

Participation Model in the Workers' Co-operatives of Andalusia, Spain

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Abstract

Workers' co-operatives are based on a holistic conception of the productive process. As a result, the quality of the democratic systems of a co-operative organisation is highly dependent on the existing psychosocial and economic system. In periods of economic crisis, when co-operatives tend to proliferate, they encounter more internal problems in terms of their organisation, training and material resources. An understanding of the human profile behind workers' co-operatives in Andalusia is therefore crucial in any analysis of the psychosocial-economic dynamics of these organisations, and the relatively high rate of failure among them.

Introduction

Through co-operation, the individual not only creates their own work position but also hopes to form part of a special type of organisation with a participatory and democratic nature, and acquires in this way a double role: that of the worker and that of the owner at the same time. In this way, there is, at least formally, an egalitarian division of power and property among all the members, independent of whatever individual characteristics or the position they may occupy in the co-operative. Any member, simply by being one, will have the chance both to influence the socio-economic dynamics of the organisation with their vote and to be elected to fill an executive position.

Therefore, for most authors, the co-operative model of production represents the most radical form of industrial democracy given that, theoretically, the members of the co-operative count on quotas of power and levels of participation that would be impossible in other types of organisations.

The model of participation within workers' co-operatives - called in Spain "*cooperativas de trabajo asociado*" (co-operatives of associated workers) - supposes in practice, however, the structuralisation and organisation of the effective exercise of democratic rights and duties. In this manner, participation fundamentally involves the control of the activities of those previously elected to manage and

represent the co-operative interests. This managing nucleus will thus count with the backing and legitimacy that the fact of having been elected through democratic norms and procedures gives them.

Thus, just as happens in civil society, the democratic system by which the world of co-operation is governed is based on the delegation of powers and on direct representation. It is thus that the quality of the democratic system depends on the degree of effective control exercised by each individual over the diverse processes of organisational decision making.

However, a fatalistic legend weighs on co-operativism in virtue of which the levels of internal democracy would be incompatible with economic efficacy to the point that only those organisations that have lost their democratic character and are exclusive oriented toward the economic results would be able to survive in a competitive environment, and the rest would disappear. Nevertheless, this fatalistic conclusion lacks, to a large degree, empirical support, and in any case, would be based on the evidence that the excessive death rate and the large number of failures of co-operative organisations give. Additionally, although it is convenient to attribute this failure to the entropy processes of the democratic system, the present author believes that the reasons are of a diverse nature, even though still it may not be clear what role the psycho-social factors or economic weakness that hurt a great number of co-operatives play.

As will be seen further on, this series of questions are still more difficult to clarify due to the coincidence of the awakening of the co-operative formula with the periods of economic recession. In this sense, the economic crisis that afflicted Western economies at the beginning of the 1970s is going to be, without doubt, responsible for the accelerated development of workers' co-operatives. Again, as in earlier historic periods, the co-operative formula presents itself as a solution to the problems of employment that arise because of the situation of economic crisis.

It has been so in Andalusia,¹ where in barely five years, 1980-1985, more than 70 per cent of all the existing co-operatives were formed. This makes 90 per cent of workers' co-operatives and gives employment to more than 24,000 workers. In summary, the importance of workers' co-operatives was such that more than half of the new jobs created in that period were due to this formula.²

However, the circumstances that accompanied the development of Andalusian co-operativism during this era are going to mark its immediate future. Thus, recourse to co-operation as an alternative to unemployment³ brought, in the majority of occasions, the starting of organisations with grave internal deficiencies of an organisational, formative, and material nature. For example, it would be the initial lack of capital which normally is used for the formation

of the future co-operative, given that it is usually the same members who, with their savings or unemployment loans, bring in this said capital.⁴ Additionally, with this problem are united the scarce cultural technical preparation of the majority of the workers, their lack of previous work experience, or, what may be still be a greater inconvenience for the co-operative practice, their earlier socialisation in traditional work structures. This is all a series of problems that, in some way, contribute to offer some adequate economic and social gains. A great quantity of co-operative businesses would be "working" with scarce economic viability, insufficient margins of profits, intense work force, craft or marginal technology, low or no effectiveness of its managers, too high levels of social conflict, and with the threat, thus, of a likely failure.⁵

