

FINAL YEAR PROJECT

Intercooperativism as a tool for
cooperative firms to expand internationally
without suffering degeneration

Neus Bock Filella
Núria Mallorquí Corney
Laura Navarrete Clos
Rosó Soler i Paulí

Under the supervision of
Walter Alfredo García-Fontes Badanian

International Business Economics
Universitat Pompeu Fabra
Academic Year 2019/2020
Project Code: GWI03

ABSTRACT

The internationalization process of cooperatives often triggers the transgression of the ideal and original values of cooperatives and, therefore, its subsequent degeneration. Intercooperativism has been proven to be an effective method of national expansion and also, a strategy followed by cooperatives from developed countries to promote the socioeconomic progress in the developing countries. Consequently, this article is willing to show how cooperatives can succeed at the internationalisation process by using the essence of its existence: the social values, especially intercooperativism, as a boost of their sense of community and empowerment of the cooperative movement. The project is presented through a literature review and a compilation of information and cases studies. The resulting proposal contradicts the spread belief that degeneration in internationalization is inevitable. By the action and support of cooperative alliances, intercooperation among cooperatives from different countries could be fostered by making cooperatives come together and enabling them to build advantageous agreements to expand internationally. Notwithstanding, to achieve that outcome, these alliances should move a step forward and embrace functions of consulting or advisory nature.

Keywords: cooperative, cooperative alliances, cooperative principles, degeneration, democracy, intercooperativism, internationalization, International Cooperative Alliance, Mondragon Corporation, social responsibility, social values, Suara Cooperativa.

TABLE OF CONTENTS

1. INTRODUCTION	3
2. CONCEPTUAL FRAMEWORK	7
2.1 Cooperatives' differential values and principles	7
2.2. Degeneration theory	7
2.3. Mechanisms to resist degeneration or foster regeneration	9
2.3.1. Cooperativization of subsidiaries	10
2.3.2. The Role of Democracy	10
2.3.3. The 6th Principle of Cooperatives: Intercooperation	11
3. CASES ANALYSIS	14
3.1 The Mondragon case	14
3.1.1 Mondragon's National Intercooperation	15
3.1.2 Mondragon's Internationalization	15
3.1.3 Mondragon's degeneration and regeneration policies	17
3.2 Suara Cooperativa Case	18
3.2.1 Suara's National Intercooperation	18
3.2.2 Suara's Internationalization	19
3.2.3 Suara's Degeneration	19
4. CONCLUSIONS	20
5. REFERENCES	22

1. INTRODUCTION

“I can do things you cannot, you can do things I cannot; together we can do great things” - Mother Teresa

Capital has become the main aspiration both for companies and for people, as it is perceived as a sign of status and success. In contrast, cooperatives emerged and expanded with the objective of bringing the person back to the center of the activity, through democracy, transparency and solidarity. Isolated cooperatives, however, are not a definitive solution. A wide network of cooperatives sharing similar values and willing to help each other is necessary, and here is where intercooperation comes into play. Only this way will the cooperative movement become economically viable and an alternative model to capitalist firms.

Notwithstanding, nowadays the cooperative movement and intercooperation face the challenge of globalization, which foments international capitalist companies. Therefore, companies within the field of the Social Economy, especially large cooperatives, tend to lose their characteristic features to adopt those of capitalist nature (Errasti, et al., 2003). In this way, a firm owned by their members and built in social values that wishes to expand either by own will or to survive, suffers a pronounced impact on the firm resources and on the people working for it. Regrettably, the internationalization process of cooperatives often triggers the transgression of the ideal and original values of cooperatives.

The main hypothesis of this article is that intercooperativism could be the approach needed for cooperatives to resist degeneration and internationalize without compromising their social purpose. In fact, intercooperativism has been proven to be an effective method of national expansion and a strategy followed by cooperatives from developed countries to promote socioeconomic progress in developing countries. That is why, the article is willing to show how cooperatives can also succeed at the internationalisation process by using the essence of its existence: the social values, especially intercooperativism, as a boost of their sense of community and empowerment of the cooperative movement.

Errasti et al. (2003) stated that cooperative's internationalization is theoretically carried out by means of stable cooperation through democratic negotiations between cooperatives in different countries. In reality, this theory is not fully practised as it presents obstacles difficult to overcome, such as the limited sector of cooperatives, the diverging concepts of cooperatives in different countries or the intrinsic problems that cooperatives already present. That same study (Errasti, et al., 2003) proposed two alternatives to face that reality. First, the transformation of the foreign affiliated firms into cooperative societies and the simultaneous efforts to develop cooperation supported by legislative initiatives as a future common framework that could be emitted by the European Union. Second, the possibility of finding help and collaboration from other cooperatives when considering the installment in other countries by intercooperation through technology transference and the creation of joint venture.

In light of the above, the objective is to expand the previous research. The methodological process for that purpose will take into account the degeneration theory formalized by Ben-Ner (1984) and Miyazaki (1984) and the different regeneration policies that can be used to face it, including intercooperation as an effective method to cooperative's expansion. After that, the cases of Mondragon Corporation and Suara are going to be used to show the different internationalization methods' effects on degeneration and the scope of intercooperativism's utilization both nationally and internationally.

Before introducing the main content and findings of the project, it is worth evaluating its limitations. To start with, due to the scarce existence of studies of intercooperation as an expansion mode and the restricted information about cooperatives internationalization posted for the general public, there is the absence of a cooperative case using intercooperativism as an international entry mode in order to fully support our hypothesis. Furthermore, there is little research about the degeneration of cooperatives and opposite views may appear on the positioning of this concept. Actually, there are econometric studies (Dean, 2019) and more economically-related-views that mention the lack of empirical evidence of such phenomena. Additionally, the cases provided refer to cooperatives based in the European territory. Finally, it is also worth mentioning that the bibliography reviewed is based on digital sources, given that this article has been elaborated during the situation of the global lockdown of 2020. Therefore, it was not possible to access the physical documents available in public libraries.

As a means to conclude with the introduction, the following paragraphs are meant to provide a general glance of the article, by exposing the main content and findings. As set by the Statement of Cooperative identity (International Cooperative Alliance, 1995), cooperative firms differ from conventional firms given their social purpose, values and principles. Despite the sense of social purpose, these firms usually find themselves suffering degeneration, which erodes the core of their creation. Such degeneration has been defined by the degeneration theory formalized by Ben-Ner (1984) and Miyazaki (1984), which states that cooperatives are either doomed to failure or to their democratic degeneration towards capitalist forms due to their pursuit of efficiency and higher incomes (Dean, 2014). There are several degeneration patterns described by Cornforth (1988) - which include the formal or constitutional degeneration, the organizational degeneration and the objective degeneration- together with those described by Sommerville (2007). In contrast, an econometric analysis of Dean (2019) makes visible an opposite thought, which states that there is no empirical evidence that successful cooperatives degenerate. Despite that fact, the positioning of this article is that cooperatives do degenerate, and such process sharpens when cooperative firms expand across borders.

