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COOPERATIVE PHENOMENON IN EUROPEAN CONTEXT

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Abstract: *The study aims to highlight the role of agricultural cooperatives as agents of rural development and their huge potential for socio-economic structures. The potential of cooperatives resulting from their ability to respond to the needs of economic, social, cultural and institutional outcomes in the rural development process, as well as their ability to provide mechanisms for organization, mobilization and management of material, financial and human resources. In addition, cooperatives, rural organizations and management as its own management, the ability to respond in a higher degree the needs of all members at the same time helping to increase confidence in the actions and mutual aspirations. However, European agricultural cooperatives function as business organizations, where there is capacity to act directly as agents of social and economic development. In the process of accumulation of goods, expanding the variety of services, to increase the rate of supply of performare management and increasing employment of labor unions are actively involved in the process of modernizing and improving activities in rural and / or agriculture. Through qualitative analysis of the common agricultural policy documents were highlighted: typology of agricultural cooperatives in the EU operation, cooperative models, the weaknesses of European agricultural cooperatives, the main shortcomings of European agricultural cooperatives, etc.. It was concluded that in the EU, even if co-operative principles are the same, there is no uniform legal procedure regarding agricultural cooperative structures.*

Keywords: *agricultural cooperatives, PAC, socio-economic structures, business organizations*

INTRODUCTION

Historically, in Europe, the cooperative was first seen in England in 1843, where a group of 28 textile workers have joined to address the acquisition of raw materials at the lowest possible price.

Towards the end of the nineteenth century, cooperative movement abandon old models have often proved utopian. Representative were utopian theories, which ultimately proved bankrupt, of Englishman Robert Owen (1771-1858), French Saint-Simon (1760-1875) and Charles Fourier (1772-1837), and the novel Theodore Diamond (1810-1841), proponent of formulas foureriste.

Upgrading cooperative system was a reaction to the great natural "economic and social challenges of the times: farmers gradually discovered that by joining forces, and could improve access to markets and could easily fund vital activities such as procurement of inputs research, processing, selling, distribution and promotion "

In the period of preparation of the Common Agricultural Policy in 1957-1962, two bodies were created to represent the interests of farmer's cooperative entities of Member States to the decision-making bodies of the European Community.

First Professional Committee of Agricultural Organizations (COPA), which was founded in 1958 by agreement of will of 13 cooperative organizations in the 6 countries, signed the Treaty of Rome in 1957.

The second organization was the Committee of Agricultural Cooperatives in the European Union (COGECA), which was established in 1959 under the original title of the General Committee for Agricultural Cooperation in the European Community order to be "umbrella" for agricultural co-operatives countries (take the responsibility and fisheries cooperatives).

Secretariat COPA and COGECA two bodies merging in 1962, and now their name are the Confederation of Agricultural Cooperatives in the European Union.

When setting up, COGECA have six full members, their number reached 35, plus 4 members and 36 affiliated members partners. Currently COGECAs has about 660,000 employees and achieved a turnover of 300 billion Euros.

Another important aspect that favored structural plan to strengthen civil society in countries with agrarian tradition in Western Europe and not only is the branch organizations (OIPA) strong. Inter-branch organizations grouped entities in each link of the chain of value added agriculture and improving the operation of the chain. In France and Spain OIPA strengthened their market position,

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and the United States membership in such organizations is required - each relevant operator in the agro-food chain paying into "commodities representative association".

The common denominator of successful associations in these countries is the organizational goals simple, clear and measurable financial independence, but especially directed towards the market. "

MATERIAL AND METHOD

The research method used is qualitative analysis by studying documents Common Agricultural Policy (CAP) and the literature that highlights the potential of cooperatives to socio-economic structures, respond to the economic, social, cultural and institutional results of rural development process, and in their possibilities to provide mechanisms for organization, mobilization and management of material, financial and human.

RESULTS AND DISCUSSION

Common Agricultural Policy (CAP) treats agricultural cooperatives as agents of rural development. Such assessment is based, above all, the huge potential of these socio-economic structures. In addition, cooperatives, rural organizations and management as its own management, the ability to respond in a higher degree the needs of all members at the same time helping to increase confidence in the actions and mutual aspirations.

However, European agricultural cooperatives function as business organizations, where there is capacity to act directly as agents of social and economic development.