In the last years, an appreciable sector of Andalusian workers' co-operatives has succeeded in becoming consolidated; however, it is here believed that many of its original problems still exist.⁶

The context of economic crisis in which the major part of Andalusian co-operative experiences have occurred and the necessary articulation among the social and economic dimensions in this type of organisation require a holistic approximation to the phenomenon of co-operation in Andalusia, given that only from this perspective can a more realistic view of the true possibilities and limits of the democratic system of Andalusian workers' co-operatives be obtained. Thus, in this article, the concept and the general characteristics of this class of organisation, thus psycho-social problems that this model of organisation brings in, and lastly, the psychosocial traits of the members of Andalusian workers' co-operatives – will be discussed.

Concept and general characteristics of the workers' co-operatives organisation

It is not an easy task to try to systematise the characteristics, the patterns of action, the profile of the organisational model of workers' co-operatives. This is partly so because very often there have been attempts to analyse this type of co-operativism with the schemas coming from other forms of co-operation or from private enterprise without respecting, thus, its own specificity and because the co-operative praxis gives us an amalgam of realities that are very disparate in their philosophical conceptions, in their daily planning, and mainly, in the model of organisational functioning.⁷

Nevertheless, from a human and organisational perspective, without disrespecting other types of considerations of a juridical or ideological nature, in the workers' co-operatives, it is possible to differentiate among those characteristics that are inherent to it, and

thus generalisable to all these types of organisations, and those other characteristics that only certain organisations are going to present as a function of their own sociological or subjective peculiarities. We name the first type of characteristics, therefore, structural and the second type circumstantial.⁸

Among the structural characteristics of the co-operativism of associated workers the following are highlighted:

- Businesses owned exclusively by the workers, that is to say, ownership of the means of production is the workers', who not only afford work but also capital. This is going to involve a fundamental change of the traditional class relationships, which necessitates inventing new patterns and models of actuation for the treatment of diverse problems inherent to this kind of human organisation.⁹
- Work associations, that is, the essence of the system revolves around the work value. The priority of work over capital will give way to a business model of a personal nature where the decision-making power is assigned to the person as a work partner, independent of the capital that each person brings to the business, the seniority, the job position occupied or the duty fulfilled. These enterprises also permit each partner to participate in the profits generated as a function of their work quality, independent of the capital brought in or other factors.
- Organisations that present a bigger degree of participation, at least of an important part of the collective of partner workers. According to the statutes, the partner has the right to participate in all that refers to association matters. However, not everyone can participate or participate at the same level, to the same degree, or with the same intensity in the organisational decision-making.
- Organisations with a series of mechanisms of democratic control. The organisation members thus count on the authority to democratically control the form in which they are directed by those previously elected for this end.
- Mercantile associations, that is, they are structured like businesses and by definition have an economic goal. Nevertheless, and still maintaining this business characteristic, they attempt to surpland the private interest by the social, thus substituting the typical capitalistic profit by another of social inspiration.

With respect to the circumstantial characteristics, the following are

highlighted:

