

# Contribution to the Study of Local Cooperatives Based on Practices of Long-standing Cooperatives in Colombia<sup>1</sup>

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## Abstract

With the objective of identifying lessons from long-lasting cooperatives in Colombia, a process of organisational identification has been developed, concerning their strengths, weaknesses and good practices. These elements are useful to reflect upon the nature of cooperative impact.

After identifying lessons from nine existing Colombian cooperatives, established between 1937 and 1942, we can find elements to confirm that survival has been the outcome of a process of learning that emphasises participation in management and concrete results regarding satisfaction of needs. These elements stem from their structure as associations. When one looks to linking this with the recognition of socio-economic impact, there are limits in terms of time and information that correspond to the sphere of the enterprise.

We check these elements in the vision underpinning the cooperatives, proposing that their enterprise results are just the peak of the iceberg, which unfolds in subjective components of organisational learning in determined territories. With these findings, we can conclude that, by identifying the history, objectives and specificity of cooperatives, impact measurement makes sense. This allows the measurement of their impact within the framework of social utility, common good, and sustainability.

**Key words:** local impact, cooperatives, organisational learning, common good

## 1. Introduction

Cooperative organisations promote their capacity to influence territorial development, strengthen economic democratisation, satisfy urgent social needs, make community social capital dynamic and mitigate market failure, based on their particular way of management and the freewill of sharing according to principles that are socially responsible. However, the fact of having the capacity to generate changes, add value or improve conditions, doesn't imply necessarily an action on the matter. The regular practices, the fulfilment of identity and the generation of satisfiers should be verified in organisations (Álvarez, 2016).

The gap between capacities and results will be closed when cooperatives recognise the logic of their practices and the magnitude of their actions. This calls for identification exercises, evaluation and analysis to know more about these organisations.

However, the reluctance to perform actions conducive to standardisation of data collection that may make it comparable, and the difficulty of generating a suitable theoretical and practical corpus, dents the evaluation of cooperatives' impact, related to their identity and practice. The main challenge, therefore, is to co-construct an instrument to measure social impact by the classical academia together with the public authorities and the actors of the social economy (Europe, 2013).

The current notes presenting the results obtained from the survey of nine long-lasting cooperatives contribute to studies on the impact of cooperatives. The objective is to identify learnt lessons from long-lasting cooperatives in Colombia.

The completed study has elements to highlight that the focus on local impact is an approximation to cooperative impact. This gives useful information to optimise the study of cooperatives' impact.

The article starts with the methodological description of the study, followed by a short reference to the two principal tendencies in the evaluation of impact and the analysis of learned lessons from the long-lasting cooperatives of Colombia. Finally, it presents the conclusions.

## 2. Methodology

The study set out from the following hypothesis: by distinguishing the history, milestones and specificity of long-lasting cooperatives, impact measurement makes sense.

The first step was to identify the long-lasting cooperatives. To this effect, a process was established starting with the selection of historical documents on the first cooperatives in Colombia, experts and leading promoters were interviewed, and a national announcement was made to find the most long-lasting cooperatives of the country, which at the beginning required the validation of documents of their incorporation and the verification of current activity and reporting to the Chamber of Commerce in 2015. In this exercise, 22 cooperatives were identified as being founded between 1932 and 1945.

Inspired by ideas of Birchall, Bastidas and Davila, and with the participation of jurist Alberto Garcia Muller, historian Hernando Zabala and educator Crescencio Orrego, a survey with open questions was designed to systematise the reasons behind cooperative durability. The survey was to identify subjective aspects of the organisations, by providing explanatory answers or at least considering or suggesting strengths, weakness and good practices (Appendix).<sup>2</sup> Out of the 22 cooperatives, just nine of them managed to provide the incorporation documents, prove current activity and answer the proposed survey.

A celebratory event was organised with these nine cooperatives, identified as the oldest registered ones in Colombia (one of them with 67 years of uninterrupted life), during which there was a participant panel with expert representatives of each cooperative (leaders or founders), and a video showing the selected experiences (available at <https://www.youtube.com/watch?v=AhwvMZcfH1U>).

Different methods were assessed, leading to the identification of cooperatives, the analysis of strengths, weaknesses, good practices and, finally, the application of studies of cooperative impact. With these elements, findings were identified followed by the analysis of results and conclusions.

The obtained product had as characteristic the analysis of cases under the notion that generate “signals” and learning about permanence, incidence, good practices and the management based on the cooperative identity. This information allowed investigation about subjective aspects of businesses and the organisational nature of cooperatives under study, serving as a proximity to the study of cooperative impact.

