

Exploring Draheim's three dimensions of success in cooperative organizations—the case of collective Alpine summer farms

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Abstract

The important distinction among an organization's profits, the economic benefits generated for its members and the generation of social capital, as the three functions of a cooperative, goes back to the German economist Georg Draheim. We explore these dimensions in a survey of 793 Alpine summer farming collectives in Switzerland and in subsequent in-depth interviews. Exclusive institutional choices, such as restricted membership, decrease economic performance. Prioritizing economic success increases both the profits and economic benefits for members, whereas the prioritization of social values, such as self-determination and traditions, positively affects social success. However, all three objectives are positively correlated, and the qualitative interview shows how interwoven social and economic benefits often are.

KEYWORDS

agriculture, mountain farming, Switzerland

1 | INTRODUCTION

The growing interest in the anatomy of cooperative organizations has largely been inspired by the seminal work of Ostrom (1990), who is considered mostly a representative of the “institutional

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rational choice” theory (Sabatier et al., 2005; Williams & Gurtoo, 2011). It has broadened the traditional conceptional focus of economic theory on self-interested actors, giving room to several heterodox approaches (Borzaga et al., 2009). Ostrom emphasizes factors that also enable long-enduring common property resources, as in later case studies on irrigation (Ostrom, 1993) and forests (Becker & Ostrom, 1995).

The normativity of actors, however, has not been the focus of Ostrom’s attention. While every action needs motivation (Heckhausen & Heckhausen, 1991), Ostrom was not the one to explore deeply the nature of the motivation to connect through cooperative organizations. To answer this question, the work of Georg Draheim (1903–1972), whose research focused on cooperatives, provides insights that are much less popular but perhaps more helpful. Both Draheim’s fascist political ideology during Nazi times and his publications using the German language have prevented a broad distribution of his ideas, despite their relevance to the current interest in matters of cooperation.

Even though more and more efforts are made to gain a holistic and multidimensional understanding of cooperation as a form of interaction (Koulouri & Mouraviev, 2019), the modern literature of success factors in cooperative settings focuses mainly on the generation of profits (e.g. Marxt & Link, 2002; Holtbrügge, 2004; Lindström & Polsa, 2016; Martius de Resende et al., 2018; Brandano et al., 2019). Draheim (1952) always had a broader and therefore more appropriate view, emphasizing what he called “the dual nature of the cooperative organization” while pursuing the organization’s objectives on the one hand and the members’ objectives on the other. Section 2 presents the case of Alpine summer farms, while Section 3 outlines and adapts a theoretical framework to this environment on the grounds of Draheim’s work. Section 4 outlines the empirical methodology. Quantitative results are shown in Section 5, and qualitative results are provided in Section 6 before conclusions are drawn in Section 7.

2 | COOPERATIVE ALPINE SUMMER FARMS

In addition to the 50,000 family farms working in Switzerland, 6,600 Alpine summer farms host ruminants from family farms between June and September, so the family farms can save their hay for the winter and spring months (for exceptional cases also active in arable production, see Bardsley & Bardsley, 2014). There are many different institutional solutions chosen by Alpine summer farms. Werthemann and Imboden (1982) emphasize the difference between legal entities and management entities, where one of the former often includes several of the latter. In total, 5,000 of these Alpine summer farms are, like Swiss farms, run by single families (and usually linked to one of the family farms). Meanwhile, 1,600 are cooperatively organized with a large range of organizational settings to avoid the open access problem (Stevenson, 1991; Mann et al., 2019). The Törbel summer farm provides the best documentation of the institutional history of cooperative land management (Netting, 1981).

Cooperatives play an important role in the primary sector, a fact that Valentinov (2007) explains using the economies of scale they can achieve, strengthening the position of small family farms to which the cooperatives are often strongly tied. Most agricultural cooperatives are active in trading agricultural production factors, such as financial services, seed or fertilizer and agricultural products. Cooperative Alpine summer farms focus on animal production itself. They broaden the institutional scope of cooperatives, showing a great diversity of actors and contractual relations. While a majority are indeed organized as a cooperative, other organizational forms persist:

- Around 20% of cooperative Alpine summer farms are part of a Bürgergemeinde, namely a civic community (Carlen, 1988). The civic community is an entity that exists in most Swiss cantons and unites all persons who own an (often inherited) birth right of the respective local municipality. Such a unit has relatively high barriers for both entry and exit. While civic communities exist in addition to political communities, they are regulated by public law and have social and cultural responsibilities. Often, their properties also include real estate and major forest areas.
- Another 10% of Alpine summer farms are part of a municipal administration, implying that the summer farm is a public rather than a cooperative organization. Still, such summer farms usually have independent bookkeeping and they function very similarly to cooperatives, even though they are—from a strictly legal perspective—state farms.

In an economic appraisal of Alpine summer farms, Schulz et al. (2018) show the large heterogeneity in terms of financial results. Still, it is common that their most important source of income is government payments, partly on a land base and partly paid for high floral biodiversity and extra landscape amenities. In addition, while most government money comes from the federal level (as agricultural direct payments), political communities and, in some cases, civic communities have the possibility to channel additional tax money towards Alpine summer farms.