- Organisations characterised by a democratic association structure with, therefore, a democratic or participatory system that implicitly means the right to information, the exercise of social control, the right to elect and be elected, periodic updating of the social and executive responsibilities, and the dividing of the economic results. Nevertheless, the effective exercise of the democratic rights and responsibilities often demands a process of permanent training, professional recycling, and the understanding of business affairs and the social phenomena inherent to the organisation. Consequently, not everyone will be prepared or capable of participating in such a structure.
- A negative image of co-operativism – this has resulted from the context of economic crisis in which the majority of the co-operatives arose and the recourse to them as an alternative to unemployment. The co-operatives are thus perceived as organisations with a lack of financial or economic resources, inefficient, submitted to a permanent state of conflict, and thus, destined to probable failure. This image reflects in great part the state and general situation of the co-operativism in Andalusia. However, it is also well known that there have been great social and economic successes.
- Organisations that usually suffer serious entrepreneurial deficits – some of these problems, which will limit their business possibilities and their development are the following:
 - ◇ Lack of vocation of leadership and business acumen. This derives in part from the almost generalised absence of professional management, and therefore decision-making that will affect the economic viability of the co-operative by individuals lacking recognised administrative and technical abilities and/or by people in a subordinate role who usually adopt the co-operatives to the private businesses, which will make the co-operatives depend on the latter, thus limiting action to the processes of production. Then, overly long work schedules and large irregularities in the activity periods are suffered, and even other extra-co-operative activities as the only means of subsistence are needed.¹⁰
 - ◇ Excessive concentration in sectors in crisis such as construction, textile, ready-wear, furniture and other craft-type products.¹¹ These are sectors that have stopped

sparkling interest for private initiative in the face of small perspectives of economic profit, and only sacrifice and the co-operativists' dedication can convert them into viable organisations, using great chunks of the partners' salaries. These types of economic activities of an industrial nature usually occupy a great number of workers creating, thus, businesses with intensive work force, with little investment by job position, and low productivity.

- ◇ The small business dimension of the majority of the co-operatives.¹² This limits their possibilities of activity to the local, county, or provincial market. To this localisation of the business,¹³ which makes costs more expensive and reduces profits, the lack of strategic planning or provision and the investment power of private enterprises to update technology and automate production, and the difficulty of performing market research are added.
- ◇ The stereotypical image of these co-operatives, supposedly made of conflictive organisations that are inefficient and not reliable, creates obstacles to access of certain markets and certain financial resources.
- ◇ A great number of co-operatives are usually oriented almost exclusively toward the processes of production, thus committing the error of ignoring the processes of marketing or commercialisation.¹⁴ The importance of this error lies in the fact that the market, day to day, is the centre of the modern business' activity.

Psychosocial organisational problems of Andalusian workers' co-operatives

Traditionally, it has been difficult for this co-operativism to find a model of functioning that permits it to juggle its partner-business philosophy with good economic and social results. For this it would be without doubt necessary to operate with structures and systems of management in accord with the organisational characteristics and the human collective, the environment and objectives that co-operation follows. Reality shows, however, that a good number of co-operatives lack an adequate model of functioning. Thus, the majority of co-operative partners show interest in a dignified salary, job security, social benefits, or better work relations, and do not worry, on the contrary, about business matters such as: product quality, innovation, cost reduction, the instruments of productivity, or business growth.¹⁵

The popular and work origin of co-operativism¹⁶ and by virtue of it, the negative character of its interaction with private business,

would have driven to a business anti-culture and thus a rejection of its structures and systems of management, when, paradoxically, in this type of organisation the worker must act as business-person. In the same way, the context of unemployment and economic crisis in which the majority of these co-operatives have arisen¹⁷ contributes to fortifying this "*prime motivation*" or "*defensive*" character toward co-operation.¹⁸ In this manner, the need to preserve jobs at all cost or to create them, given the lack of offers from private initiative, is usually the fundamental motive that leads to the starting of a co-operative project. This is also going to mean that in the majority of occasions the future partners do not have the power to count on the possibility of consciously and voluntarily expressing their desire to participate in a common business of these characteristics. The co-operative is born therefore deprived of defined, positive social and economic objectives which would project it as an articulated unity toward the future and would facilitate its permanence in a competitive environment.

The false expectations toward co-operation on the part of the members, as a consequence of a lack of prior commitment, contribute to strengthening an inadequate working model. In this way, with the intention of reaching elevated goals, they very often forget about or do not worry about the business objectives, such as the systems of management that would guarantee a better degree of competitiveness and efficacy of the co-operative in its immediate environment. The facts show, however, that without the necessary harmony between the social and the economic the possibility of a viable business project does not exist. In this sense, at the same time, each co-operative that fails economically is a rotund social failure. From this, a good number of Andalusian workers' co-operatives, primarily those closer to a capitalist model by origin or internal structure, or those others that experience a difficult economic situation, all demonstrate grave social and economic deficits that will end in crystallising into a climate of exasperation and generalised dissatisfaction.