### 3. Long-lasting Cooperatives’ Lessons

Once longest-lasting organisations had been identified, questions came up: why have these organisations survived? We looked for authors who relate cooperative incidence, management and good practices, identifying three: Birchall and Ketillson 2009, Bastidas 2010 and Dávila 2013.

While Birchall and Ketillson believe that cooperatives survive more than another type of organisations due to their community engagement, which

includes putting into effect innovative strategies of permanence in local markets; for Bastidas capital globalisation, their strategies of maximisation and the immediate intervention of certain governments, generate growing tensions that cooperatives can only face if they are capable of adapting to the changes from the local standpoint as counterweight; and for Dávila, management practices, as the social practices that they are, have the potential of creating management knowledge (Dávila, 2013, p. 2).

Therefore, the study of long-time existing cooperatives has the capacity to rebuild their lived experience, take advantage of the information not yet systematised and provide elements that allow more knowledge about the cooperative specificity, to retrace certain notions and to optimise the function of promotion and practices of state agencies.

In the Colombian case, we should briefly recall the historical framework in which cooperatives have been incorporated. Some emerged with state financing, some with their own resources, some with the support of international aid, church organisations, NGOs, academic centres and others with the support of international associations. These experiences have contributed to the consolidation of organisations that today are part of the solidarity sector, so that public policy directed to the social and solidarity economy (and particularly to cooperatives) have in Colombia, 85 years with the following common patterns:

1. Disarticulation between policies of promotion and of supervision.
2. Instrumentalisation of organisations.
3. Fragmented treatment.
4. Changes in institutions after each government change.

This is mentioned because there is evidence of historical instrumentalisation of cooperatives (Álvarez, 2016) that:

- has generated expensive structures of supervision, incomprehension of the organisations' logic and regulation trends that assimilates them with capitalist companies.
- The value of titles and contents generate cognitive dissonance that makes invisible the identity of a sector with their own characteristics. This is the case of main denominations that run in parallel in Latin America: social and solidarity economy and non-profit entities.
- The measures of promotion already put in place do not correspond with those of supervision. So, promotion and supervision policies follow different paths, overlapping each other.

Besides, these organisations have been active in contexts of lasting armed conflict, at least in the last historical phase, for six decades. This context has generated disincentives for cooperation, distrust between members and transactional costs that diminish the organisational sustainability.

Presently, there are references to the promotion of cooperatives in the National Plan of Development, the Agreement between the FARC and the National Government to end the conflict, and in the broad institutional regulation on the solidarity economy in the Constitution, laws and decrees that allow for its development.

Thus, the cooperatives under study have survived and allow us to unveil what they have learnt. To that effect, the possibility of armed groups co-opting cooperatives is not addressed here, nor is any possible impact stemming from civil resistance to the environment in which they had to act, but the focus remains on internal factors constituted by obstacles or enhancers of their development.

The analysed cooperatives have an average of 75 years of existence but their dimension doesn't locate them in the ranking of the largest cooperatives, neither by the number of members nor by their financial indicators.<sup>3</sup> Their economic activities are diverse: savings and credit (4 cases), production (2 cases), transportation (2 cases), housing (1 case). The economic aggregate numbers in terms of assets, and number of members and employees are presented in Table 1.<sup>4</sup>

Cooperative Name	Years of existence	Location	Assets (in million pesos)	Number of members	Number of employees	
Cooperative Ovina de Marulanda	78	Caldas	995	216	10	
COOTRAMED	77	Antioquia	24,696	8,898	65	
COOTRAEMCALI	77	Valle del Cauca	57,055	4,471	40	
FEBOR	77	Bogotá D.C.	84,967	4,500	41	
COOPANELAS	76	Santander	1,021	27	6	
COOPETRANS-Tuluá	73	Valle del Cauca	5,401	115	205	
COOTRANSHUILA	73	Huila	31,941	490	47	
COOMULCAR	73	Tolima	2,183	65	2	
COOPCARVAJAL	72	Valle del Cauca	67,434	6,568	53	
Average			75	30,633	2,817	52

Table 1: Main figures from selected cooperatives, 2015

Source: Elaboration based on reports of (SUPERSOLIDARIA, 2015)

Why, despite these cooperatives' age, do none of them appear in the ranking of main cooperatives in the country according to assets and membership? After comparing these cooperatives with the national average, we observe a relationship between the number of members and workers and between the financial dimension and well-being they

attempt to transfer to their members, which can be initially assumed as trends that later will be analysed with the help of the questionnaire and the focal expert group. In Table 2 there is a comparison between the long-lasting cooperatives and averages of the Colombian cooperative movement.