Motivations formation and operation of cooperative structures in Western European agriculture is based on three particular aspects:

- The need to protect farmers against competitive pressure from large companies manifested in agricultural markets;
- Need to manage on their own, but also effective to rare resources, with special reference to land resource;
- Concern farmers engaging in an active way, but also beneficial for them in their triple market relations as: producers, intermediaries and / or consumers.

EU official's typology of agricultural cooperatives

From the typological point of view, in most developed countries of the EU agricultural cooperatives operate on vector integration on three distinct levels: primary, secondary and tertiary.

Another classification of agricultural cooperatives in European countries closer to the realities and conditions of Romanian agriculture, according to the specific typology addresses activities such as: marketing cooperatives, cooperative supply agricultural inputs, cooperative service organization.

And the plan area, "there are two different models for developing cooperative entities, namely:

- In the Nordic countries (Scandinavia, Germany, Belgium, United Kingdom) are a relatively small number of cooperatives, but with a greater economic value and specialized on different channels;
- In Southern Europe they are more numerous, but generally lower economic size. "

In Europe, agricultural cooperatives have proved the most efficient organizations of farmers benefiting from an array of state. Specialized studies reveal that the EU agricultural cooperative sells over 50% of total agricultural production. Moreover, statistics U.E. report the existence of more than 38,000 cooperative entities, in which the over 7 million cooperative members, out of a total of 13 million farmers.

In terms of cooperative Dame Pauline Green, President of the International Cooperative Alliance (ICA), which is the global organization of cooperative representative, he particularly appreciated in November 2012 in New York, the Europeans, because they understand that the

current economic crisis is more appropriate for workers to be paid from the surplus and not availability, even if the mass of capital decreases. "Human capital is the key to any business and cooperatives prove a harsh economic environment, the maintenance of human resources and expertise is more important long-term business success than profit conservation," said this.

Models of cooperative

By the model found in England, were then established cooperative in Germany, Belgium, Japan, Canada, USA.

In a ranking of cooperatives in the EU by size of turnover, the top 30 places are seven cooperative in France, six in the Benelux (Belgium, Netherlands, Luxembourg), 5 from Germany, three Irish, three from Finland, two Denmark 2 Sweden 1 Austria 1 Swedish-Danish (Tables 1 and 2).

In terms of the profile of the activity, mention that, among the 10 cooperative dairy farm is situated a Swedish-Danish dairy products. The second is dealing with Danish and meat processing, and the other two are Dutch and deals with the processing of milk and dairy products. Among the ten are an Irish farm milk processing and dairy products.

Table 1: Agricultural Cooperatives in the European Union

No.	Cooperative name	Country	Sector
1	Metsallitto	Finland	Forestry
2	Bay Wa	Germany	Supply
3	Arla Foods	Sweden-Denmark	Milk and milk products
4	Danish Crown	Denmark	Meat
5	Coberco Friesland Dairy Foods	Benelux	Milk and milk products
6	Kerry	Ireland	Milk and milk products
7	Campina	Benelux	Milk and milk products
8	Agravis	Germany	Supply
9	Svenska Lantmanen	Sweden	Supply
10	Terrena	France	Supply
11	Union in Vivo	Finland	Grain
12	Humana Milchunion	Germany	Milk and milk products
13	Nordmilch	Germany	Milk and milk products
14	Glanbia	Ireland	Milk and milk products
15	SOCOP	France	Meat
16	Flora Holland	Benelux	Horticulture
17	Dlg	Denmark	Supply
18	Sodiaal	France	Milk and milk products
19	Irish dairy board	Ireland	Milk and milk products
20	Terre	France	Sugar
21	Valio Group	Finland	Milk and milk products
22	Bloemenveiling	Benelux	Horticulture
23	The Greenery	Benelux	Horticulture
24	Rwz Rhein-Main	Germany	Supply
25	RWA	Austria	Supply
26	Sodra	Sweden	Forest
27	Brittany	France	Multifunctional
28	Cecab	France	Multifunctional
29	Agri	France	Multifunctional

No.	Cooperative name	Country	Sector
30	Cosun-Bred	Benelux	Multifunctional

Source: Eduardo Baamonde Noche, *Agricultural Co-Operatives in the European Union*, Madrid, Spain, 22 November, 2005, pp. 8-10.

There are, as shown in the table above, a great diversity in the profile of activity of agricultural cooperatives, but the center of gravity on the activities of processing and marketing of milk.

In the Nordic countries recorded a large number of specialized and large associations, but with a limited number of cooperatives.