3 | THEORETICAL FRAMEWORK

Draheim's research focused on cooperatives. In his most important book (1955, p. 157), he identifies three different outputs generated by these cooperatives:

- (a) immaterial,
- (b) economically caring and
- (c) economically accounting.

The immaterial dimension (for which Draheim uses such illustrations as taking away the feeling of isolation or providing the possibility of voluntary work) could fairly be described as the social dimension, in today's terminology. Meanwhile, empirical research has often confirmed that cooperative settings enhance social capital (Valentinov, 2004; Fayse, 2005; Allahyari et al., 2010; Capraro & Cococcioni, 2015). In the case of Alpine summer farms, this enhancement also certainly includes the aspect of preserving traditions, as this method of using mountain pastures is many centuries old and often considered one of the cores of Swiss agriculture. These pastures generate positive externalities as 'cultural land' to be used as local recreational areas. More broadly, the interactions are on a local level, including general assemblies; more importantly, the daily management and (often ceremonial) occasions of leading the cattle to the Alps in June and off the Alps in September (Röllin, 2010) can be considered to generate social capital that would not exist without Alpine summer farms.

The fact that Draheim cites two economic dimensions may appear to be a contradiction to contemporary approaches highlighting the "dual nature" of cooperatives between social and economic aims (Novkovic, 2012), which is even used by Draheim (1952) himself. Why is it not enough to emphasize that cooperatives must balance between making money and generating social capital?

A dualism that is highlighted by Iliopoulos and Valentinov (2017) may provide a starting point for answering this question. They emphasize (and show empirically) the coexistence of the

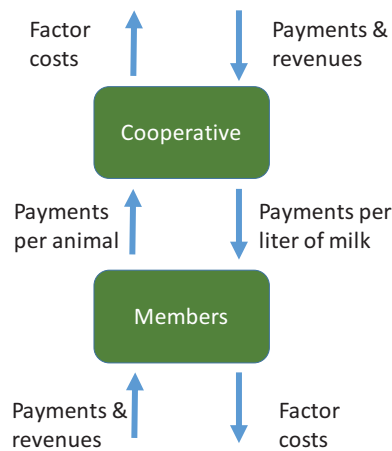


FIGURE 1 Financial streams between Alpine dairy cooperatives and their members [Colour figure can be viewed at wileyonlinelibrary.com]

member's lifeworld and the cooperative as a system, while the different lifeworlds are usually characterized by a strong heterogeneity. In addition to the member's lifeworld, the staff and management of the cooperative have their own lifeworlds that are affected by the economic situation of the summer farm itself.

This differentiation within the economic mission of a cooperative refers to the rather complex interplay between the monetary situation of the collective organization and its members. In the case of Alpine summer farms, this complexity can be best illustrated with summer farming collectives that milk. Abstracting from an amazing width of organizational solutions, Figure 1 shows a typical constellation between the members that send their dairy cows to 'their' Alpine summer farm and the collective organization itself. In addition to receiving direct payments from federal and local authorities and revenues from cheese sales, an Alpine summer farm receives taxes per cow from their owners, while farmers obtain money per litre of milk their cows produce.

Often, the farmers sending their cows are members of the Alpine summer farming collective, so there is a straightforward trade-off between their profits and the profits of their collective organization. Every Swiss Franc earned by the cooperative can either be used to invest into the cooperative's cheesery (profit for organization) or be distributed to the members' pockets (profit for members). Through defining the level of taxes and the level of milk payments, the management and general assembly of the summer farms have two levers with which they can steer the equilibrium. While they will avoid economically ruining neither the collective organization nor the individual farms, there will usually be some leeway regarding the distribution of resources with which strategic decisions can be made.

Therefore, it is worthwhile to consider the three dimensions of success outlined by Draheim and the relation among three variables: social success, economic success and profits.

This relationship is not straightforward. On the one hand, the quality of management of a collective organization will steer all three factors in the same direction. A professional, well-organized unit may earn more for itself and its members, and it may simultaneously generate social cohesion if compared to a unit without skilled and devoted staff and members. On the other hand, the trade-offs between the three dimensions may be considerable. These trade-offs are detailed in Table 1, linking Draheim's descriptions to more contemporary terms. Social capital can

TABLE 1 Trade-offs between dimensions of success

	Profit for organization (economically accounting)	Profit for members (economically caring)
Social success (immaterial)	Spending on cohesion vs reinvesting in assets	Spending on cohesion vs transferring to members
Profit for organization (economically accounting)		Transferring to members vs reinvesting in assets

be generated in different ways. Events that foster social capital can be organized (Chalip, 2006), but organizational cohesion can also be achieved through avoiding controversial decisions that may be profit-maximizing, such as using some of the grasslands as a ski slope. Both approaches can be considered an investment in social cohesion. The trade-off between profit for the organization and its members has been described above.