Enterprise segment	% of Enterprises according to assets		Number of workers		Number of members	
	National average	Classification of cooperatives under study	National average	Classification of cooperatives under study	National average	Classification of cooperatives under study
Microenterprise (assets up to 500 s.m.l.v and up to 10 workers) <sup>5</sup>	77.5%	-	12	-	342	-
Small company (assets up to 5,000 s.m.l.v and between 11 and 50 workers)	17.6%	33.3% <sup>6</sup>	108	6	1,657	102
Medium company (assets up to 30,000 s.m.l.v and between 51 and 200 workers)	3.9%	22.2% <sup>7</sup>	285	120	10,003	4,506
Big company (assets from 30,001 s.m.l.v and more than 200 workers)	1%	44.5% <sup>8</sup>	2,200	45	49,953	4,007

Table 2: Comparison between long-lasting cooperatives and Colombian cooperatives. S.m.l.v. means Statutory minimum wages (in Spanish *salarios legales mínimos vigentes*).

Source: Own elaboration based on reports of (SUPERSOLIDARIA, 2015) and (CONFECOOP, 2015).

From the analysis of Tables 1 and 2 we observe the following trends:

**Optimal size.** While 95.1% of country's cooperatives are in the segment of micro and small enterprises, in this category we find 33.3% of cooperatives under study. Likewise, at the national level, a little less than 5% are medium and large enterprises, almost 67% of cooperatives under study fall in the categories of medium and large enterprises.

**Labour efficiency is required.** The number of workers in a cooperative can or cannot serve as an engine for its business activity. It is evident there is an important gap in the numbers of workers between the national average and the cooperatives under study. The 77.5% average at national level of small cooperatives shows the big labour load of hundreds of worker cooperatives constituted in an instrumental way, which in some cases may make the generation of economies of scale that allow for business growth difficult. In the small enterprises segment, the cooperatives under study show a number of employees 18 times lower than the national average. In this group, we can find the only two cooperatives of producers.

As for medium enterprises, the proportion for each cooperative under study indicates one employee, while the average in the average Colombian cooperative is 2.3 employees.

When we talk about large enterprises the difference is large: for each employee in the cooperatives under study there are about 49 employees in the national average for large cooperative enterprise. We should warn that the gap between large enterprises is enormous. In fact, the cooperatives under study would be in the inferior rank of large enterprises and the number of employees could classify as medium enterprises. However, even though the number of employees may be small, these enterprises can achieve a

large financial dimension in the context of the present economy of services and with an important specialisation.

There are signs indicating that the longstanding cooperatives maintain in their structure an employee's payroll according to the dimension of their activity. This goes opposite to arguments that the object of cooperatives is to generate jobs, and induces the rethinking of the efficiency evaluation of these organisations by the organism of supervision and control of Colombian State (Álvarez & Garcia, 2013), since when measured by number of new jobs, numbers can be erratic. If we take into consideration the participation of these in the enterprises in the national GDP, the idea that cooperatives can considerably reduce unemployment is without doubt a little rigorous. Thus, the accent on cooperatives is not due to the quantitative dimension of employment, but to the social responsibility of their practices from the point of view of quality, what we call in the literature "decent work".

**The membership optimum.** The membership of cooperatives grows at exponential rate between each type of company. From micro to small company the number of members grows 4.8 times; from small to medium company 6 times and from medium to large company almost 5 times. This growth suggests that the financial dimension of enterprises is possible largely due to economies of scale reached in the offer of goods and services.

On the contrary, in the studied enterprises, the number of members is clearly smaller than the national average in each company segment. In the segment of small enterprises, where most producer cooperatives are, there are few members, coherent with the argument presented in previous findings. In the segment of medium enterprises, the predominance of cooperatives of savings and credit and the pair of transport cooperatives

show that the former ones acquired economic efficiency through scale and, that the latter ones achieved economies of coverage after having an important number of members who, among other things, must invest collectively large amounts in the acquisition of expensive means of production. In the case of the large enterprise segment, cooperatives do not seek an exponential growth of membership, but to optimise the efficiency in the provision of services, for the number of members suggest that they are not looking to massively attract new members nor expand into new markets, but to deepen those on which they can build new services for their members.

