

1073 CO-OPERATIVES AND LOCAL DEVELOPMENT**Fátima Bento¹, Ana Paula Monte²**1 Polytechnic Institute of Bragança (Portugal), a33249@alunos.ipb.pt2 Applied Management Research Unit (UNIAG)¹⁷²and NECE¹⁷³;Polytechnic Institute of Bragança (Portugal); E-mail: apmonte@ipb.pt; Telf.:00 351 273303102**ABSTRACT**

The co-operatives have for a long time present themselves as an answer for local community needs, especially in low density areas and underdeveloped regions, representing an inclusive organizational model local implemented and governed by the members to fulfil their needs. Local development and the co-operative models inherent relationship evidence how important is to promote the co-operative organization as a direct instrument for the regional devolvement not only social but also in an economic and financial point of view. This paper aims to analyse the specific contributes of the co-operative model to the local development, through a literature review followed by the characterization of four case studies representatives of the relationship between co-operatives and local development. By doing so intends to analyse how does the co-operative legal and ideological guidelines conducts to a more inclusive and sustainable society and what should thereby be the role of co-operative movement in regional development as well as with all involved local stakeholders. Through four Portuguese co-operatives case studies was possible to identify the framing of each co-operative in their own local community. It was also possible to identify the perception of their members of themselves as owners as well as the others around them as direct or indirect beneficiaries, understanding that their different organization model of work represents a mean for the paradigm change to an open democratic space to serve the community which subsequently positively reflects on the local development. It was possible to conclude that these organizations are ideological and legal oriented for their member needs as are for the community's needs. They are perceived by their members first as an individual response and secondly as an integrated instrument for local development. Although and the spite of a global effort for developing the co-operative movement, it persists several resistances in understanding and promoting it by the regional offices and communities. This research pretends not only to demonstrate the pre-existing positive relationship between the two but also delimited some possible paths to introduce a methodology to measure their real impact on the local development.

Keywords: Co-operative; local development; community.**1. INTRODUCTION**

The Co-operatives, as a locally implemented organization orientated for their member's needs, are an important mechanism in local development. By their specific guidelines with a set of values, purposes and principles, they integrate the community directly and indirectly in their organizational activity.

Thereby co-operative model presents itself as reasonable and useful mechanism to support local community as well their own sustainable development, therefore is crucial to understand their potential role in a boarder perspective.

This paper intent to analyze in an explorative structure the relationship between co-operatives and local development, oriented by three research questions:

1. How co-operatives contribute to local development?
2. What are the evidences of co-operative model contributes to local development?
3. What is the relevance of the co-operative model?

To achieve the goal of this research, understanding the relationship between co-operatives and local development, the paper was dived in two parts, the first with the theoretical analysis of the relationship between co-operative and local development utilizing a literature review, and a second part that presents three case studies, analyzed to understand and measure the co-operative impact on local development.

In this way is possible by a set of theoretical measurement indicators proposed to weight and relate the co-operative organization model and local development, and what should be the society understanding towards is potential solution for the community difficulties.

2. CO-OPERATIVE CONCEPTUAL FRAMEWORK**2.1 Ideological and legal guidelines**

The co-operative organizations are oriented by their own ideology and legal structure that define their organizational activities, their relationship between the members, the market and the community. Both ideological and legal guidelines are in fact the distinctive behaviour that moves away the co-operatives model from profit enterprises.

In terms of ideology, it may be consider that the identity of the co-operatives is characterized by a specific definition of the co-operative in itself, a set of values, purposes and functions and by the co-operative principles.

Table 1: Co-operative Principles

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Principles	Definition
1. Voluntary and Open Membership	Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination. Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner
2. Democratic member control	Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.
3. Member Economic Participation	Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
4. Autonomy and Independence	Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
5. Education, Training and Independence	Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
6. Co-operation among Co-operatives	Co-operatives work for the sustainable development of their communities through policies approved by their members.
7. Concern for Community	

Source: Adapted from Kurimoto et al. (2015)

A co-operative is defined 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”(Kurimoto et al., 2015, p. 0), with values such as “self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others” (Kurimoto et al., 2015, p. 0).