To the dissatisfaction generated by the enormous efforts and personal sacrifices (poor salaries, long work days, etc) that the mere survival of the co-operative requires other hardships are added: frustration and disenchantment in the face of grave organisational deficits. This usually occurs when the co-operative partner is not clear about their double role of worker and business person at the same time, which leads to the abuse of their functions or abstention of them. This then results in the existence of a series of inadequate mechanisms of control between the base and the top of the organisation, whose most direct consequence is a permanent state of conflict and low or no economic profits.

The necessity to integrate the democratic processes with the economic benefits and the success or failure of the organisational working model will depend on the established participatory practices and on a responsible exercise of power.

Lastly, the difficulties that co-operativism has been facing since its conception in having to operate in the capitalist context must be highlighted. Co-operativism not only has to break with the dominant values of capitalism, but also offer norms and alternatives of action that are more efficient than those which exist in said context. Reality shows, however, that this is a difficult battle, given that the norms of socialisation, the economic relations, and the instruments of power are controlled by the macro-system where the co-operative is located. Thus, co-operation covers a minimal part of society and is relegated to the life of the business and, in any case, to the private relations between members.

Conclusively, the co-operative formula, as an alternative with its own value, will depend on its ability to balance the social and the economic aspects. Nevertheless, in the same way that all private businesses fully accept their model, co-operativism must fight to define and follow a "*base model*"¹⁹ that determines the overall regulations and general lines of action, which every co-operative should accept, adapting them, of course, to their own needs, objectives, and reality. These rules must be able to combine the basic philosophy of co-operation with the pragmatism that all management demands.

Psychosocial traits of individual co-operative members

In Andalusia, the co-operative formula is frequently the elected route for those who have been expelled from the work market, are starting their wanderings through it, or are in a precarious or irregular situation. For this reason, the majority of the members of Andalusian workers' co-operatives are young people, former day workers, unskilled workers without fixed income, or workers coming from shut-down businesses.²⁰ Finally, they come from social sectors barely qualified or prepared to support themselves or enter the private work market, although they are with great will to do so.

This initial social composition of the wide majority of Andalusian co-operatives is usually tied to an insufficient cultural and technical training on the part of its members. In fact, only 6 per cent of them have an academic degree; 8 per cent have finished their high school studies or technical programs; 49 per cent have finished the "EGB" (basic general education), and the remaining 37 per cent have no specific training.²¹ Despite this, frequently training is not understood as an instrument of social action that raises the

possibilities of production and propels the society forwards business-wise but as a routine which interrupts the work dynamics of the business and imperils the majority.

At any rate, just as has been explained above, all this series of initial aspects lacking in the human factor will carry with it, with great probability, consequences for the organisation and will be cause of distinct organisational problems, both at the economic as well as social level.

Sex and age represent two important variables in understanding the psycho-social dynamics of Andalusian co-operatives. The major part of the work force varies in age between 16 and 45 years, with 65 per cent of these being men and 35 per cent women. The proportion of women is, however, greater when the work population looked at is between 16 and 30 years old.²²

As such the male sex predominates in the composition of Andalusian co-operatives. Nevertheless, women frequently are relegated to activities such as confection and of cleaning services, both characterised as being almost the only work alternatives available, above all, in the rural environment, given the low level of qualification required. Additionally, in the textile area, this type of activity usually forms part, originally, of the submerged economy, and it flourishes to the surface only when a large commercial firm is interested in it and then subcontracts the activity, avoiding high labour costs. Women are thus victims of these "*pseudo-co-operative*" experiences, from which they obtain only a minimal income to complement the domestic economy.²³ Those co-operatives where women participate as qualified professionals are very rare, and they will always be in activities considered traditionally feminine.

In summary, despite the egalitarian ideals of the co-operative movement, for one reason or another, there is a strong imbalance in the participation of women in the associative businesses, both qualitatively and quantitatively.

