

Five reasons why cooperatives do not integrate more



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Cooperatives in countries such as Spain are the main agro-food production structure in products such as vegetables or oil, but their average size is very small. Sometimes there are small towns with several cooperatives for the same product, or families with members that belong to several, while you compete with each other with the knife in your mouth to sell as cheap as possible and liquidate the partner as expensive as possible. It is true that competition is healthy and that it sparks minds, however, the atomized hyper-cooperative competition is not healthy for anyone.

The end customers are growing and demanding, changing consumer habits, digital transformation a challenge, sustainability an obligation. It requires agility, efficiency, innovation and strategic alignment and this is only possible through the formation of large productive structures capable of facing these challenges.

Cooperatives are aware that they are small and that they should be bigger. They are diagnosed by active and passive and are aware of the benefits of integration both for the partner and, above all,

for the client and the final consumer. In fact, there have been advances in recent years, but not enough. Suffice it to say that in Northern Europe or the United States, the average size is 100 times larger than that of the cooperatives in Spain.

So, it is worth asking, if it is good for all, why do not we join more? The short answer is that whoever holds the real power in the cooperative does not want to, but if we want to elaborate a little more the answer there are a number of reasons against it, most of them related to people:

1. *Hyper leaderships* The structure of the cooperative favors the hyper leadership of the key positions: namely, the president, the commercial and above all the manager. If there is an assault on power, the winner ends up making the cooperative measure, as far as the arm reaches and beyond there is nothing. He ends up confusing the cooperative with himself and his achievements with his personal ones. Our Latin individualistic character does not help much either.
2. *Culture of demonization of competition and integration.* That is, the promotion of an internal culture that demonizes competition, that magnifies its affronts, that its management is ridiculed and that its own achievements are exaggerated. There are common phrases like "if we do well ..." (it will be clear to you), and reasoning of the type is avoided, how could we be if we were together? Sometimes lives of past glories, thinking that the stars are going to re-align shortly so that we are again what we were.
3. *The lack of attractive integration models or their ignorance.* It is true that there are cooperatives of the second degree that resemble Mordor, where you have to surrender your soul to enter and the master will already tell you what you have to do and, of course, anyone who have some dignity, prefer to die with your boots on, unless you're already dead. There is also a strong real ignorance of how it really works in the existing integration processes and this favors the manipulation of interested cooperative pastors. Normally, intermediary clients who live off the grazing of companies and cooperatives of producers who sing praises to the cooperative alone and threaten the hells if you join another. Fortunately, live distribution favors the integration process by having more regularity, homogeneity, quality and innovation of the larger cooperatives.
4. *The limitations of the manager in the form of personal interests or fears.* It is difficult to go from an individual management to work in a larger cooperative team, nice things like "I prefer to be a mouse read than a lion's tail" or "if I'm not going to send I have a problem" they are usually heard in the back room. Sometimes it is just indolence, not to complicate life, for fear of having a failure in his record when proposing the governing council. And if by chance finally the integration options are presented or if it is forced to do so, this type of manager will maneuver with astuteness against. Pushing back such a decision in a governing council is very easy if there is no decision in which they have to have it.

The administration in Spain tries to help integration with projects such as Priority Associative Entities (EAP), both national and regional. These figures are not understood in northern Europe where the only benefit of integration is sufficient, but in the south you have to give a candy to enter

a banquet.

There may be several solutions, but let's say that the easiest and most direct is for the members to become aware of the need for concentration, to exercise their role in the management of the cooperative, to create value and to move the chair mainly from the managers they advocate individualism. As big as we think we are, we are still small.

I want to finish this article praising the brave presidents, managers and salespeople who one day joined these projects, sometimes without knowing what their luck could be, burning the ships behind them and convinced that they could be an active part of a future better for everyone.

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