Therefore this type of organization model are “a unique system of ownership and governance endowed with a particular social responsibility to meet the development needs of their members, other stakeholders and the wider community” (Bernardi, 2007, p. 15).

Embodied in their daily life of each co-operative it lays the co-operative principles, bounding all the universe of the co-operative model and defining their conduct as a hold. The co-operative principles today are seven: 1st Principle: Voluntary and Open Membership; 2nd Principle: Democratic Member Control; 3rd Principle: Member Economic Participation; 4th Principle: Autonomy and Independence; 5th Principle: Education, Training and Information; 6th Principle: Co-operation among Co-operatives; 7th Principle: Concern for Community. On each of its principles there are a guideline and mostly a bylaw conduct instruction with transversal implications for the organization.

The seven principles, that throughout history had very little alterations, are in fact a reflection of Rochdale Pioneers vision, “to achieve much more than just establishing and operating successful business enterprises” (Kurimoto et al., 2015, p. 63), corresponding to a concern “for social justice” (Kurimoto et al., 2015, p. 63).

In all seven principles there are three of them that orientate the co-operative movement towards the community. To be mentioned that “community itself is a key cooperative principle, not only in terms of community development, but also in the broader perspective on cooperative as presenting an alternative socio-economic reality” (Vieta & Lionais, 2015, p. 4). From them, the 5th, the 6th and the 7th co-operative principle, are the ones that have more direct implications on the obligatory position of the co-operative model with the community and commitment to regional development. The 5th principle – Education, Training and independence, in the sense that it is applied to the general community, an open space form inside the co-operative to their nearby community. The 6th principle – Co-operation among Co-operatives, since, implicitly this co-operation evolves the local co-operation. The 7th principle – Concern for Community, that specifically and directly states the importance of the relationship of co-operatives and their community. Thus, the concept of “Co-operative work for sustainable development of their communities” (Kurimoto et al., 2015, p. 87) is decisive for Co-operative mission, vision and business strategy. And the “co-operative value of ‘social responsibility and carry for other’ is evidenced by co-operatives delivering benefits for the communities in which they operate as well as for their members” (Kurimoto et al., 2015, p. 87).

The successful application of this 7th Principle is essential for co-operatives and their members, they should remember their distinctive role in society and their contribute “to the sustainable development of their local communities and, more widely, to the sustainable development of the national, regional and global communities of which they are part” (Kurimoto et al., 2015, p. 63). This relationship promoted by the concern for community is a key mechanism for developing the co-operative movement, society and a fair market. By doing so it will be possible for co-operatives to keep on their role of a major contributor “to the progress of civil society and democratic renewal” (Kurimoto et al., 2015, p. 63).

In agreement with its co-operative principles are the values, purposes and functions that empower the members and others around them, to build a fair society more capable of self-help and self-responsibility, with a deep concern to build a responsible, democratic and cohesive citizenship.

On the subject of the legal rules, it first should be taken into account the variation across Europe, mostly national adjusted, creating a disparity between the different country and their relation within and with all stakeholders involved.

In a broader perspective its identifiable a group of lines in the bylaw regulation, democratic governance, the common interest of members, non-profit purpose and implicit restriction on income use, reserves and restriction of outsiders interferences. The democratic governance (one member one vote) should respond and be oriented for the common interest of members, and as a non-profit business there are in several European countries mandatory reserves, that should be applied also in the best interest of the members that could include the community, finally as a autonomous organization managed by a group of members is by-law to maintain the outsider influence away. The legal rules applied to the co-operative model mainly reflect their specific characteristics, also International Co-operative Alliance (ICA) recommendations and they are confluent with the co-operative principles, in different forms, since there is a tendency for national adequacy, although maintaining the main characteristics of the distinctness of the co-operative model emphasizing its distance from the other organizational models.