In order to maintain cooperatives' business position (Cancelo, 1987), cooperatives attempt to ensure their survival through the expansion to foreign markets, which is not an easy path for cooperative firms, due to their particular structure and functioning that may pose some obstacles that will be described according to Bretos et al. (2018) and Sánchez Pachón (2018). Once cooperatives become international, they have to meet more economic efficiency requirements to be competitive, and their priorities often change, pushing

the self-management and the participation to the background (Heras, 2014). In this process, management usually gets more power and reinforces its commitment to economic efficiency, profitability and growth instead of committing to cooperative culture and values (Bretos, Errasti, 2017).

Nevertheless, some policies exist that might help cooperatives to avoid degeneration or to reverse it once it has occurred. After the introduction of the four pillars of regeneration of Cornforth (1995), the article will move a step forward to present the different methods of regeneration. First, the cooperativization of subsidiaries stated by Bretos and Errasti (2017), its effects and the multiple barriers (Flecha, Ngai, 2014). Second, the method of relying on the role of democracy by Langmead (2017) and Kokkinidis (2012, 2015). And third, the principle of intercooperation (International Cooperative Alliance, 2015). This last method will be commented in depth to justify the article's hypothesis of overcoming degeneration through intercooperation and using it as the tool to internationalize.

In respect with the principle stated by the Statement of Cooperative Identity, cooperatives could achieve much more and surpass many business barriers through intercooperation. Moreover, in Coque's words (1999), cooperatives' intercooperation could build mutually representative strength and achieve synergies, economies of scale and growth without putting in danger the flexibility and implication of workers. Nonetheless, there are certain key characteristics to achieve an effective practice of intercooperation, stated by the International Cooperative Alliance (2015). These are openness and transparency; accountability; equitable and representative decision making; flexibility; reciprocity and, last but not least, adherence to the cooperative identity. After that, the different structures and mechanisms to put intercooperation into effect will be explained, including informal collaboration; intercooperation juridical agreements; cooperative federation; the creation of a pool of financial resources and the creation of secondary cooperatives. Hereunder, the role of the International Cooperative Alliance of promoting intercooperation and networking between cooperatives globally will be discussed, as well as the function of Cooperatives Europe as the voice and the promoter of the cooperative business model (Cooperatives Europe, 2018). These will be relevant considerations for the final proposal of the article.

Finally, the barriers to intercooperation by the research of the International Cooperative Alliance (2015), Normark (1996) and Hofstede (2010) will be explained in detail, as those could be the reason why the practise of intercooperation is not further used. Among them there is the difficulty of balancing interests, maintaining independence and member democratic control, and the multiple economic political, legal and cultural background which triggers miscommunications, conflicts and misunderstandings. Another obstacle is the limited number of cooperatives established around the globe compared to the capitalist sector, which makes it difficult to find a cooperative partner abroad, especially considering that cooperatives tend to be smaller and more locally oriented. In spite of the barriers, intercooperativism may be the tool for cooperatives to become international without contradicting its principles at the international level. As stated by Errasti (2004) "*a multinational cooperative can only be the result of a democratic*

agreement between the cooperatives involved in different countries because otherwise we would contradict the own nature of cooperatives”.

After the conceptual framework, the second part of the article is going to be based on practical cases. The case study from Szekely and Dossa (2014) is going to be used to review the success of the national intercooperativism strategy used by Mondragon cooperatives coordinating their financial resources, knowledge and technical processes. This strategy allowed the corporation to grow and create a market big enough for all the cooperatives that take part of the Corporation. Thereupon, the entry modes used by Mondragon to expand their business internationally are going to be analysed through the study of Szekely and Dossa (2014) and Errasti et al. (2002). Concretely, the first step of Mondragon's internationalization was exports, which may help grow a business without putting at stake its social values. On the other hand, contractual agreements were also used (e.g. in underdeveloped countries where foreign investment was considerably restricted). Finally, equity entry modes took place under capitalist subsidiaries which clearly provoked the degeneration phenomena when establishing a capitalist periphery abroad. Such degeneration led to the design and implementation of a set of regeneration policies, which will also be analyzed from the article of Bretos and Errasti (2016); on the one hand, the cooperativization of subsidiaries and, on the other, the design and implementation of the Corporate Management Model. In the internationalization section, there is also a reference to Mondragon's intercooperativism as a source of international cooperation with the developing countries.

Afterwards, Suara's case, whose information was compiled from the corporate website, will show how the cooperative takes advantage of the collaboration and cooperation with other companies nationally, resulting in the creation of synergies among them. However, in the international context, the acquisition of Serproen and the partnership with capitalists companies (instead of cooperatives) produced a shift towards a capitalist subsidiary and a subsequent degeneration. From this case study, it is detected that firms fail to find cooperative partners when expanding across borders.

The cases of Mondragon Corporation and Suara demonstrate that even though intercooperation is commonly used in the national environment, cooperatives do not engage in such practises when it comes to internationalization. At the end of the project, we will postulate a proposal, which contradicts the belief that degeneration in internationalization is inevitable and irreversible. This proposal will consist in the support of the intercooperation among cooperatives from different countries, fostered by the action of cooperative alliances, to make cooperatives come together and enable cooperatives to build advantageous agreements to expand internationally. Cooperative alliances would have a dual role: first, to act as a big database and networking institution, so that cooperatives can contact other cooperatives they could partner with. Second, to assist cooperatives that decide to cooperate with each other.

2. CONCEPTUAL FRAMEWORK

The following section consists of the explanation of cooperatives’ differential values and principles, the description of the degeneration theory, and the different mechanisms to overcome it, being intercooperation one of such methods.

2.1 Cooperatives’ differential values and principles

Cooperative firms are economic entities trading goods and services that were born as an attempt to achieve more open, socially responsible and honest firms that care for others (Statement of Co-operative Identity, 1995). This **social purpose** is what differentiates them from capitalist and state-owned firms and it has been maintained two centuries later, with the **Statement of Co-operative Identity** as the guideline for all cooperatives in all sectors around the world. Such statement defines a cooperative as 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*” (International Cooperative Alliance).

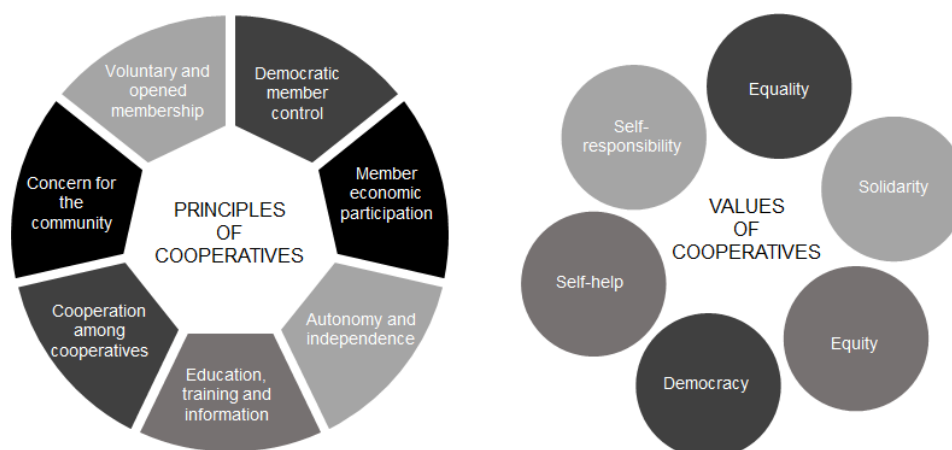


Diagram 1: principles and values of cooperatives according to the 1995 Statement of Cooperative Identity (elaboration by the authors)

Even though cooperatives have a strong sense of purpose when they are created, all along their business life they may encounter difficulties that threaten these values or start to modify their principles little by little, eroding the backbone of their creation, in what is called degeneration.