On the other hand, age is usually the cause of a great heterogeneity in the characteristics of the members of the co-operatives. The age differences can be significant thus of distinct levels of education and training, different experiences of general and labour socialisation, and even, act as a factor of conflict when these different experiences and work conceptions enter into collision. In this way, the generational conflict usually goes tied to good functioning of the co-operative that occasionally is going to require an amplification of the work force. This facilitates the entrance of new generations without co-operative training that may reach the level of planning both the internal organisational structure as well as the methods of work that will be used. From this comes the importance that the co-operatives of Mondragón place on the

processes of selection and the social and personal potentials of their new members.²⁴

The transcendence of the leader figure in the development of the co-operative experiences must be pointed out. Leaders are usually individuals who because of their charisma or personal attraction and/or cultural and technical preparation will play a key role in the formation of the co-operative and its future development; they will frequently occupy the most important places in the organisation, and can even arrive at becoming irreplaceable for it. Nevertheless, experiences like that of Mondragón indicate that, despite having counted on a charismatic leader, it has been the co-operativists themselves who, by their strength and the permanent social innovation, have consolidated the successes of its model.²⁵

It is therefore necessary to recognise that, despite the search for homogeneity, the success of co-operation will depend only on its ability to assume and integrate the heterogeneity of its human factor.

Conclusion

Workers' co-operatives are a special type of organisational which, in order to achieve their social and economic ends, use democratic managerial and organisational systems. This phenomenon therefore is in line with a holistic concept of productive processes. Any factor affecting the democratic system as a whole will also affect co-operatives' economic efficiency, as both are closely linked.

This is even more evident in times of economic recession, when people are more likely to resort to forming co-operatives as an alternative to unemployment. The setting up of co-operatives which are materially ill-equipped, poorly organised and whose members are not highly qualified often leads to psychosocial and economic malfunctioning which in turn will probably lead to failure.

All in all, this article has attempted to show that the future of Andalusian co-operativism will depend - as will the rest of Spanish co-operativism, whose situation is very similar, except, of course, in the case the "*Complejo Cooperativo de Mondragón*" - on its ability to find a working model in which its levels of internal democracy remain compatible with the demands of market forces. To this end, Andalusian co-operativism requires a great deal of educational, organisational, legal and financial support.

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Notes

- 1 Andalusia is an attractive land situated in the south of Spain, made up of eight provinces (Jaén, Córdoba, Sevilla, Huelva, Cádiz, Málaga, Granada, and Almería). It occupies an area of 87,268 sq. Km (17 per cent of Spanish territory) and, according to the last census in 2000, it has a population of 7,340,052 inhabitants (c18.12 per cent of the Spanish population). However, and despite its territorial and population importance, Andalusia suffers a socio-economic situation of marginalization and underdevelopment (Cazorla, J, "Paro y emigración, los males endémicos de Andalucía". *Revista de Estudios Regionales*, 1978, 2: 17-37; Delgado, M, *Dependencia y marginación de la economía andaluza*. Córdoba: Monte de Piedad y Caja de Ahorros de Córdoba, 1981; Delgado, M, "Andalucía en el camino de una integración desigual", in Cazorla, J., (ed.), *Factores de la estructura socioeconómica de Andalucía Oriental*. Granada: Servicio de Publicaciones de la Universidad de Granada, 1993; Ruiz, O, "Andalucía en la España de las Comunidades Autónomas", in Fusi, J P, (ed), *España. Autonomías*. Madrid: Espasa Calpe, 1989), which has led to the sad record of occupying the lowest places in rank in the level of development of the regions belonging to the European Union. Thus, according to the last Census of Active Population, July 2001, National Institute of Statistics, Andalusia had 633,400 unemployed (22.08 per cent of the active Andalusian population), many of whom were young people looking for their first job, women, or unemployed for long periods and older than 45 years of age. In Spain, the number of unemployed rose at this same time to 2,192,100 (12.97 per cent of the active Spanish population).
- 2 Haubert, M, *Cooperativismo y crisis económica en Andalucía*. Sevilla: Instituto de Desarrollo Regional, Universidad de Sevilla, 1984; Haubert, M, "Worker co-operatives and regional development in Andalusia, Spain: The current stakes". *Journal of Rural Co-operation*, 1985, XIII: 83-99; Dirección General de Cooperativas y Empleo, *Censo de sociedades cooperativas andaluzas 1985*. Sevilla: Consejería de Trabajo y Bienestar Social, Junta de Andalucía, 1987.
- 3 In 1990, 6266 workers' co-operatives existed in Spain that employed 124,000 workers (Barea, J and Monzón, J L, *El libro blanco de la economía social en España*. Madrid: Ministerio de Trabajo y Seg. Social, 1992), while in Andalusia, a land not filled with business projects, the importance of workers' co-operatives lies not only in the magnitude of the numbers it represents, but also in the benefits of all types that it produces. In this sense, the 1768 existing co-operative organisations in this region are made up of 18,574 partners and give employment to 19,155 workers (Dirección General de Cooperativas, *Censo de sociedades cooperativas andaluzas y sociedades anónimas laborales de Andalucía 1997*. Sevilla: Consejería de