In each of these lines, the regulation promotes the accomplishment of the movement orientation, adding several difficulties on the daily life management but accentuating the uniqueness of the model. It is irrefutable the inherent financial problems as the extra work needed to engage co-operative members on the democratic and participative governance, however the acknowledgement of their singularities, of the importance on having transparent relationship between all members, and of public policy adequate to this characteristic reveal that the 'co-operative advantage' exists.

2.2 The co-operative model as a mechanism for local development

The co-operative model is bind to a non-profit form of organization, characterized by a main purpose, fulfilling their member needs and as local implemented organization with a special relationship with the community, which reflects a privileged position in the support of local development. Presenting an inherent association between co-operatives and local stakeholders in which the community is a key partner for running of co-operative model as a mechanism for local development.

The co-operative first and main purpose is to serve its member’s purposes and to fulfill their needs, but as a local implement organization created by community members and according to the co-operative principles, oriented to and for the community, it makes the community a beneficiary of the co-operative and of the members activities development. Sofferahn (2009) refer the term cooperative community development, defining it as “a process in which member-controlled organizations develop and operate to achieve the goals of their member and broader social and economic goals of the community” (p. 178). Additionally it exist for MacPherson (2013) an “historical capacity of co-operatives to respond to community challenges.” (p. 15). In addition, for Majee (2011) the cooperatives are “a viable vehicle to an accomplished” (p. 49) the improvement of social and economic, understanding the “community development as a process that mobilizes resources and builds the capacity of local residents to work together” (p. 49).

According to the literature review, the co-operative model is in itself a mechanism for local development. It may be considered their business behavior, which brings direct and indirect development to the local community and through the principles and purpose that co-operatives stand for (Figure 1). The co-operative business behavior undermines the characteristics of the co-operative model and how its behavior is able to foster local development. Mainly, with their democratic governance, as an alternative organizational model, being a response when market fails and through an orientation toward the model expansion. Given that on each co-operative is possible to “mobilize and aggregate local financial capital” (Zeuli & Radel Jaime, 2005, p. 49) that consequently may “increase a community’s financial capital since the cooperative owners are generally local residents” (Zeuli & Radel Jaime, 2005, p. 49), allowing for retaining local capital.