Once the selected cooperatives have been contextualised, it is possible to offer a brief revision of approaches to evaluate cooperative impact and the relationship between impact and organisational specificity that makes a cooperative an enterprise on the one hand and on the other an association. To this purpose, section 5 presents the findings, after the questionnaire in the Appendix and the analysis of the panel of experts representing each of the nine cooperatives.

#### 4. Brief Review of Approaches to Evaluate the Cooperative Impact and its Relationship with the Double Dimension

The evaluation of cooperative impact has received increasing attention in the literature. While, in the context of enterprises of capital, there are different interpretations about what to measure in matters of impact, when we talk about cooperatives, the discussion is more intense and suggests the existence of two main approaches which are hard to reconcile.

**First focus:** for the authors such as (Crutchfield & McLeod Grant, 2008) and (Cohen & Franco, 2006), the impact should be to do with the measurement of magnitudes of change caused by a certain activity (or project). The change that usually interests economists is income as a measure of approximation of wellbeing and, for this, a fundamental matter lies in monetary calculations of cooperative activity in the GDP, by estimating the magnitudes of income and generated costs.

The nature of this approach brings together many orthodox economists and allows an approximation to the contribution of cooperatives in macro-economic terms, especially in their dimension as enterprises generating income. Under this approach, it has been possible to evaluate the cooperative impact in terms of contributions within the national accounts, developing satellite accounts that improve the recollection of information (Diaz & Marcuello, 2012), with exercises to estimate employment generation.

In Colombia, Arango and others (Arango et al., 2005) have followed this approach, without reaching monetary estimates due to the absence of information, highlighting in the effort that:

- Sustainability and productivity of the sector should be measured due to concerns about efficiency and efficacy.
- The creation of social capital is less than other types of associative schemes.
- The structure of fiscal incentives should be reviewed because they may constitute a threat to the sector itself if weakening its independence.

On the other side, their study recognises the cooperative impact at the local level of financial cooperatives and there is significant qualitative evidence about their effectiveness in low income communities.

The authors conclude there is a need of a system of indicators to measure the impact in three variables: addressing market failures, local development and building social capital, aspects that are naturally left aside in the quantitative approach and are part of the heterodox one.

Finally, in April 2015, the creation of a system of national accounts for the cooperative sector was announced by the Centre of Cooperative Studies CENICOOP, led by Miguel Angel Alarcon,<sup>1</sup> which would approve the plans of the various national superintendence authorities, according to sector economic activity in the International Standard Industrial Classification (ISIC). However, the correspondent study is yet to be done.

On the other hand, the research on monetary aggregates have led to proposals based on individual results of cooperatives using cost-benefit analysis such as SROI (Narrillos, 2012). In Colombia, authors such as Álvarez, Castillo, Rodriguez, Andrade, Hernandez and Castañeda, have presented proposals in this same line, without obtaining significant samples (Álvarez, & Blanco, 2014).

The restriction, under this approach, lies in the inexistence of trustworthy sources of information. For Deaton (2015), the absence of data to measure is a scandal that has yet to be adequately approached. This is due to the lack of a unique plan of social accounts that could collect and add up the total of cooperative contributions, but especially in the impossibility to presume that income growth is a good indicator for cooperative impact (Stiglitz & Greenwald, 2015).

**Second approach:** Kahneman and Tversky (2000) explain that the traditional evaluation of impact creates the *illusion of focalisation* by assuming that wellbeing and impact can be expressed enough through income growth. From there on, it is necessary that every impact is

calculated, under the economic tradition, based on the belief that greater income leads to buying goods that satisfy needs and generate wellbeing.

For other authors (Gadrey, 2006; Felber, 2012; and Rojas, 2014), the measurement of impact from variables such as GDP is not able to identify the magnitude of the impact of a cooperative that is related to the common good, the social utility and the wellbeing and happiness of large groups of interests. Therefore, the measurement strategy through the monetisation of variables is not a way to identify the dimensions of cooperative impact.

New initiatives go in the same direction, such as the one proposed by Pope Francis who, in his *Laudato Si*, postulates that the greatest growth, if not accompanied by authentic social and moral progress, may turn against human beings. His call to incorporate human development measures into regular economic measurements, goes hand in hand with the proposals by alternative economists who raise the concept of 'circular economy' as a pattern to ensure production and resources for current and future generations. Also, under this approach, we can include tools such as the Global Reporting Initiative that serve as a point of departure to report on the fulfilment of corporate social responsibility and the triple bottom line, constituting an approach in which value is conceived integrally, with social, environmental and economic dimensions.