Table 2: Top 10 agricultural cooperatives in Europe

No.	Name cooperative	Country	Sector	Turnover (Million Euro)
1	Metsallitto	Finland	Forestry	8300
2	Bay Wa	Germany	Supply	5891
3	Arla Foods	Sweden-Denmark	Milk and dairy products	5460
4	Danish Crown	Denmark	Meat	5420
5	Coberco Friesland Dairy Foods	Benelux	Milk and dairy products	4575
6	Kerry	Ireland	Milk and dairy products	3693
7	Campina	Benelux	Milk and dairy products	3655
8	Agravis	Germany	Supplies	3380
9	Svenska Lantmanen	Sweden	Supplies	3100
10	Terrena	France	Supply	

Source: Eduardo Baamonde Noche, *Agricultural Co-Operatives in the European Union*, Madrid, Spain, 22 November, 2005, p 8.

In the new EU member states, the dynamics of the agricultural cooperative is upward, although the level is poor.

In terms of the legal status of cooperatives, we present further experience three EU countries, namely the Netherlands, France and Romania.

a) In the Netherlands structures established name in the field of agricultural cooperatives and cooperative association is defined as "an economic organization in which farmers or gardeners constantly working and partly conducted jointly economic activity (generally commercial function) assuming and shared risk, the idea of pursuing an economic activity as profitable as possible, while maintaining the character of the other functions of the enterprise self-sustaining farm". In fact, they are simple structures that facilitate and manage more than a relationship, usually contractual, or are supported by a non-organizational structure that has a social capital contribution represented by the participants.

b) In France using the name of the cooperative society, which is defined as "a category of society, distinct from civil societies and companies who act as producer person acting jointly in the economic field." The objective of this activity is sharing cooperative societies of farmers of all necessary means to facilitate or develop the economic activity, improve or increase business results.

c) In Romania, according to the law, cooperatives operated by cooperatives and other forms of a association of their territorial and national level. Agricultural cooperatives are defined as "associations of individuals who are considered in order to jointly exploit agricultural land owned by cooperative members, to conduct joint land improvement works, to use common machinery and plant and exploit agricultural products."

For example, in Germany there are institutes for the development of cooperatives, which provide training for cooperative members, both at national and at regional level.

Ireland is offered a degree in management support cooperatives University - National University of Ireland.

Agricultural policies in Europe given the role of agricultural cooperatives active player in the market orientation of producers, i.e. farmers.

In view of the above, cooperatives are responsible to join efforts to reduce costs to meet the necessary investments to ensure market competitiveness.

At European level, it promotes the growth of cooperatives and the alliance dimensions of national and transnational.

Weaknesses of European agricultural cooperatives

- The similarities between Romanian agriculture cooperative sector, which is in a state similar to early development of European agriculture sector strongly represented in the agrarian relations in most EU countries are obvious. These similarities are due to several common elements, namely Romania and other EU countries, namely:
- Adoption by Romania, from its entry in E.U., namely January 1, 2007, the common agricultural policy and, hence, the entire set of measures, principles, objectives, contained in the *aquis communautaire*, which is led by entire agricultural sector;
- The existence of an ancient tradition which co in Romania, as in the EU, took as a starting point, but substantiation cooperative principles developed in the first half of the nineteenth century;
- Need the performance or currently cooperative Romanian agriculture is almost identical to the situation or the requirements of agriculture in Western European countries during the building of the European Economic Community in 1957;
- In addition to these general similarities, specific characteristics of the cooperative plan, identified the following commonalities:
- Nature members and farmers who own the cooperative;
- Redistribution added value obtained in the production process as a function of the activities of members;
- The principles classics as democratic principle, the social dimension and solidarity;
- Cooperatives are the main way to improve the competitiveness of many farms in the European Union whose size (if he held on a activity the production and marketing of agricultural products) could not ensure the economic viability;
- The desire to increase farm production and improve the quality of life of the cooperative members (farmers).

But these similarities and commonalities doctrinaire may lead to danger download or repeating the mistakes in the cooperative sector in Romania, mistakes or shortcomings manifested in European agriculture.