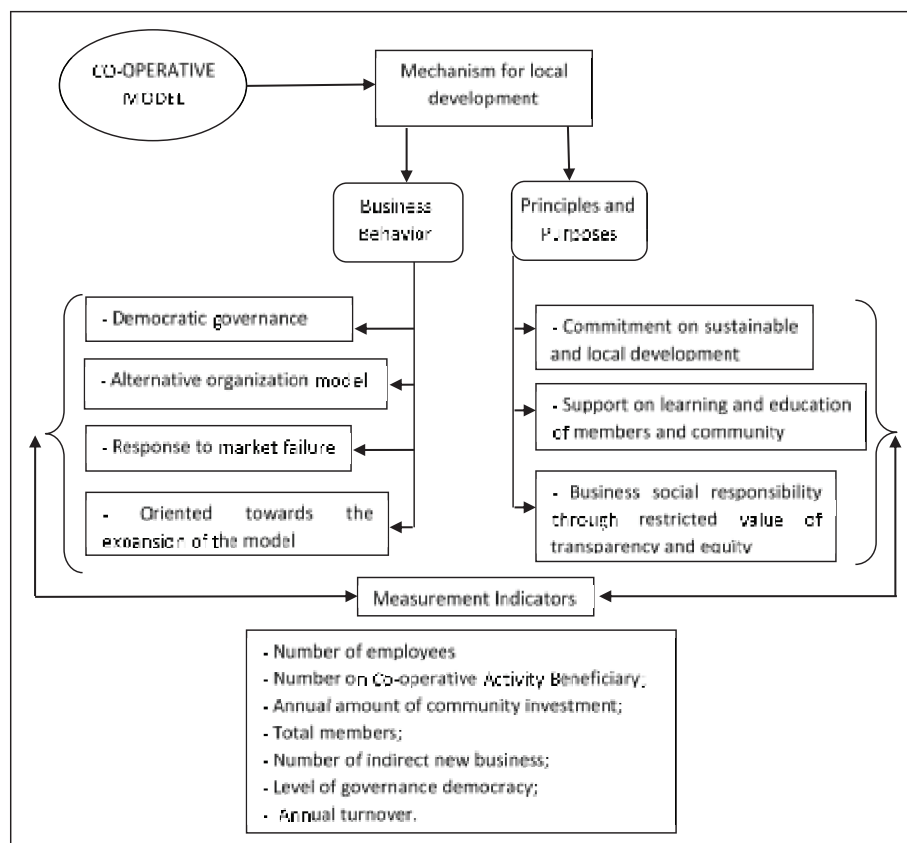


Figure 1: Co-operative model as a mechanism for local development

Source: Authors

Table 1: Co-operative Business Behavior as a Mechanism

Mechanisms	Description	Author
Business Behaviour	“Development of democratic leadership skills, transferrable skills that enriched communities and strengthened the fabric of civil society”.	Kurimoto et al., 2015, p. 85
	“Cooperative organizations are effective in provisioning for myriad life needs, and so in more democratic and sustainable ways”.	Vieta & Lionais, 2015, p. 1
	“Co-ops became effective tools for community development when they are linked to a broader social and political imagination of alternative development in conjunction with adequate policies and support mechanisms”.	Vieta & Lionais, 2015, p. 4
	“Their success is based on their ability to support those communities to develop in a sustainable way”.	Kurimoto et al., 2015, p. 85
	“Cooperatives can be an effective participatory strategy to bootstrap low-income people into the socio-economic mainstream”.	Majee & Hoyt, 2011, p. 48
	“the social as well as financial capital they can create for members and for their communities.(...) The emphasis on democracy and social responsibility (...) transparently, inclusively, and responsibly, all qualities important for community wellness”.	MacPherson, 2013, p. 9
	“A co-operative can therefore provide a hub for organizing particular local economic interests and/or for protecting common pool resources.”	Simmons & Birchall, 2008, p. 2134
	“New cooperatives will promote local development by providing more jobs, by preserving and strengthening the local infrastructure and by promoting a pattern of buying which favors local suppliers”.	Lorendahl, 1996, p. 144
	“Effective tools for community development because they (...) make community interest a priority over short-term financial gain”.	Vieta & Lionais, 2015, p. 3
	“Serves to set up a store in poor, isolated village, to organize free and secure work, and to fight unemployment or exploitation but also to offer work with greater fulfillment and autonomy, to foster the spread of socially (...), co-operation is a tool serving to overcome difficulties and the state of necessity or simply to meet higher demands in the pursuit of goods or value that society is not otherwise in a position to supply”.	Bernardi, 2007, pp. 14–15
“Democratic management of work, producing new opportunities of jobs and income (...) fair prices of products and services”	Lopes et al., 2015, p. 222	

Source: Authors

Adding the fact that, “by virtue of being locally developed, locally owned and locally controlled, cooperatives clearly build on a community’s human capital, social capital, and financial capital” (Zeuli & Radel Jaime, 2005, p. 48), specifically, it contributes “to human capital development (education, skills, and experience) (...) its most substantial community development impact” (Zeuli & Radel Jaime, 2005, p. 48). Additionally their democratic way of being and the natural entrepreneurship allows a positive impact on community, leading by example, encouraging a replication will (Table 1).