This approach is built on the identification of contributions to the local and, thus, the evaluative accent is placed upon the associative organisation. Under this approach, the most widely used technique has been the social balance. Several authors (Mugarra, 1998; Novkovic, 2011; Lafleur & Merrien, n.d.; and Gallardo-Vásquez et al., 2014) have applied this approach by studying the compliance with the cooperative identity, providing building steps for future methods of measurement.

## 5. Findings

Two types of findings are presented: first, the ones from the inquiry into strengths, weaknesses and good practices and analysis of questionnaire in the Appendix; second, the ones by the expert panel with nine cooperatives.

With respect to the former, incubation of cooperative ventures is flexible:

- Promotion by State representatives: in two of the nine cases, cooperatives were incubated by state officials, none of whom were in direct contact with the agencies of promotion and supervision of the time: one was a representative from the Bank of the Republic, the other from a national education entity.
- Promotion by trade unions and workers in the public sector: in two of the nine cases, cooperatives were promoted by public officials with the support of municipal authorities.
- Promotion by an association of producers: in one case, the cooperative was incubated by the agricultural society.
- Promotions by transporters: in two of the nine cases.
- Promotion by church members: in one case, the cooperative was promoted by a church leader, the priest Francisco Javier Mejia (who, in the history, is recognised as one of the most active promoters in the beginning of *cooperativism*).
- Promotion by capitalist businessmen: one case.

According to the context, at that time of cooperative incubation, there were two fundamental characteristics:

- A context of important market and State failures: this happened in six of the nine cases.

- A context for taking advantage of market opportunities: this happened in three of the nine cases.

In terms of historical milestones, there are three types of situations:

- One in which the cooperative faces difficulties for its internal organisation and where the classic steps of enterprise growth are clearly visible: birth, growth and decline.
- One in which the cooperative faces difficulties in facing market competition, where there are clear problems in organisational competitiveness and threats in terms of membership.
- One in which the cooperative has slow growth with little impact from external events that may affect it, because it has become closed to its own members (which does not correspond to cooperative principles).

In terms of the equitable distribution of benefits that are generated to its members there are two situations:

Constant adaptation to the growing and changing needs of the members.

- Exhaustion of the social mission due to the limited variation of new activities.

In terms of internal and/or external strengths which cooperatives have counted on to overcome conflict, there is no clear identification. Similarly, it is difficult to identify the moments in which cooperatives accomplished the highest levels of cohesion among members (with a couple of exceptions, which signal the crisis' moments as the factor when cooperative linkages are strengthened).

In terms of implemented innovations there are two tendencies:

Innovation in producer cooperatives tends towards the achievement of better positioning of its products, but with few benefits for the group of members and workers.

Innovations in service cooperatives are oriented to the assimilation of market practices, rarely acting in a decisive way in relation to community innovation, environment optimisation or other aspects that belong to the cooperative doctrine.

In terms of leaders' skills, or of generational replacement, little was mentioned, even when both are underlined as an important need, depending on the context along the cooperatives' history.

In terms of the strategies of survival, in times of adversity, there is a tendency to:

- Emphasise financial rationalisation and membership concentration.
- Emphasise organisational resistance and cooperative defence. The cooperatives that are service providers identify difficult moments stemming from state intervention; while producer cooperatives identify difficult moments stemming from aggressive commercial competition.

With respect to the findings of the expert panel with the nine cooperatives, representatives contributed with lessons they have learnt. Participants were asked three questions, after some initial affirmations that were meant to rally reactions, and which experts had the opportunity to read ahead of the panel.

Rallying questions and resulting responses are synthesised here:

1. *It is said that cooperatives are created in times of crisis with the support of a few dreamers, but with time this dynamic is lost, bringing about a long litany that*

*anticipates its change in nature. Its permanence will teach us a lot in this regard. Identify three learning moments in your evolution that can be a teaching for the Colombian cooperative movement.*

- Self-management: when the cooperative grows, members lose interest in self-management, and solving this is fundamental. Building members' consciousness about cooperative self-management and education is a useful tool in this regard.
- Principles' fulfilment: this generates trust, stability and development for members.
- Satisfy members' expectations: members' expectations grow and change and the cooperative must be up to date with the new demands and generate organisational flexibility. For this, to satisfy the members' expectations is the best strategy for permanency in the context of permanent crisis (like in agriculture).
- Recognition: the participation of long-standing members, together with the progressive professionalisation of leaders and the families' inclusion, generates loyalty that constitutes a heritage for cooperative governability, to maintain the business objectives.
- Identity spaces: it is possible to incubate cooperation actions if there are promoting leaders, together with the government, to spur economic and cultural conditions for local development. This creates a symbolic linkage that allows for the deploying of voluntary efforts and loyalty that, in the end, is repaid community and economy wise.
- Participation: regular meeting and the creation of speedy mechanisms for participation contributes to the

alignment of personal interests with the collective ones, to the point where the latter identify the managerial endeavour.