2.2. Degeneration theory

According to the theory of Degeneration, formalized by Ben-Ner (1984) and Miyazaki (1984), cooperatives are either doomed to failure or to their democratic degeneration towards capitalist forms due to their pursuit of efficiency and higher incomes (Dean, 2014). Thus, as cooperatives grow bigger and their funders move away from the activity of the enterprise, the values and principles that used to run them are deteriorated.

This process doesn't always follow the same pattern, and Cornforth (1988) established that the degeneration of a cooperative can happen in three different ways (Bakaikoa, Errasti and Begiristain, 2004). Firstly, there is the **formal** or **constitutional degeneration**, which happens when the cooperatives degenerate into capitalist forms or when workers lose the democratic rights they previously possessed. In this case, there is either an increase or a creation of gaps between *leaders* and *followers* (Langmead, 2017) and informal hierarchies may be developed, fostering degeneration (Kokkinidis, 2015). This last point is related to another kind of degeneration, the **organizational degeneration**, which is characterized by a shift of the power distribution towards a power concentration in the hands of a tiny minority, moving away from the principle of democratic member control, where all members have equal voice and vote, and getting closer to capitalist firms. Lastly, there is the **objective degeneration**, which takes place when the cooperative goals (eg: profit maximization) substitute the cooperative principles.

In the literature some authors point out other causes of degeneration that can complement those presented. Sommerville (2007) suggested that degeneration may happen when the hiring process of workers is based on their understanding of market-based economic relations and competition and their experience, forgetting about the alignment of their personal goals and principles with the ones of the cooperative. In contrast, if members with prior experience in cooperatives and democratic participation are employed, degeneration can be prevented and collective democratic consciousness can be increased (Harnecker, 2012).

Although literature on the degeneration of cooperatives is abundant, it still lacks empirical evidence. Through an econometric analysis, Dean (2019) tried to confront the hypothesis that successful Worker-Managed Firms (from now on, WMF) in Uruguay end up converging to Conventional Firms, losing the equality in vote of the workers regardless on their economic contribution. In the study, Dean characterised a WMF as successful if the wages perceived by their members were higher than they would if they were employees (positive earning differential), based on the definition of Ben-Ner and Miyazaki models. The model by Dean used the share of employees over total workers as a sign of degeneration, in the sense that the presence of workers who are members of the cooperative decreases and the labour becomes composed by solely employees, as it is characteristic of conventional firms. The results showed that the variations in the level of success of WMF did not appear to affect the share of employees hired, even though this share had increased over the years. Therefore, Dean found no evidence of degeneration being positively related to the success of the firm. On the other hand, Dean proved that the bigger WMF get, the larger the share of employees, correlating then degeneration with size. This can be explained by the fact that the bigger the firm, the greater the number of categories and the more complex decisions become. Consequently, the decision costs are larger and WMF opt for hiring employees. The study by Dean also showed that the greater the age heterogeneity of members, the lower the share of employees, pointing out that diversity can boost productivity and reduce cost in decision-making processes of WMF.

Additionally, degeneration seems to sharpen when cooperative firms try to start their activity in foreign markets, usually due to the pressure of globalization. Even though cooperatives are usually presented in the literature as local firms, they compete in a globalised market where they do not have any assurance that a specialised multinational will not enter their market and threaten their business position (Cancelo, 1987). Consequently, they attempt to ensure their survival through the expansion to foreign markets, which are seen as a tool to diversify and achieve economies of scale, increasing its competitiveness in national and international markets.

However, internationalization is not an easy path for cooperative firms, since their particular structure and functioning may pose some difficulties. According to Bretos et al. (2018), the obstacles for the internationalization of cooperatives are (1) their small size which prevents them to achieve economies of scale and limits their competitive capacity (Sánchez Pachón, 2018), (2) the limited amount of cooperative firms and the marginal dimension of the cooperative sector, (3) the difficulties to attract talented management, since cooperative principles advocate for 'equal say, equal pay', (4) inefficiencies in decision-making due to the democratic principle, and (5) underinvestment. Errasti et al. (2002) pointed out that, in addition to these causes, the organizational structure of cooperatives and its orientation makes it more difficult to manage a transnational cooperative than a multinational firm.

Thus, globalization and market competition have intensified the tensions that lead cooperatives to degenerate. Once they become international, they have to meet more economic efficiency requirements to be competitive, and their priorities often change, pushing the self-management and the participation to the background (Heras, 2014). In this process, management usually gets more power and reinforces its commitment to economic efficiency, profitability and growth instead of committing to cooperative culture and values (Bretos, Errasti, 2017).

From the economic efficiency perspective, degeneration could be seen as beneficial for cooperatives. That being said, the aim of this article is to highlight the importance of the social aspect of cooperatives and, consequently, the following section will introduce some policies that might help cooperatives to avoid degeneration or to reverse it once it has occurred, reinstating the cooperative values.

2.3. Mechanisms to resist degeneration or foster regeneration

Whilst degeneration may occur, it is not necessarily irreversible and multiple regeneration policies may be implemented in order to reinstate the cooperative principles or prevent such degeneration from occurring. Cornforth (1995) identifies four pillars to regeneration: (1) maintaining values and culture through ongoing connections to social movements; (2) reproducing active membership through careful selection and socialization; (3) reproducing values and democratic structure through everyday action; and (4) being open to opposition and criticism through participation (Langmead, 2017).

2.3.1. Cooperativization of subsidiaries

As its name suggests, the first method for regeneration consists in transforming the subsidiaries into cooperatives. Many cooperatives opt for a growth model based on the acquisition of existing companies, both nationally and internationally. The acquired companies usually have capitalist forms, thus, cooperatives have capitalist subsidiaries and degenerate. In order to reverse such degeneration, the most evident solution is to cooperativize the subsidiaries, by changing their juridic form as well as introducing the cooperatives principles and values. This also implies that their employees, or at least a big part of them, should become members of the cooperative. The cooperativization of subsidiaries comes with multiple positive effects such as a greater resilience of those companies during economic crisis, more job stability, more participation and engagement of the employees in the company, as well as better labor conditions (Bretos and Errasti, 2017).

Yet, there are multiple barriers that account for the oddity of the cooperativization of subsidiaries (Flecha and Ngai, 2014). Firstly, the **economic** barrier, which refers to the uncertainty about the economic viability of the subsidiary, since the subsidiary should be economically profitable in order to appeal workers to become its partners. Secondly, the **legal** barrier alludes to the fact that in some countries, cooperatives do not appear in the legislation or their legislation is very different from the one existent in other countries. Another obstacle is the **cultural** barrier, which implies a lack of cooperative spirit and culture among the workers in the foreign subsidiary. In low power distance countries, where organizations have flatter hierarchies and more decentralized decision-making process, the understanding and spread of cooperatives would be easier than in those countries with high power distance, where companies are highly hierarchical and their leaders are expected to take all final decisions and their subordinates are not allowed to question them (Hofstede, 2010). Additionally, those countries that score high in power distance tend to be more collectivistic. Thus, they would be more reluctant to work for a cooperative. The last barrier relates to the **investment control**, since the partners of the parent cooperative may be afraid of losing control over the capital invested if the workers of the subsidiary become partners of the cooperative (due to their potential lack of engagement in the cooperative). One way to mitigate the last barrier is the creation of a mixed cooperative, with which the ownership of the subsidiary cooperative is divided between the actual employees of the cooperative and the members of the parent cooperative.