In agreement with business behaviour, it is possible to identify the co-operative principles associated with the very one purposes of the co-operative movement and their organizations that is also a booster on local development (Table 2). Essentially, to be referred, the commitment on sustainable and local development, support on learning and education of members and community and business social responsibility through restricted value of transparency and equity. As Kurimoto (2015) state “it is from these deep roots of concern for the sustainable development of the immediate local communities which gave birth to them that the co-operative movement’s wider concerns for sustainable development of communities nationally, regionally and globally blossomed and grew” (p. 85).

To be said that the guidelines of this model are oriented specifically to act responsibly in an integrated social manner with remain stakeholders. Moreover, “it serves as an inclusion instrument of citizenship rescue and therefore of development” (Lopes, Matos, & Machado, 2015, p. 215) and also “a democratic mechanism for wealth creation” (Ketilson, 2014, p. 4), since in most cases “the community is chosen as a location for the co-op based on strategic business reasons at the end of the cooperative development process” (Zeuli & Radel Jaime, 2005, p. 47). Therefore, co-operative establishment motives are a special features that functions as a mechanism, for the reason that “the initiators and goals of the cooperative development process, as well as the cooperative structure, have important implications for community development” (Zeuli & Radel Jaime, 2005, p. 47).

Thus, having the co-operative model several identifiable mechanisms for local development, it is important to measure is impact, in order to understand its weight and how it is possible to stimulate the development for a more inclusive and fair society. Consequently, in accordance with literature review is proposed six main indicators that in theory could measure the positive impact of the co-operative model in the local development throw the community and their business revenue (see Table 3). The proposed indicators, the number of employees (Beaubien & Rixon, 2012), the number of Co-operative activity beneficiaries, the annual amount on community investment (Beaubien & Rixon, 2012), the total number of co-operative member (Beaubien & Rixon, 2012), the number of new indirect business and the annual turnover of the co-operative.

Table 2: Co-operative Principles and Purposes as a Mechanism

Mechanisms	Description	Author
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Principles and Purposes	“The benefits from this responsible commitment to sustainability circle back through new members, increased turnover and higher surpluses that reinforce a co-operative’s economic success”.	Kurimoto et al., 2015, p. 93
	“Duty on elected boards and management to seek approval from members in general assembly to policies that positively impact on the sustainable community development”.	Kurimoto et al., 2015, p. 87
	“The emphasis on learning, education and development in the first three of these assumptions suggest the importance of the relationship between a co-operative, its members and their communities”.	MacPherson, 2013, p. 9
	“Preserve needed jobs and industry within their localities, or secure affordable and dignified housing for its most vulnerable people”.	Vieta & Lionais, 2015, p. 6
	“The motives for establishing the cooperatives are reflected in the goals expressed: to create jobs and new companies (...), to provide good and cheap living conditions (...), to maintain the existing infrastructure and services (...), to create new public services (...) or to stabilize existing jobs (...)”.	Lorendahl, 1996, pp. 145–146

Source: Authors

The selection of these six indicators lays down on the assumption, first that the number of employees and total members represent income for members that integrated in the community allowing the support on community development. Secondly, the number of co-operative activity beneficiary, annual amount on community investment and number of new indirect business measures the impact of the model in promoting local development. Since “Co-operatives are characterized by and proud of the fact they are rooted in local communities” (Kurimoto et al., 2015, p. 88). Moreover, “they are set up by the people to meet their common economic needs within communities” (Kurimoto et al., 2015, p. 88) and, thereby, they represent “an effective tool for the sustainable social development of the communities in which they work” (Kurimoto et al., 2015, p. 88). Additionally, “they are governed by their relationship to the communities in which their members reside. (...) cooperatives are strongly connected to the worries and temporal focus of local communities through their member owners, (...). As residents, they are affected by the cooperative’s investments in operations that affect the quality of life in the community” (Stofferahn, 2009, p. 180). As for the new business “is by co-operatives listening to their community connections [that] they expand or diversify their own business activities” (MacPherson, 2013, p. 15). Furthermore, “the possibility of cooperatives in grounding and proliferating alternative forms of community development, all embedded in some vision of social and economic justice” (Vieta & Lionais, 2015, p. 2). Third, the level of governance democracy allows to understand the potential of this co-operatives to introduce a democracy way of being in society, how member perceive their own democracy within the organization. To be said that “the potential to unlock cooperative’s transformational impacts on communities necessitates that they be grounded issues of socio-economic justice and alternative visions of socio-economic organizations” (Vieta & Lionais, 2015, p. 4) having a positive impact on co-operative and local development. In fourth, the annual turnover weights the wealth creation of this organization from a financial point of view.