Trabajo, Junta de Andalucía, 1997), that very probably would be enlarging the numbers of unemployment.

- 4 In the study done in 1995 by Romero (Romero, A J, *Participación de los trabajadores en el cooperativismo de trabajo asociado de Andalucía*. Sevilla: Dirección General de Cooperativas, Consejería de Trabajo e Industria, Junta de Andalucía, 1999 a; Romero, A J, "Cooperativismo y participación en Andalucía". *Revista del CIRIEC-España*, 1999, 31: 113-148; Romero, A J, "Psycho-social approach to the associated worker cooperativism in Andalusia, Spain". *Journal of Rural Co-operation*, 2000, 28 (1): 49-62), with a sample of 159 partner workers belonging to 36 Andalusian workers' co-operatives found in the provinces of Jaén, Granada, and Almería, it was seen that 67.6 per cent of these organisations had initiated their activity with the funds of partners, given that, in 54.5 per cent of the co-operatives studied, there was a lack of any type of economic or financial support by private or public institutes. Because of this, it does not seem strange that the use of the co-operative project is perceived as a personal adventure with large risks and sacrifices, even more when 66 per cent of the subjects questioned, before being part of the co-operative, were unemployed, looking for their first job, or had only part time contracts, and in 82 per cent of the cases, their monthly income was lower than 70,000 pesetas.
- 5 Romero, A J, "Las cooperativas en Andalucía: una vía marginal". *Asociación Formación Social*, 1989, 36: 29-37; Romero, A J, *Participación de los trabajadores en el cooperativismo de trabajo asociado de Andalucía*. Sevilla: Dirección General de Cooperativas, Consejería de Trabajo e Industria, Junta de Andalucía, 1999; Romero, A J, "Análisis psicosocial del sistema de participación del cooperativismo de trabajo asociado de Andalucía". *Sociología del Trabajo*, 1999, 35: 81-106.
- 6 During the first six years of the 1990s, the situation of this co-operativism was improving progressively, to such a point that at the end of this period, in 1996, around 64 per cent of the questioned co-operatives remained active. This implies that presently only 36 per cent of registered co-operatives wind up defunct, in contrast with the 87 per cent of failures that occurred in 1985 or the 81 per cent in 1990 (Dirección General de Cooperativas, *Censo de sociedades cooperativas andaluzas y sociedades anónimas laborales de Andalucía 1997*. Sevilla: Consejería de Trabajo, Junta de Andalucía, 1997). Nevertheless, the lower index of existing failures of these years does not guarantee anything, given that the weakness from which they suffer makes them particularly susceptible to the inconsistencies of the economy. In the entire nation, the situation is rather the same, given that the percentage of failures was rising in 1990 to 59 per cent of registered co-operatives (Barea, J and Monzón, J L, *El libro blanco de la economía social en España*. Madrid: Ministerio de Trabajo y Seg. Social, 1992).
- 7 Aragonés, J, *Cooperativismo, participación y poder*. Valencia: Centro de Educación Cooperativa, 1987.
- 8 Aragonés, J, *Cooperativismo, participación y poder*. Valencia: Centro de Educación Cooperativa, 1987.
- 9 González, J L, "Grupo Cooperativo Mondragón: trabajo y solidaridad". *FUCA*, 1990, 5: 7-14.