2.3.2. The Role of Democracy

According to the data collected from three small UK worker cooperatives: Vegetal, Collective Traders and Wholesome Coop (Langmead, 2017), the key role of democracy to counter degeneration in cooperatives and maintain their' dual social-economic characteristic was proven. They created space for values, organisational form and daily practice to be questioned and realigned through the development of new processes and approaches. In this way, risks of degeneration arising from demands towards efficiency and managerialism, and the development of informal hierarchies were transformed into creative moments

through which constructive disputing, engagement in shared learning and diverse skills, knowledge and experience were brought together to meet the different needs.

Thus, cooperatives' democratic form appears to be essential to resisting degeneration (Langmead, 2017). Both concepts appear to be interconnected, since the risk of degeneration is intensified by the weak exercise of internal democracy. Similarly, an emphasis on horizontally and participatory democracy plays a key role in preventing the creation of hierarchies (Kokkinidis, 2012). Yet, the definition of democracy is not only conceived as the participation in formal structures, but as a relational process that creates opportunities for members to take initiatives and action (Kokkinidis, 2015). Democracy is constituted by the interconnection of shared values of equality ("equal say and equal pay", which challenges the necessity of hierarchy), interdependence and autonomy which embrace the creative potential of diversity. Furthermore, the organization should be open to ongoing processes of individual-collective alignment through which both members and the organization develop and change.

Nonetheless, the apparent success of democracy in cooperatives to counter degeneration is empirically based on three small cooperatives that work locally. What still remains to prove is whether and how the key role of democracy could be extrapolated to the case of those cooperatives which internationalize, especially those following equity entry modes in foreign markets.

2.3.3. The 6th Principle of Cooperatives: Intercooperation

The 6th principle of cooperatives according to the Statement of Cooperative Identity, Intercooperation, states that "*Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures*". The principle itself displays that cooperatives could achieve much more and surpass many business barriers through intercooperation. They could build mutual representative strength and achieve synergies and economies of scale and growth without putting in danger the flexibility and implication of workers (Coque, 1999). Nevertheless, this collaboration should not be occasional, but a continuous and intense commitment with long-term engagement and shared goals.

With intercooperation and the implementation of principles of self-help and self-reliance, members benefit not only from the actions of their own cooperative, but from the impact of its cooperative engagement and trade with other cooperatives, enhancing a wider cooperative movement. It is about creating wealth for the many -instead of personal wealth for the few through unrestrained market competition-. Indeed, when they cooperate, some commonwealth and synergies are created, since what they can achieve together is greater than the sum of the parts. Especially in situations where fixed costs, resources or know-how can be shared, by working together cooperatives gain the expertise, scale and support necessary to heighten awareness, sustainability, and impact. Therefore, larger and more established cooperatives could engage in intercooperativism with smaller and newer cooperatives, since it would be mutually beneficial and could strengthen the cooperative movement (International Cooperative Alliance, 2015).

In order to achieve an effective practice of intercooperation, six characteristics should be fulfilled. To start with, (1) cooperatives should **be opened and transparent** when dealing with each other. Then, (2) the strategy for intercooperation should not be a board of management decision but approved for the general assembly of cooperative members, **accountability**. Moreover, (3) in the case of ventures between multiple cooperatives, the decision making should be **equitable and representative** of the interests of each cooperative's members and the community. In addition, (4) there should be a commitment to **flexibility** which allows cooperators to compromise, innovate and bring about more effective results while avoiding that only one party dominates the process. Furthermore, (5) given that cooperatives practising intercooperation need support among them there should be the recurrent practise of **reciprocity**, which implies that cooperatives give and receive mutual assistance which will enhance mutual trust. Finally, (6) the **adherence to the cooperative identity** by upholding and acting in accordance to cooperative values and principles is key to keep being a cooperative not just in name only, and therefore not to suffer degeneration (International Cooperative Alliance, 2015).

Intercooperation can be implemented through multiple structures and mechanisms. At the lowest level of structure, there are **informal collaborations**, which contribute to building trust and solidarity and can lead to the further creation of formal structures to facilitate intercooperation. The next step would be **Intercooperation agreements**. These agreements are a juridic mechanism that includes all those deals and pacts derived from the relationships between cooperatives that allow members of the cooperative to (1) provide with goods and/or services to the members of other cooperatives; (2) share facilities; (3) expand the corporate activity into other locations and (4) further projects or fusions may arise from the knowledged shared and generated synergies. The volume of the activity between the members of the agreement has no quantitative limit. It is a form of integration with no property entailment which can be implemented both nationally and internationally (Generalitat de Catalunya, Treball).

In the next level, there are the **cooperative federations**. They tend to be more structured in their representation, voting, and operation. They usually gather a group of cooperatives from a specific sector (agriculture, development, education, advocacy...) and their purpose is to support each other and leverage scarce resources, whilst respecting the identity of smaller members, which is the intention of the intercooperation principle. The creation of a **pool of financial resources** is another possible mechanism. It implies the cooperation among cooperatives that emerges for financial reasons, so that smaller cooperatives can have more power and resources while more established lender cooperatives see a social return on their investment, as well as fair capital returns. Another structure are the **secondary cooperatives**. They arise when at least two primary cooperatives decide to work together and create a new cooperative. This union enables the members to share resources, knowledge and to have one voice with stronger negotiating power, as well as having better access to the market, marketing and storage facilities (International Cooperative Alliance, 2015).

Lastly, it is important to mention the role of the **International Cooperative Alliance** in promoting intercooperation and the networking between cooperatives globally. It was founded in 1895 as a global representative body and it is currently the largest democratic membership organization in the world. It promotes friendship between cooperatives all over the world and encourages its members to share knowledge and expertise with others and enhance their mutual support. The Alliance also intercedes in negotiations with governments on behalf of cooperatives in the case of new legislation threatening the cooperative principles. The cooperative movement intervenes in these negotiation to preserve their autonomy and right to democratic control, but this can also be useful to gain visibility and stay in touch with non-cooperative sectors, such as labour unions, charities and civil society organisations towards greater goals (International Cooperative Alliance, 2015). Lastly, the Alliance also engages in campaigns to foster the cooperative movement in developing countries and organizes events for cooperatives from those countries, with the objective of promoting intercooperation and creating strategic associations, technological transfer, and new commercial links (International Cooperative Alliance, 2019).

In Europe, a regional office of the International Cooperative Alliance was founded in 2004, the **Cooperatives Europe**. The aim of this institution is to act as the voice of cooperatives and promote the cooperative business model at the European level. To do so, they offer tools to support the development of the cooperatives enterprises, foster communication and networking among the cooperatives and work for the recognition of the cooperative business model among EU authorities (Cooperatives Europe, 2018).