The main shortcomings of European agricultural cooperatives

Development of European agriculture cooperative sector has faced constant multiple shortfalls which most often were resolved within a reasonable time but there is always the danger of their reactivation. That is why, in what follows, we try to present as a result of a broad and deep investigation and analysis of the European co-operative sector, the main drawbacks facing the sector drawbacks in Romania can be avoided if policies economic field and strategies for their implementation will be active and will take account of those recorded in the scientific endeavor.

a) Realism objectives

Most cooperatives in Western European countries operate in a free market system, competitive regime worded legislative rules and procedures specific to the capitalist economy.

Cooperative members, mostly farmers or processors, with low turnover or poor, are subject to constraints in free markets and strong pressure from companies or large corporations. Under

these conditions, their expectations towards cooperative owned by more often exceed its capacity, capital, human resources, and management.

Cooperatives vulnerability is caused, in many cases, when under conditions favoring market and prints a brisk growth pace that is not supported by its own capital capacity, financial resources attracted but usually borrowed at various banks.

Quick introduction, and massive capital borrowed exceed the management capacity, especially when the market is showing signs of fatigue, leading to increased risk factors and, ultimately, to record losses and even bankruptcy.

Under these conditions, the cooperative must promote a appropriate development speed, adapted and corresponding potential and needs of farmers cooperative.

b) Conflicts between economic and social goals

In their development, given the competitive environment in which the free market, cooperatives have emerged as genuine capitalist businesses.

In these circumstances there was a substitution of Democratic control of the cooperative members with decision-making power of managers who can take dictatorial forms. In such a situation, it is important not profit cooperative principles of equality and fair play.

Raising capital by reinvesting profits, regarded as a normal and necessary practice, may induce certain shortcomings as the share of shares owned by cooperative members in total capital becomes insignificant.

This is the equation which, amid economic motivations goals naturally leads to a decrease democratic control of cooperative members to seize power and decision-making by managers as a natural consequence, to abandon cooperative principles and replace them with the need to obtain a profitability increasingly larger.

c) Subordination cooperatives political interests

Naturally, the control exercised by its members, the cooperative has ties with the politics. There is a risk that meetings become cooperative members of political forums where the divisions of opinion may create factions or interest groups, with adverse effects on cooperative activity as it can lead to distraction of its economic and social objectives. In these circumstances, some members, often not a few, lose interest in cooperative activity, which enables a minority to take control and cooperative subordinate their own interests.

Another factor political risk arises from governmental power. Cooperative system in each country is organized and tightly controlled by the government, because it is an important instrument of state economic policy. In this situation, state control restricts democratic control of its members. Because of this situation comes from the fact that the objectives of macroeconomic policy makers and politicians do not always coincide with the interests of cooperative members.

Addressing these conflict situations resulting from:

- The principles which require cooperative, cooperative members prohibit political involvement in the organization;
- Approximation in a flexible and positive government policies cooperative member' interests.

d) Management

Most cases of failed agricultural cooperatives were due to constraints performed by the democratic nature of the organization's authority over its management. Not infrequently it is suggested that the General Assembly as the ultimate exercise for democratic control should reduce its own authority, leaving other bodies' subordinate executive role, respective. committees, boards and managers a wider field of action manifestation in the decision. Accepting this situation would deny cooperative principles to enable members to lead and participate in their own businesses. The solution is to increase and improve the level of participation of members in the decision of the cooperative and not its restriction.

Causes less efficient management of cooperatives should be sought somewhere else. The first question, resulting in lower standards imposed in cooperative management, standards formulated according to the specific objectives of these organizations namely activation niches debts and limited geographical area, increasing the range of services to farmers and in the Final economic efficiency, profit-margin.

The second reason, which is supported by the natural first appears in working conditions, wages and less attractive locations for managers with good results.

Solutions to this situation are, first, to reach each cooperative, and secondly, they must retrieve in governmental policies with respect to improving the training and continuing education of managers and organizations supporting increased cooperative through the CAP.

CONCLUSIONS

In conclusion, we can say that, in the EU, even if co-operative principles are the same, there is no uniform legal procedure regarding agricultural cooperative structures. Such a situation is natural if we take into account the specific conditions and socio-economic relations in each EU Member State

Two major trends are registered cooperatives in the EU:

- Specialization and merging cooperatives aim to become actors in the single market, such as the countries of northern European Union;
- Making alliances and diversification of production cooperatives that want to conquer local markets, as in southern EU countries

In the cooperatives in the EU, there is a growing need for investment and the difficulties in making investments only from its own resources and the capital of the cooperative members.

To achieve changes impacting cooperative activity should promote training courses for members, both the Management and the rest cooperators voting.

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