Table 3: Indicators to measure Co-operative local development impact

Indicators
Number of employees
Total members
Number of Co-operative activity Beneficiaries
Annual amount on Community investment
Number of new indirect business
Level of governance democracy
Annual Turnover

Source: Adapted from Beaubien and Rixon, 2012

In sum, the “co-operative engagement with its community is not a frill (...) co-ops cannot ignore the social consequences of what they do (...), they have a responsibility to care for the communities in which they exist (...), it means they have to be transparent in their work within communities (...), they should strive within prudent limits to work with others in contributing to community wellness.”(MacPherson, 2013, p. 17). As Vieta (2015) state, “in time of crises, in particular, cooperatives can stabilize community economies.” (p. 2).

3. CO-OPERATIVE CASE STUDIES

3.1 Characterization

This research has included three Portuguese Co-operatives implemented in the Northern area of Portugal, Peripécia CRL, Dolmen CRL and Atlas CRL. Three Co-operatives with different purposes but with a strong community concern and integrated in different perspectives the community in their strategic orientation of business as users and beneficiary.

Peripécia Theatric, CRL was founded in 2004 and is located in Vila Real district; it was created to satisfy the need of a group of artists to organize themselves in a theatric company. And they saw in the co-operative model of organization a collective form for their collective needs. There are five members since the beginning of the co-operative, three of them actors.

Dolmen - Local and Regional Development, CRL was founded in 1993 in Douro region, to bring new solutions for the requests of their territory. The co-operative business activity has been growing since the 90’s; it includes services, cultural, craftwork and social work, base on supporting the local community and reinforcing local cohesion and territory sustainability. With several affiliates and 147 members, it includes 14 member employees and 1 employee that has not yet become a member of the co-operative.

Atlas, Cultural Co-operative, CRL, is a multisectoral co-operative, with a large spectrum of business activities, services, social solidarity, responsible consume, permanent education, co-operation for development, technique and professional education and local development, strongly supported on co-operative principles and is persecution and promotion. Atlas was created in Porto, in 1997, composed by 17 co-operative members and 5312 associated beneficiary, in 2016.

3.2 The role of the co-operatives in the local development

The four Portuguese co-operatives were researched between May to June of 2016, it was permitted to access several documents of the co-operative activity, and additionally were interview several members on each co-operative to understand the perception of the member towards de co-operative overall activity. Utilizing the information collection was possible to make some considerations on the position of each co-operative taking into account the six theoretical measurement indicators. The information gathered reports to 2015, considered the total numbers of employees and members the co-operative had at the time, also according to their financial reports the amounts concerning community investment and annual turnover. For the level of governance democracy, it was consider the answers of the interviewers on a scale of 1 to 10 points, being 10 the maximum level of democracy. To the number of beneficiary of cooperative activities and new indirect business was taken into account additional reports of the co-operative not always resulting on a concrete number given the measuring difficulty of the indicator.

Peripécia is composed by 4 employees from which three are co-operative members, located in a rural area and with a small structure their main impact in their community is through their performing art. They have workshops and activities directed to the community, as “Lua Cheia, Arte na Aldeia” and performing workshops. This co-operative is locally implemented and although the theatric company makes several tours with their plays, their headquarters are in Coêdo where their created and develop their new plays and interact with their surrounding community as an open space.