Although there seems to be several effective ways to accomplish intercooperation, diverse barriers which stop cooperatives from using intercooperation exist. Firstly, the cooperation among cooperatives requires at times having to make sacrifices in terms of autonomy and sovereignty to achieve shared goals. It implies a difficult balancing of interests: larger scale benefits for all cooperatives, while maintaining independence and member democratic control. This can present challenges when collective mutual interests override what may be beneficial to an individual cooperative in the short-term (International Cooperative Alliance, 2015). Moreover, by nature, co-operation involves multiple entities from different backgrounds and with different economic and political contexts. These multiple voices could raise several challenges, such as establishing common objectives when each cooperative has different missions, setting a decision-making process, or transferring and dividing the income to the members (Normark, 1996).

During the internationalization process, this feature is exacerbated when culturally different cooperative enterprises come together. Countries with a lower power distance will be more comfortable in dealing with cooperative firms than those with a high power distance. However, the issue is not only the acceptance of the organization of a cooperative, but also the relationship and comprehension between the members of the cooperatives from different cultures. Miscommunications, conflicts and misunderstandings are likely to arise due to different toleration towards ambiguity (uncertainty avoidance); different time horizon, either being more short-term or long-term oriented; different confrontation styles (direct vs indirect); and different levels of cultural indulgence and tightness (Hofstede, 2010). All the previous factors may lead to

parochialism attitudes -rigid adherence to one's own belief system- (Adler, 1983) and cross-cultural miscategorizations -the use of one's own categories to interpret situations abroad-.

Another obstacle of intercooperativism as an approach to go international is the fact that there is limited number of cooperatives established around the globe compared to the capitalist sector, which makes it difficult to find a cooperative partner abroad, especially considering that cooperatives tend to be smaller and more locally oriented. On the other hand, there is the difference in regulations across countries concerning the conception of cooperatives. In fact, in some countries the concept of cooperative is not common, and therefore, do not have any laws related to the matter (Errasti, et al., 2002).

Nevertheless, the importance of intercooperativism as a tool for cooperatives to become international without contradicting its principles at the international level is highlighted by Errasti (2004), who states that *"a multinational cooperative can only be the result of a democratic agreement between the cooperatives involved in different countries because otherwise we would contradict the own nature of cooperatives"*, in the sense that the concept of subsidiary itself establishes a hierarchy between the headquarters and the subsidiary, contradicting the equality and democracy that cooperative firms should have when dealing with each other.

3. CASES ANALYSIS

The coming section is meant to illustrate two cases of cooperative's internationalization in order to assess how intercooperation is used both nationally and internationally. Concerning the sources from both cases, it must be mentioned that most of the information from the Mondragon Case has been obtained from the case study of Szekely and Dossa (2014) and the complementary information is cited along the text. For the Suara case the information was compiled from Suara's and Serproen's corporate website, since no case analysis has been done yet on this cooperative.

The main finding is that both cases share the use of cooperatives' intercooperation in a national level, but intercooperation disappears in the process of internationalization. On the one hand, the Mondragon Case is the main case analysis, as the information available is more extensive. Regarding its internationalization, more information is provided to specify the characteristics of each mode of entry, given that Mondragon has used all entry modes for its expansion. In addition, its use of intercooperation for projects in developing countries will also be addressed. On the other hand, the Suara Cooperativa Case is a complementary case which shows a hybrid form of intercooperation for internationalization: cooperation between firms that are not cooperative firms, which in the end does not avoid degeneration.

3.1 The Mondragon case

The Mondragon Corporation was founded in 1956 in the Basque Country and it is currently the tenth largest company in Spain with 81.837 employees and over 12.200 million euros in revenues. Mondragon started with a single cooperative, Ulgor (later on called Fagor) in the industrial sector. The first following

cooperatives created were also mainly industrial cooperatives (Arrasate, Copreci, Ederlan) and they were established to manufacture inputs Ulgor required.

3.1.1 Mondragon's National Intercooperation

Mondragon group's national expansion was exponential between 1956 and 1976, at a rate of 40%. Such growth can be explained by its strategy of establishing new differentiated cooperatives, rather than expanding a single cooperative into various industries. In this way, the smaller cooperatives could have a flatter hierarchy, maintain full participation in decision-making processes and build stronger relationships and limit wage differentials between the highest wage earner and the lowest. Moreover, entrepreneurship was fostered to help members form new cooperatives. To create a complete socioeconomic system and expand the reach of Mondragon's network, Mondragon diversified into other industries, such as banking and financial services (Caja Laboral Popular or CLP), education (EPP, Alecoop), agriculture (Lana) or retail. By doing so, a Mondragon cooperative network was created, to achieve economies of scale, synergies and create additional supporting cooperatives to finance growth and provide technical assistance. For instance, by the creation of the cooperative savings bank CLP, other cooperatives of Mondragon could benefit from a pool of funds and lower interest rates and therefore scale its operations and support the growth and formation of other cooperatives. In return all cooperatives deposited their funds into the bank. Another key element for Mondragon's growth strategy was the non-compete clause. A collaborative as opposed to competitive environment was fostered and new cooperatives could not compete with existing cooperatives.

Thus, intercooperativism among the different cooperatives of Mondragon's group was essential to the success of the group. Through cooperative groups, cooperatives worked in coordination to fulfill each other's inputs and create markets for their outputs.

3.1.2 Mondragon's Internationalization

The first step of Mondragon's internationalization was through **exports**. Some cooperatives of the Mondragon group started selling abroad around 1960s. It demonstrated the disposition of the group to expand internationally and set a precedent before investing abroad. Generally analysing this entry mode in terms of social benefits, it does not have much effect on the foreign market. Firstly, because some cooperatives heavily rely on intermediary operators to make their products available abroad, and the cooperative loses control and power over their product and its distribution. Secondly, given the limited contact between the cooperative and the foreign community, as well as the low or non-existent level of investment in that country, there is little room for the cooperative to make a change on communities and spread democratic policies.

It was after the recession in the 1970s, due to the oil shocks, that Mondragon allowed cooperatives to scale their operations internationally and to begin investing in various foreign organizations, starting in Mexico in 1989. At the same time, Mondragon Group restructured itself into the Mondragon Cooperative

Corporation (MCC), afterwards shortened to Mondragon Corporation. At that time, even though some cooperatives already exported across the Spanish borders, all the cooperatives were based in Spain. Hereby, in order to guarantee the survival of the group and protect the employment in the parent cooperatives, Mondragon group decided engage to more deeply in internationalization.

One of the entry modes used were **contractual agreements**. A large percentage of Mondragon's cooperatives (Ulgor, Fagor, Copreci, etc.) started their activity by acquiring licensees from other established companies (Errasti et al., 2002). They saw first-hand how successful this type of contractual agreements were and how they allowed the expansion of their own business. Nevertheless, they seemed reluctant to be the ones transferring the technology and know-how. Fagor is one of the few examples that transferred its know-how, and even carried out turnkey projects. However, Fagor usually used this entry mode in developing countries with significant direct investment limitations and commerce controls.