2. *We are at an historical crossroads. The country debates democratically the construction of a nation's model where disagreement, social inclusion, and the democracy in all its expressions are allowed. A nation's project with underlying principles very similar to those of cooperatives. The latter have had to respond to them throughout history. Mention three adverse past situations, from which we can learn what should not be allowed in a context of post-agreement if we want them to last in the long run.*

- It should not be allowed that the organisation exhausts its offer in generating wellbeing for its members, or that there is entrepreneurial stagnation that “unlinks” from local problems, or that the organisation forgets either its role as enterprise or its responsibility as agent of innovation and development.
- The loss of organisational purpose through a detour due to conjunctural decisions that conflict with cooperative principles should not be allowed, the continuous exercise of power, or restriction of the members' capacity to disagree and participate.

3. *If you were the person in charge of monitoring and evaluating the impact of cooperative enterprises, which criteria would you use to measure it?*

- There are indicators of a quantitative nature such as the contribution that cooperatives make to GDP, to formal public education, to employment creation, and to provide access to credit and savings among others, which form the first benchmarks; yet, the cooperative contribution has a larger dimension that in our experience is not usually calculated.
- The creation of conditions to live in fullness, such as access to a decent living place, education, health, recreation, welfare, makes part of the cooperative aggregate value and are indicators of quality of life and human development.
- Access to a decent job, democratic participation, concern and action for the community, access to the land and collective action for social inclusion, are factors promoting capacities that improve the community social capital.
- The effect on the country if cooperatives didn't exist should be known. Would markets be more democratic with a unique capitalist company practice? To know the situation of a certain territory without the presence of any cooperatives would be a factor of impact measurement.

These proposals are integrated in Figure 2, between traditional conceptions of impact evaluation, the sphere of specificity of cooperatives, and a comparative focus.

