12 R&D centres (Mondragon Corporation, 2024).