Whenever the direct investment was not restricted, the group used traditional **equity entry modes**. Mondragon expanded into all continents with a multi-location strategy and many of the principal Mondragon cooperatives became multinationals. This allowed the group to reach larger economies of scale, guarantee their survival and be more efficient and competitive. Between 1991 and 2001, the ratio of international sales to total sales of Mondragon industrial cooperatives went from 25% to 50.9%. The main limitation to these capitalist approaches is the degeneration process already discussed in the conceptual framework, since investments abroad were not restricted to only cooperative organizations. While some of the companies acquired were transformed into cooperatives (national cases), most of them remained as non-cooperatives: capitalist subsidiaries. And there was an increase of wage differential and increase distance between lower members and upper management, which clearly supports the thesis of degeneration.

Lastly, there is a residual international strategy that Mondragon has used: **intercooperativism** as a source of international cooperation with underdeveloped and developing countries. It has been implemented by Mundukide, a foundation created in 1999 within Mondragon Corporation. Its activity takes place mainly in Mozambique, Brazil, Ethiopia and Colombia. It works in two directions: the socio-economic strengthening of organizations through intercooperation, with which Mundukide offers formation and assistance in the foundation and management of cooperatives, thanks to the participation of members of Mondragon's group with extensive experience in cooperatives. They also foster intercooperation among local cooperatives (Mundukide, 2019). Secondly, they work for the socio-economic development of communities, by offering microcredits, helping in agricultural development and providing technical assistance and financial support to build infrastructures (irrigation systems).

Despite the existence of the previous case of intercooperation, it is far from being the modus operandi of Mondragon Corporation. The reality of the group is that they heavily rely on capitalist subsidiaries as entry mode. Additionally, given the barriers to intercooperativism explained in the theoretical framework,

Mondragon Corporation sees intercooperativism as an approach to exchange experiences and undertake projects in the cooperative environment (Errasti et al., 2002) rather than an alternative approach to internationalize without turning to capitalist juridic forms. Moreover, it is mainly used in the national environment where there are no cultural, legal or uncertainty obstacles. Consequently, it is common to see the need of Mondragon's cooperatives to undertake regeneration policies in order to recover the cooperatives' traditional values.

3.1.3 Mondragon's degeneration and regeneration policies

Mondragon's cooperatives were at crossroads between combining the objectives of a business development in capitalist markets and the use of democratic methods in their organisation. Likewise, neither the objectives of external expansion nor the target countries significantly differ from those chosen by market-seeking conventional multinationals (Errasti, et al. 2003). Thus, global competitiveness and the pursuit of good economic results prevailed over the original values of participation and democracy, as forecasted by the Degeneration theory. As a consequence, some members felt powerless in annual meetings or argued that, in order to optimize efficiency by running machines at night-shifts, their social life was destroyed.

Nowadays, Mondragon counts with 266 entities and many of the policies adopted in the subsidiaries do not differ to the ones of a conventional multinational. Indeed, the working conditions of the employees' subsidiaries are very different from the ones that the members of the parent cooperatives enjoy. Many of the industrial cooperatives have more salaried employees in their capitalist subsidiaries than member employees in the parent cooperative. Furthermore, the subsidiaries tend to be very hierarchical, with strict relations of dependency on their parent company.

Given the evident Degeneration of Mondragon Corporation, the group designed a set of measures in order to regenerate the companies and recover the cooperative initial values. They implement two lines of action. First of all, the subsidiary cooperativization. On the one hand, through mixed cooperatives - cooperatives in which a part is owned by the subsidiary partners and the other, by the partners of the parent cooperative- and, on the other hand, through Commissioned Partners ("socios en comisión de servicios"). In the latter, some employees of the capitalist subsidiary become partners of the parent cooperative and, although the participation of the employees increases, the subsidiary continues to have a capitalist form and the degeneration is not fully reversed (Bretos, Errasti, 2016). Both the mixed cooperatives and the Commissioned Partners method have only been used domestically.

The second tool used is the Implementation of a Corporate Management Model, "The Model of Corporate Development". It is the one used for all international subsidiaries and some of the national ones. It was designed to implement a set of indicators in the management and participation of the workers of the capitalist subsidiaries, in order to make the management model of the subsidiaries more similar to the

parent's cooperative one. This intends to improve the working conditions of the workers, the communication, participation, information policies and the intercooperation (Bretos, Errasti, 2016).

Regarding the implementation of the policies associated with the cooperative model (wage equity, work stability, internal promotion and continuous formation), the way to proceed of Mondragon depends a lot on the location of the subsidiary. For instance, Fagor established subsidiaries in Brazil, China or Slovenia. In the case of China, the cooperative model hardly exists, while in other subsidiaries such as Fagor Ederlan Brasileira (in Brazil), wage differences have decreased, formation opportunities are promoted, social perks are provided and working conditions are annually reviewed, so that they are similar or better to the ones in Brazil (Bretos, Errasti, 2017). Managers that have been interviewed claimed that their focus was not to change the juridical status of the subsidiaries, but rather to promote democracy and participation of workers, in an attempt to spread the cooperative model (Bretos, Errasti, 2017). In fact, developing democratic models of management for multinational firms is becoming one of the main challenges that the cooperative movement is currently facing and it will define its near future.

Therefore, some subsidiaries have integrated to a certain extent the cooperative model, but none of them has been transformed into a cooperative or has fully and consistently introduced all the cooperative principles and values. That is especially visible with the participation of employees on the ownership, profit sharing and general management of the company, all of them essential according to the cooperative model.

Overall, none of the experiences of regeneration in the capitalist subsidiaries have been a full success (Bretos, Errasti, 2017). Indeed, a rise in self-interest and an increasing use of managerial discourse reflects the separation of the cooperative principles and practice, as well as the abandonment of the cooperative spirit (Heras-Saizarbitoria, 2014). The demands for efficiency, productivity and rapid responses to market changes do nothing but eternalize a loss of the solidaristic ethic (Harnecker, 2012; Meira, 2014).

3.2 Suara Cooperativa Case

Suara Cooperativa is a 4,219 employees Catalan social economy firm created in 2008, after the fusion of Escaler, EAS and CTF Serveis Sociosanitaris cooperatives. Suara Cooperativa deals with the care, assistance and educational needs of children, young people and families requiring support to be more independent, to overcome difficult situations or looking for a job. They manage residential facilities, schools and educational centers, day and night equipment and they offer counselling, prevention and support services, as well as home services.

3.2.1 Suara's National Intercooperation

At a national level, Suara has clearly bet on intercooperation with the use of alliances with other firms and organisations in order to grow bigger and be able to improve the welfare of society. To start with, Suara Cooperativa is member of Grup Clade, a business group founded on 2004 and mainly composed by cooperatives from different industries but with similar values (for example social responsibility,

participation or innovation). Grup Clade was created with the objective of developing joint projects, synergies and solid value propositions among its members, while growing efficiently.

Suara Cooperativa is also a collaborating partner of Garbet, an insertion company focused on those collectives who are socially excluded or with a high risk of being excluded. Suara, together with two other foundations, promotes the foundation of Intermedia, which attends people at risk of social and labour exclusion. Creixen Educació is a second-grade cooperative promoted by Suara, Escola Sant Gervasi Cooperativa and Abacus Cooperativa, founded to create a quality, referent and vanguard school model to respond to the formative needs of the country.