The President of the Co-operative “Peripécia” states that they do not assume the role of promoting new co-operative business since they centered themselves on their own activities. Also as a nonproductive activity, the wealth created by this co-operative is mainly cultural with small impact on local development. Additionally, as referred previously, most of the performances made by the company are not on their headquarters but dispersers, reducing the indirect incomes from it to the local economy.

The number of co-operative activity beneficiary since the benefit produced by this co-operative is cultural we may say that all spectators and participants on co-operative activities are beneficiary. Given the fact that the activities are disperse throughout the territory, the total number of spectators became irrelevant, is important to refer the activities developed in the co-operative headquarters have strong adhesion according to the President.

Taking into consideration the level of governance democracy, on a level of 1 to 10 points the single interviewed, the president of the co-operative, classified it with 10 points. Although form it was made only one interview of a total of 5 members, there is a coherence on the speech of the President with the remain elements collected and is understandable that a small organizational structure like Peripécia propitiates a more democratic governance given the proximity of the members and clear orientation for the same purpose of art performance. Their main impact in their community and local development, since it is a small structure involving reduced investment, it’s mainly a structure of inclusive culture associated with the democratization of the access of performing art in small rural areas.

Dolmen is a Co-operative to managed, distribute and support European a national funds to promote local development. Therefore in is on object this co-operative main purpose is regional and local development of is intervention area, “Douro Verde”. As an atypical Co-operative Dolmen has a very different type of members, from their own employees, public institutions and individual members, additional to their supporting services they have several stores in different location to sell local products. With 147 co-operatives member and 15 employees, having four working spaces in Lower Tâmega area, located in Marco de Canaveses, Amarante, Baião and Cinfães, Dolmen is implemented in the territory close to community to provide the necessary support for their own activities as part of the co-operative own work and mission. There is here an important circular synergy between the co-operative – members – community on each has its own role on local development and sustainability but only possible by their joint work.

In 2015 they had 53 dynamics throughout the year, that include events organization as the attending in different sort of events, 6 projects approved to be started, through which they intent to develop their territory integrating the community for a more inclusive and equitable society. Since its own purpose is the regional development, the investment is all to and for the community. As is also higher the creation of new business, that are not specific co-operative but all kind of business possible because of the amount of money provides by Dolmen and by their technical support. Consequently, apart from the direct jobs Dolmen as created in their working spaces, the income to the producers that are able to commercialized their products in Dolmen stores as in the several markets Dolmen participates, there are the indirect jobs and community income by the new business created by the financial and technical support of this Co-operative.

For the level of democracy is to be refer there were made 6 interviewed all member employees of the co-operative and the average of governance democracy determined was 8,8 points. The policy carryout by the board, for example the board members don’t receive any payment for their position of board members, regular meeting for work discussion, leadership and equity promoted by the Co-operative President. Therefore, in spite of the complex structure of this organization a clear vision an oriented strategy and transparent governance allows its significant degree of governance democracy.

Dolmen is an instrument for local development, working as a mechanism to promote regional leverage in a rural area with problems of population decrease, unemployment, poverty and lack of work solutions. Is visible that is implementation in this area and the development of their activity has allow the support of local community, producers, commerce, local business and government institutions in a more inclusive and sustainable growth.

The third case study, Atlas is a cultural co-operative, but has form the three analyze co-operative and more broader activities, that include education and training to several services. It assumes a strong position with the immigrant community and the underprivileged part of society, assuming their own role on the world co-operative movement toward a construction of a fair and inclusive society. It has a small number of permanent employees, 4 employees, however during their education and training activity, the co-operative hires temporarily several trainers and teacher.