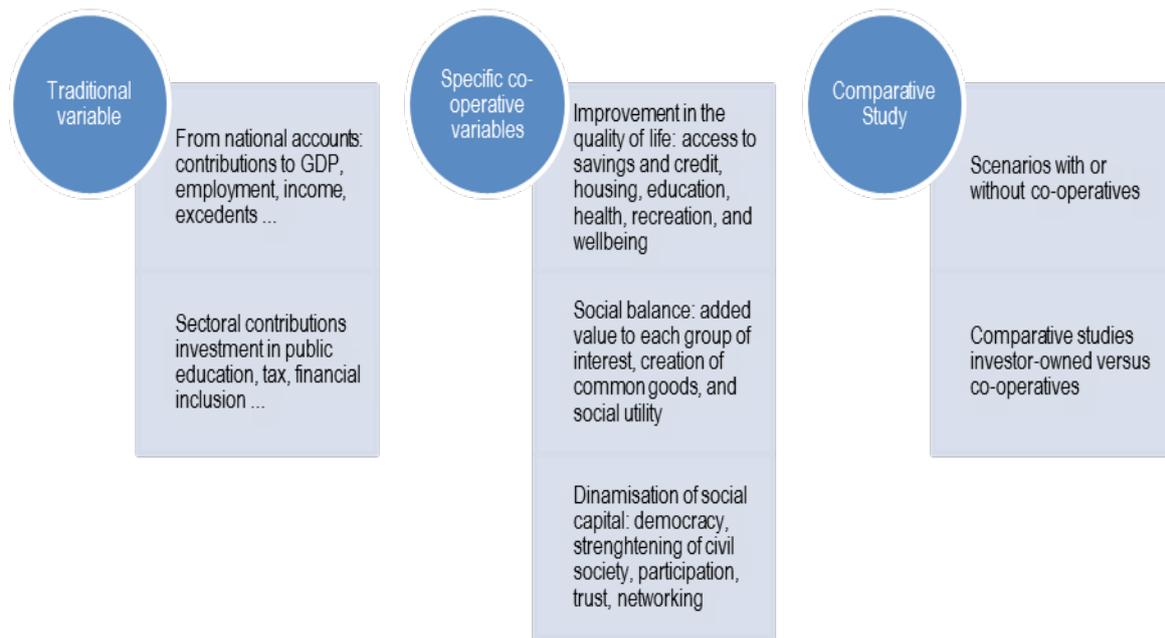


Figure 2: Proposal to approach impact studies of cooperatives

Source: Own elaboration

To measure variables specific to cooperatives, it will be necessary to construct indicators that generate a baseline with the needs of the different stakeholders in the cooperative; the identifying of transfers made in terms of coverage, quality and opportunity, and indicators that grasp the contribution and generated conditions for the cooperative to improve the social capital in its local area of development. The technical problem lies in guaranteeing that cooperatives calculate these contributions by themselves, without including benefits resulting from other organisations' actions or other social dynamics.

For this, the evaluation of scenarios with or without cooperatives could help in specifying which indicators are attributable as organisational results. Once these logics are grasped, it will be possible to come up with an integral aggregate that combines contributions in the form of transfers, generation of externalities, and contributions to the general interest, together with the traditional indicators. Thus, a result that integrally measures the impact of the organisations in a geographic area.

## 6. Conclusions

The evaluation of cooperatives' impact must contemplate, besides the traditional variables such as income, jobs, contributions to the formal education and social investment, the generation of social utility, common goods, and sustainability, among others. These elements frame the cooperative contribution which, given its qualitative character and local specificity, generates recurrent invisibility of the organisations' actions.

Impact should be measured from another standpoint. This analysis proceeds from the study of characteristics from a set of long-lasting cooperatives, with the goal of finding the reasons for their permanence. During the research, it was possible to find historical information, identify organisational milestones and operational strategies that give an idea about the relationship of cooperatives with their environment, the benefit that creates to its stakeholders and why they manage growth. Such elements are useful to generate a baseline (t time) before considering a traditional measurement. This takes us to the proposal that impact evaluation requires a preliminary study of the organisations' history, its specificity, and local actions. After this, the classic variables of income, employment, and social investment acquire meaning and its results interpreted in a more rigorous form as a period t+1.

Specifically, the national longest-lasting cooperatives' strengths, weaknesses and good practices suggest that:

- They have managed to survive through a learning process that privileges participative exercises and concrete results in satisfying the needs of their members. This coincides with (Stiglitz & Greenwald, 2015) with respect to the increase of levels of life more related to learning than to allocative efficiency.
- These characteristics stem from their structure of *associative organisation*, configure their good practices and have important linkages with the cooperative principles, social inclusion, and the strengthening of civil society.
- However, when we look to link the above with the necessary information to generate a baseline to identify socioeconomic impact such as GDP, employment, and financial growth, there are limitations in time and data that corresponds to the sphere of the *enterprise* proper. This makes it difficult to evaluate it as an enterprise and leads to one of the biggest challenges to the traditional valuation usually established for this type of enterprise.
- The analysis of the longest-lasting cooperatives provides us with good practices with respect to the sphere of its associative organisation; but the business actions do not reveal an exceptional behaviour compared to other enterprises, even though they report changes and significant contributions, which are not measurable in economic terms, to the local environment.

So, we suggest rethinking the idea according to which business results are important indicators of cooperative impact since, in fact, cooperative impact induces subjective organisational learning in certain territories.

With respect to the applied tools, we suggest the need for re-thinking impact evaluation as a process of co-construction in which qualitative and quantitative baselines should be set,

currently something difficult to do. However, when referring to history and practices, the tool to detect good practices collected useful information, offering more knowledge about the organisations' origins, organisational milestones, strategies, and results. The results by themselves do not talk, contrary to what traditional evaluation may affirm, because the latter does not value cooperative specificity.

The findings show that cooperatives shouldn't be valued only for their earnings given that strategies are not intended for maximisation. Institutional capital comes along for the service of members, requiring its own evaluation to contrast it with transfers stakeholders perceive.

Even if, in cooperative life, there are moments of growth through scale economies, there is no evidence of effect on organisational development, in terms of maximum satisfaction of stakeholders (associated members or other community actors). We do have evidence, on the contrary, that the strategy to extend coverage is not important in the selected cases, since these cooperatives are looking to highlight their impact locally (defined by geography or a symbolic group). Thus, employee numbers and their growth do not end up being indicators of cooperative impact. All indicates the need to focus on their local contribution to wellbeing, the social utility of their goods and services, and impact expansion within the community after ascertaining the generation of common goods.