Another example of Suara's intercooperation is the agreement signed on 2019 with the cooperative Jordi Capell (shop specialized in architecture, books and design), which allows the members of Suara Cooperativa to buy consumer products distributed by the cooperative Jordi Capell, and that the members of the Jordi Capell cooperative benefit from a discount with respect to the rates of the home care service.

Thanks to the multiple agreements of intercooperation with other cooperatives, Suara Cooperativa has become the largest Catalan cooperative in the people care sector, attending more than 46.000 people in Catalonia every year. Nevertheless, such growth and national expansion has not implied the loss of the cooperative's values.

3.2.2 Suara's Internationalization

After the perspective and assessment of international markets in Latin America, Suara Cooperativa finally implemented itself in Chile with the acquisition of Serproen, which is a Chilean company offering integral services of home hospitalization and home care, as well as services under an agreement with pharmacy laboratories and health providers. With that acquisition, Suara profited from the experience of Serproen in return of contributing with the European model of assistance and its social values of giving the elderly the possibility of living better and with a greater life quality.

Suara Cooperativa used a particular hybrid of intercooperation to face its first internationalization process, cooperation between firms, but not cooperative firms. After that, they partnered with Gryphus (an investment group from Chile), Alonso y Balaguer (Spanish architecture office) and Etxekide (Spanish association). As a consequence, nowadays Serproen relies on the knowledge, experience and effort from 3 different organizations.

3.2.3 Suara's Degeneration

In that case the acquisition of Serproen and the intercooperation with the other companies was done as an internationalization strategy. However, neither Serproen nor none of the partners are cooperatives. Again, this is another example of a cooperative which has managed to grow nationally taking advantage of intercooperation agreements. Nevertheless, once it expands internationally, the subsidiary takes a capitalist structure, putting at stake the philosophy and set of values of participation and democracy that govern the

parent cooperative. Even though Suara Cooperativa committed itself to avoid dismissals and to improve the conditions of Serproen workers, this still lags behind to the rights that a member of a cooperative would have. Thus, this case supports the hypothesis that cooperatives degenerate in the internationalization process.

4. CONCLUSIONS

Globalization is pushing many companies, cooperatives included, to expand across borders. In the case of cooperatives, this process becomes more challenging, as they face the dichotomy between safeguarding the cooperative values, hence hindering their growth; or focusing on the expansion, economic efficiency and profitability of the entity. The latter choice aggravates the degeneration of cooperatives.

Through the paper, it has been shown that the first entry mode for internationalization chosen is exportation, which is less intrusive on the values of cooperatives, but limits their expansion and forces them to be dependent on third parties and intermediaries. Even so, in the case of larger cooperatives that want to scale their operations abroad, the entry mode chosen is based on foreign direct investment and acquisition or creation of capitalist subsidiaries, thus contradicting the same nature of a cooperative and supporting the degeneration thesis. That is why, cooperatives have implemented and designed some regeneration strategies to resist such degeneration.

In relation to the cases, Mondragon found itself at the junction between increasing the scale of operations at a fast rate to be economically efficient and remain profitable; or finding viable strategies to growth that would enable the firm to remain a social enterprise. In the end, its chosen format of expansion changed the socioeconomic nature of Mondragon, leading the group to a partial misalignment with the cooperative values. This drove the group to design a set of regeneration policies, which far from being a definitive and effective strategy, have just papered over the cracks. Lastly, within Mondragon's case there is also Mundukide experience of promoting cooperativism in developing countries, as a tool to foster the economic development of the local communities and dignify their lives.

On the other hand, Suara case introduced the case of a cooperative that has moved a step forward in the internationalization method, by cooperating with other firms in order to internationalize. The problem in this case was that none of the partners were cooperatives and its expansion through the acquisition of Serproen led to the degeneration of Suara, since Serproen has kept the same capitalist juridical form.

To sum up, intercooperation has been proven to be a commonly and effective method to expand nationally the cooperative business operations. It has also been seen that intercooperativism can be successfully implemented internationally as a way to foster the socio-economic development in underdeveloped and developing countries. Nevertheless, when it comes to cooperatives internationalization process, both cases support the argument that intercooperation is set aside and capitalist forms are introduced, exacerbating the cooperatives degeneration process. Hence, these results lead us to wonder whether the effectivity of

intercooperation could also embrace the international expansion of cooperatives. Our proposal is the use of the 6th principle of Cooperatives, Intercooperativism, for the international expansion, to guarantee the alignment of the cooperatives with their original values and principles, while allowing them to grow and expand as well.

Having said that, there are several barriers to intercooperativism, such as the limited number of cooperatives compared to the capitalist ones or the cultural differences and regulation differences among countries. To overcome these barriers, cooperatives could take advantage of the multiple cooperative alliances and federations that exist both in Europe and globally. These alliances could have a dual role: firstly, to act as a big database and networking institution, so that cooperatives can contact other cooperatives they could partner with. Secondly, to assist cooperatives that decide to cooperate between each other as a mediator on behalf of both parts. Accordingly, the Alliances could promote the communication among cooperatives and raise awareness about the need to cooperate to remain competitive and, at the same time, preserve the cooperatives values. Furthermore, they could intensify their role of consultancy and assistance in the process of intercooperation among cooperatives, with the aim of overcoming cultural and legal barriers. The final result of these actions would be the strengthening and reinforcement of the worldwide cooperative movement, which is currently at stake due to the pressure of capital and globalization.

As a result, internationalization would not be at odds with the preservation of the essence of cooperatives. As the proverb says, “action speak louder than words”; to comply with the socioeconomic values and principles of cooperatives, these firms have to take action on it, not just use the word “cooperative” to appellate to those values. Rather than the capital, the person should remain at the center of all the activity, through participation, democracy and respect to the community and environment. Otherwise, the reason for being of a cooperative fades away.

The results of our research should be taken cautiously, provided that they are based on only two cases. It is also worth mentioning the limitations faced during our research, due to the lack of data and research published on the internationalization of cooperatives and the limited information disclosed by cooperatives on this matter, as well as on the regeneration policies implemented and their results. Despite the fact that intercooperation is one of the basic principles of cooperatives, it has also been challenging to find real cases of how it is actually used among cooperatives. Future research directions and extensions could be a more detailed analysis of cases of intercooperation, and a survey to cooperatives aiming to study their level of awareness of intercooperation as a method for internationalization, and their perception of the barriers to intercooperation. Another option could be studying whether intercooperation nurtures stronger cooperatives that are better able to face crisis and recessions.

5. REFERENCES

Adler, N.. (1983). Cross-Cultural Management: Issues to Be Faced. *International Studies of Management & Organization*. 13. 7-45.

Aranzadi, D. (1999). La empresa cooperativa y sus ventajas competitivas, *Estudios Empresariales*, LIV vol., N°.167., Este, San Sebastián.

Bakaikoa, B., Errasti, A., Begiristain, A., (2004). Gobierno y democracia en los grupos empresariales cooperativos ante la globalización: el caso de Mondragón Corporación Cooperativa. CIRIEC-España, Red de Revistas Científicas de América Latina, el Caribe, España y Portugal. Instituto de Derecho Cooperativo y Economía Social (GEZKI), Universidad del País Vasco.

Ben-Ner, A., (1984). On the stability of the cooperative type of organization. *Journal of Comparative Economics*, 8(3), 247-260.