The co-operative has two types of co-operative members, member *per se*, and associated-beneficiaries. The seconds are all the individual persons that had used the co-operative services in same way, since is requested by the co-operative that everyone who uses the co-operative mandatorily becomes a member with several privileged, as for instance the fact that they can participate on

the decision-making meetings as a consultative board. In this sense, is possible to have a close number of the actual number of co-operative activity beneficiaries, at least the direct ones, 5312 persons. The community investment is directly connected with the several activities develop by the co-operative since their services and projects are to serve the community, by educations, technical supports on new business and bureaucratic problems. For the level of governance democracy, the 4 interviewed answers result on an average of 9 at of 10 points, reflected by the small structure of employees and co-operative members, and the awareness of the co-operative advantage widely spread.

Atlas started in Oporto, but with expansion vision intents to reach other regions. As for their impact on local development its visible mainly by their work to immigrant and underprivileged people, this support is essential for their integration in society, indirectly providing a way for this persons re-establishment and helping solving some social problems and in some way filling a market breach, that in this sense contributes to the local development.

4. CONCLUSIONS AND CONTRIBUTES

Co-operatives present themselves as a valid organization form with an identifiable relationship with the community and local development. As a mechanism for local development the literature review identifies several main lines, income for the community, fair prices, democratic promoter, supporter of new business and general awareness and assistance of the local development potential, presenting in it as an instrument of inclusion and integration of all citizens in the economic dynamic.

The analysis of the three case studies associated with the previous literature review allowed reaching some understanding over the main purpose of this study as also of the three-placed research questions. Thus, regarding the first question, of how co-operatives contribute to local development, was possible to conclude that by their principles and purposes, and through is particular business behaviour the co-operative model contributes to local development. In this sense, the organization model provides economic, financial and social development directly and indirectly and is an economic responses being a local implemented structured oriented to their members needs and by a clear understanding of their evolving reality connected with all stakeholders with special attention to the community, as stated on their 7th principle, concern for community. Additionally in all three case studies, each of them provides contributes to local development, Peripécia by a cultural offer in a rural area, Dolmen by a set of technical and financial support to their territory development, and Atlas with their social awareness and technical support to frail members of society in an inclusive orientation.

For the second question, what are the evidences of co-operative model contributes to local development, is possible to list according to the theoretical indicators measurement, that on each co-operative we can measure in numbers and in analyses consideration the effective contributes of them. To be mentioned, the higher level of governance democracy in all three co-operative, presenting themselves as an important role model for a more equity society, their activities reflect on income (Peripécia; Dolmen, Atlas), financial support for community development (Dolmen), and bureaucratic support to fragile population (Atlas).

Lastly, on the subject of what is the relevance of the co-operative model, was possible to understand that the model may be adjusted to their members need, since is a versatile structure support by equality, fairness and democracy. Their non-profit purpose allows that the strategy and vision of the co-operative be much more than a profitable perspective, it can be an answer to fulfil the requirements of the members and the community, although not undermining the financial support structure to survive in the market place.

There were some limitations encountered in this research, since the measurement indicators not always allowed for a numeric collection, representing qualitative results instead of quantitative ones. It would be important for future researches to analyse a boarder spectrum of co-operative with more diverse activities in different areas to understand how it reflects on their relationship, as bordering the number of measurement indicators for more supporting data.

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24th APDR Congress

'Intellectual Capital and Regional Development: New landscapes and challenges for space planning

After 23 years, the APDR's Annual Congress returns to the University of Beira Interior, for positioning intellectual capital and regional development as a key theme for public policies and the agenda of the collaborative community of politicians, entrepreneurs, researchers and citizens interested in promoting endogenous growth, combined with the institutions, systems and new functional and integrative type designs, for promoting symbiosis among economic, social and political agents, in the joint task of (re) designing a new competitive space, at the regional level.

In this context, the central theme chosen is of major importance, since it is urgent to expand the ongoing debate on the importance of identifying, monitoring and managing the different components of regional-based intellectual capital, in order to stimulate a structural change in the scope of innovation and development regimes, funded on endogenous growth factors.

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We wish you a good Conference!

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