When analyses of cooperatives are combined with the existing theoretical dichotomy of what to measure when we talk about impact, we conclude by proposing criteria of treatment in agreement with the heterodox view of cooperative impact that allows identification and then measurement of key elements of cooperative contributions. It is about evaluating impact by detecting, distinguishing and valuing the contribution of cooperatives, which, after time, produces a comprehensive process to the benefit of human beings, not suitably gauged by enterprise indicators built to assess monetary value to the service of capital.

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## Appendix

### Preliminary Questionnaire

HYPOTHESIS	QUESTION
<b>The undertaking responds to several factors: needs, opportunities, promotion, among others. And its success is measured by their achievement.</b>	1. What was the reason for creating your cooperative in this territory?
<b>In an organisation's development, there are stages: beginning, growth, development, decline and resilience.</b>	2. What conditions were present in the territory at the moment of the cooperative's creation?
<b>There are leaders that invariably remain in the organisation. It can be an indicator for agency problems or represent a characteristic of these organisations.</b>	3. Which milestones or historical moments have been most important in the cooperative's development?
<b>There is the need for stronger forms of human solidarity at the national and international levels to facilitate an equitable distribution of the benefits from globalisation.</b>	4. Who or which organisations influence the development of your cooperative?
<b>Every organisation in a an active entity that is selfstanding. This generates local solutions inducing the strengthening of its social capital.</b>	5 How are cooperative benefits created for its members?
<b>In organisational life, there are actions that generate higher levels of social cohesion.</b>	6. Which internal and/or external strengths have been key to overcome moments of conflict?
<b>The impact of solidarity organisations is measured by their capacity for social innovation in the economic, cultural and technologic spheres.</b>	7. When has the cooperative reached the highest levels of cohesion among its members?
<b>Leadership is a fundamental factor in the development of organisations. Orthodox skills and solidarity abilities are linked.</b>	8. What innovations have been implemented in the organisation from the beginning? Comment on the most important ones.
<b>There is enterprise history influenced by the work done by certain people. Enterprise sustainability is guaranteed to the extent that those people manage their replacement well.</b>	9. Which are the skills among leaders of the cooperative that can be associated with the permanence of organisation?
<b>Cooperatives are more resilient and survive better in adverse contexts compared to other entrepreneurial formulas.</b>	10. How does the cooperative prepare for leadership change?
<b>Cooperatives, in their different forms, promote the most complete participation of the entire population in economic and social development.</b>	11. What survival strategies have been generated to overcome adversity in the cooperative?
<b>Cooperatives are important for job creation, resources mobilisation and investment generation, as well as for their contribution to the economy; and inwards, to its own organisation.</b>	12. In which ways have members participated in the social and economic development promoted by the cooperative?
	13. How has the cooperative participated in the job creation, resources movement, and investment generation?
	14 How has your cooperative contributed to local development?

Source: Own elaboration

## Notes

1. This study is a follow-up analysis to the final report to Agreement number 038 of 2015, signed between the Special Administrative Unit of Solidarity Organisations and the Center for Research and Cooperative Education. We thank these institutions and the Institute of Public Ministry Studies for financing the project and to the evaluators for comments received.
2. The research instrument was subject to evaluation by two professors with expertise in cooperative management, checking the available information on web pages, two public officials in the field and one representative of the sector. Each question could be evaluated from 1 to 10, based on the higher results, plus the observation of type of cooperative (looking for versatility with respect to the nature of its operations), its geographic location and under the criterion to search for the maximum possible existence.
3. The nine cooperatives don't belong to the 50 largest cooperatives by activity, assets or surplus neither do they belong to the 50 cooperatives with the largest number of members (CONFECOOP, 2015).
4. Colombia's criteria for company size: large, medium and small, is determined by assets and workers. (Article 2° of Law 590 of 2000, modified by article 2° of Law 905 of 2004).
5. S.m.l.v means Statutory minimum wages (in Spanish, salarios mínimos legales vigentes).
6. Cooperativa Ovina de Marulanda, COOMULCAR y COOPANELAS.
7. COOTRAMED y COOPETRANS-Tulúa
8. COOTRAEMCALI, FEBOR, COOTRANSHUILA y COOPCARVAJAL
9. A professor and important consultant in the Spanish definition of accounts for the social economy