Bretos, I, Errasti A., (2016). Dinámicas de regeneración en las cooperativas multinacionales de Mondragón: la reproducción del modelo cooperativo en las filiales capitalistas. CIRIEC-España, *Revista de Economía Pública, Social y Cooperativa*, Vol. núm.86, 4-34.

Bretos, I, Errasti A., (2017). La viabilidad de las cooperativas en la globalización: presiones degenerativas y nuevas estrategias de regeneración en las cooperativas multinacionales de Mondragón. *Revista Vasca de Economía Social*.

Bretos, I., Díaz-Foncea, M., Marcuello, C. (2018). Cooperativas e internacionalización: un análisis de las 300 mayores cooperativas del mundo. CIRIEC-España, *Revista de Economía Pública, Social y Cooperativa*, 92, 5-37.

Cancelo, A. (1987): "Kooperatibagintza mundu-merkatuaren eskaeren aurrean", *Lankidetzazko Ikaskuntzen Urtekaria*, Deustuko Unibertsitatea, Bilbo.

Cooperatives Europe (2018). Retrieved from: <https://coopseurope.coop/about-us>. Accessed on: 27 May 2020.

Coque, J. (1999). Las cooperativas en el seno de alianzas interempresariales, in XII Congreso nacional VIII Congreso Hispano-Francés: La creación de valor en un mercado global, organizado por AEDEM, Málaga.

Cornforth C., Thomas A., Lewis J., Spear R. (1988). *Developing successful worker cooperatives*. London: Sage.

Cornforth, C. (1995). *Patterns of Cooperative Management: Beyond the Degeneration Thesis*. *Economic and Industrial Democracy*, 16(4), 487-523.

Dean, A., (2014). ¿Las Cooperativas De Trabajadores Degeneran? Documento de Trabajo 01/2014, Instituto de Economía, Facultad de Ciencias Económicas y de Administración, Universidad de la República, Uruguay.

Dean, A. (2019). Do successful worker-managed firms degenerate? *Journal of Comparative Economics*, 47(2), 317-329.

Errasti, A., Heras, I., Elgoibar, P., Begiristain, A. (2002). La internacionalización de las cooperativas y su responsabilidad social, *Revista de Dirección y Administración de Empresas*. Número 10, diciembre 2002, 119-145.

Errasti, A., Heras, I., Bakaikoa, B., Elgoibar, P. (2003). The internationalisation of cooperatives: the case of the Mondragon Cooperative Corporation. *Annals of Public and Cooperative Economics*, 74(4), 553-584.

Errasti A. (2004). Modelos de empresa multinacional democrática o cooperativa, *Cuadernos de Gestión* Vol. 4. N.º 2 (Año 2004), 13-29.

Errasti A., Bretos I., (2017). La transmisión de los valores y prácticas organizacionales cooperativas en las filiales extranjeras: El caso de la cooperativa multinacional Fagor Ederlan, *REVESCO. Revista de Estudios Cooperativos* *Revesco* (127), 45-69.

Fayos, T., Calderón, H., Mir, J. (2011): “El éxito en la internacionalización de las cooperativas agroalimentarias españolas. Propuesta de un modelo de estudio desde la perspectiva del marketing internacional”, *CIRIEC-España, Revista de Economía Pública, Social y Cooperativa*, no 72, octubre, 43-72.

Flecha, R., Ngai, P. (2014). The challenge for Mondragon: Searching for the cooperative values in times of internationalization, *Organization*, 21(5), 666-82.

Gene, D. (1997) The Japanese organic farming movement: Consumers and farmers united, *Bulletin of Concerned Asian Scholars*, 29:3, 14-22.

Generalitat de Catalunya, Treball (2015, October 19). Intercooperació. Retrieved from: https://treball.gencat.cat/ca/ambits/economia_social/que_es_l_economia_social/que_son_les_cooperatives_i_les_s/que_es_una_cooperativa/intercooperacio/index.html. Accessed on: 5 May 2020.

Grup Clade (2018). Trajectòria. Retrieved from: <http://www.grupclade.com/trajectoria/>. Accessed on: 17 May 2020.

Harnecker, C.P. (2012). Democracy and solidarity: A study of Venezuelan cooperatives. In: Atzeni, M. (Ed.), *Alternative Work Organisations*. Basingstoke; New York: Palgrave Macmillan, 103-128.

Heras-Saizarbitoria, I. (2014). The ties that bind? Exploring the basic principles of worker-owned organizations in practice, *Organization*, 21(5), 645-665.

Hofstede, G., Minkov, M. (2010). *Cultures and organizations: Software of the mind*. Revised and Expanded 3rd Edition. New York: McGraw-Hill.

International Cooperative Alliance (2015). *Guidance Notes to the Co-operative Principles*. Retrieved from: <https://www.ica.coop/sites/default/files/publication-files/ica-guidance-notes-en-310629900.pdf>. Accessed on: 10 April 2020.

International Cooperative Alliance (2019, February 25). Reinforcing intercooperation between Argentinian cooperatives and the cooperative movement in India and Vietnam. Retrieved from: <https://www.ica.coop/en/newsroom/news/reinforcing-intercooperation-between-argentinian-cooperatives-and-cooperative>. Accessed on: 12 April 2020.

International Cooperative Alliance (1995). *Statement on Cooperative Identity*. Retrieved from: <https://www.gdrc.org/icm/coop-principles.html>

Kokkinidis, G. (2012). In Search of Workplace Democracy, *International Journal of Sociology and Social Policy* 32(3/4), 233–56.

Kokkinidis, G. (2015). Spaces of possibilities: workers' self-management in Greece. *Organization*, 22(6), 847–871.

Langmead, K. (2017). Challenging the Degeneration Thesis: The Role of Democracy in Worker Cooperatives? *Journal of Entrepreneurial and Organizational Diversity*, Vol. 5, No. 1, (2016), 79-98.

Meira, F.B. (2014). Liminal organization: Organizational emergence within solidary economy in Brazil, *Organization*, 21(5), 713-729.

Miyazaki, H. (1984). On Success and Dissolution of the Labor-managed Firm in the Capitalist Economy. *The Journal of Political Economy*, 92(5), 909-931.

Mundukide (2019). *Memoria 2018*. Retrieved from: <https://www.mundukide.org/wp-content/uploads/2019/06/Memoria2018.pdf>. Accessed on: 27 May 2020.

Normark P. (1996): *The Internationalization of Member-Owned Firms*, *Review of International Cooperation*, vol. 89, n.o 2, 53-61.

Sánchez Pachón, L. Á. (2018). Los acuerdos de intercooperación como mecanismo jurídico de integración de cooperativas. *REVESCO. Revista De Estudios Cooperativos*, 126, 154-176.

Serproen. Nuestra historia. Retrieved from: <https://www.serproen.cl/conozcanos/>. Accessed on: 17 May 2020.

Somerville, P. (2007). Co-operative identity, *Journal of Cooperative Studies*, 40, 1, 5–17.

Suara Cooperativa. Intercooperació. Retrieved from: <https://www.suara.coop/ca/qui-som/intercooperacio/>. Accessed on: 17 May 2020.

Szekely, F., Dossa, Z. (2014). Can Social Enterprises Scale While Remaining Sustainable? The Mondragon Cooperatives. *Harvard Business Review*.