- 10 Morales, A C, "Workers' co-operatives: are they intrinsically inefficient?". *Economic and Industrial Democracy*, 1992, 13: 431-436; Morales, A C, "Las cooperativas como acción colectiva: Una reflexión desde el ámbito rural andaluz". *Revista del CIRIEC España*, 1995, 18: 57-82.
- 11 Morales, A C, "Workers' co-operatives: are they intrinsically inefficient?". *Economic and Industrial Democracy*, 1992, 13: 431-436; Morales, A C, "Las cooperativas como acción colectiva: Una reflexión desde el ámbito rural andaluz". *Revista del CIRIEC España*, 1995, 18: 57-82; Barea, J and Monzón, J L, *El libro blanco de la economía social en España*. Madrid: Ministerio de Trabajo y Seg. Social, 1992.
- 12 In Andalusia, 94 per cent of the existing workers' co-operatives are made of less than 20 members, and in only 0.9 per cent of the cases, are there more than 100 (Dirección General de Cooperativas, *Censo de sociedades cooperativas andaluzas y sociedades anónimas laborales de Andalucía 1997*. Sevilla: Consejería de Trabajo, Junta de Andalucía, 1997).
- 13 The phenomenon of "localisation" of the co-operative businesses can contrarily cause positive consequences for the development of the endogenous potential of the affected areas. Thus, while private organisations, guided by the pattern of gain, lack interest in contributing to the development of certain areas or shy away from them when structural difficulties or better opportunities arise, the co-operatives usually constitute a driving force of great magnitude in the development of economically deprived zones, in this way, overcoming the lack of a business class. This creates and preserves jobs, contributes to the formation of a socio-economic infrastructures of diverse natures, retains the population, and reinvests the organisations' profits in the zones of production (Morales, A C, "Algunas ideas sobre la incidencia del cooperativismo en el desarrollo socioeconómico de Andalucía". *Revista de Estudios Regionales*, 1989, 23: 109-124; Morales, A C, "Algunas reflexiones sobre las cooperativas de trabajo asociado en el ámbito rural". *Revista de Estudios Regionales*, 1992, 33: 211-225).
- 14 The concentration in the processes of production or transformation and, at the same time, the absence of a commercial strategy is causing a large number of Andalusian co-operatives to be the objects of domination and exploitation by large commercial firms. This happens, above all, in the textile branch, where the co-operative formula is imposed by an external agent – generally from outside Andalusia – with the fundamental proposal to subcontract the activity. In this manner, the big commercial firm reduces its work costs, avoids the possible conflicts that the work force may occasion, and thus can concentrate its forces on the commercialisation processes and on the penetration and domination of the market. Under these conditions, the partners of this "pseudo-co-operative" receive only a subsistence salary which uniquely serves to complement the household income. In addition, they frequently see themselves obliged to exercise their activity in illegal conditions, not otherwise being able to collect Social Security benefits (Haubert, M, *Cooperativismo y crisis económica en Andalucía*. Sevilla: Instituto de Desarrollo Regional, Universidad de Sevilla, 1984; Morales, A C, "Workers' co-operatives: are they intrinsically inefficient?". *Economic and Industrial Democracy*, 1992, 13: 431-436; Morales, A C, "Tipología y

- objetivos de las cooperativas de trabajo asociado: la experiencia en Andalucía". *Revista de la Cooperación Internacional*, 1994, 27: 109-119).
- 15 Vara, M^a J, *Análisis de las cooperativas de trabajo asociado en Madrid*. Madrid: Ministerio de Trabajo y Seguridad Social, 1985.
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