These complex interdependencies are a case for inductive research without pre-tailored hypotheses, focusing on the relations between the different dimensions of success but also the different pathways towards them. However, it is likely that the success dimensions will be influenced by the institutional setup of the cooperative organization (Borras, 2008). Werthemann and Imboden (1982) claim that private Alpine summer farms usually work with a higher intensity than public ones. This may be a good starting point for developing hypotheses about the effect of institutional choices among cooperative Alpine summer farms, which are constituted along a range of more or less collective property. If we consider the exclusion of rights as the core of private property, and if this is linked to economic success, then we could expect a positive effect of private cooperative farms. More generally, one could also expect an influence of other forms of exclusion on the success variables. Civic communities, as explained in Section 2, put restrictions on their membership. In addition, some cooperative organizations—22% in our sample—give privileges to farmers within the local community. While charging higher rates to outsiders should not be considered to be giving priorities to social factors, this sort of price discrimination might improve economic performance, as might the institutional form of civic communities.

4 | METHODS

Given that “the advantage of mixed-method designs is that they allow the researcher to maintain the complexity of the phenomena within the research project” (Morse, 2010, p. 166), it was seen as advisable to combine quantitative and qualitative methods.

4.1 | Quantitative methods

A full survey was carried out in Spring 2019. As Alpine summer farms are recipients of direct payments, a full list of all 1,652 collective Alpine summer farms in Switzerland was provided by the Federal Office of Agriculture. The farms were first approached with a link to an online questionnaire, then with a paper-based version; as a follow-up, 793 questionnaires were returned and the response rate was 48%.

The first challenge was the measurement of success. Even if the organizations had granted insight into their books, it is questionable which unit would have been the best suited to compare

profits. Should the denominator be animals, land, staff or members? Regarding economic and social success, the impossibility of finding a plausible common definition is even more obvious. Therefore, the least-biased solution was to ask respondents about the perception of their profits and economic and social successes. The question “How do you evaluate the profit/economic success/social success of your organization?” was placed before any questions concerning the organizations’ objectives to minimise any unavoidable bias. As depicted in Table 2, the respondents’ descriptions of this aspect were used as dependent variables. Such a self-rated measure suffers, of course, from any bias of the respondent, as well as from the well-known phenomenon of self-desirability in surveys (see, for example, Fisher & Archibald, 2019).

As indicated in the previous section, a cooperative organization’s management and membership can likely steer the organization towards social cohesion or economic profitability, depending on the objectives of stakeholders. Therefore, it was seen as useful to determine the influence of economic and social objectives.

Often, the economic objectives were more straightforward than the social objectives. Respondents were asked to qualify the importance of generating profits. In addition, the diversification from traditional summer farm activities to tourism was considered a variable with an economic character. On the social side, the importance of self-determination, as a distinct Swiss value (Fleiner, 2002; Cherney & Shing, 2008), was used as a social variable. What Montemaggi (2011; 72) calls “the bridging and linking element of social capital” was considered by asking the importance of unity. Social appreciation by the broader community was also considered, and, finally, the element of tradition was included within the realm of social values, as it is often emphasized that Switzerland was founded by mountain farmers.

The descriptive statistics, as depicted in the right column of Table 2, provide some noteworthy insights into the distribution of economic and social values. On a seven-point scale (0–6), three was the middle ground, which means the average organization was successful in all three respects. However, social success was deliberately rated higher than profit. This difference is also mirrored in the dependent variables, where all four social priorities score above the two economic factors.

To analyse how the institutional setup can influence the organization’s success, three more dummy variables were included in the analysis. Based on the theoretical considerations mentioned in the previous section, a variable distinguishing between private and public legal status was included; the second institutional variable distinguished civic communities and the third organizations discriminating against farmers from outside the community.

Some control variables were added to the analysis to avoid distorting background noise. Size may be an important variable, as economies of scale have repeatedly been shown to strongly influence the profitability of Swiss farms (Mann, 2005; Ferjani, 2009; Besser & Mann, 2015). The size variables are adapted to the particularities of Alpine summer farming. As the productivity of the high-mountain range is low and highly heterogeneous, size is usually measured by the capacity of feeding cows, where one *Normalstoss* feeds one average cow for 100 days. This unit could be included in the questionnaire, as it is widely used. Most Alpine summer farms are dairy farms, so an additional size measure was the actual number of dairy cows hosted in the last season. As a third, and rather institutional, variable indicating size, the employment of herdsman and herdswomen was used to distinguish small, mostly self-organized units from larger ones.

Some Alpine summer farms benefit from a good infrastructure, while others urgently need to make investments. This burden from the past must also be considered when judging present success, so the need for investment was used as another explaining variable.

TABLE 2 Descriptive statistics

Variable	Meaning	Scaling	Mean	Standard deviation	Min	Max
Dependent variables						
Profit for organization	Self-rated profit	From 0: Very low to 6: Very high	3.29	1.04	0	6
Profit for members	Self-rated economic success	From 0: Very low to 6: Very high	3.59	1.30	0	6
Social success	Self-rated social success	From 0: Very low to 6: Very high	4.00	1.29	0	6
Economic objectives						
Profit as an incentive	How important is financial profit for the organization?	From 0: Not at all important to 6: Very important	3.95	1.56	0	6
Importance of tourism	How important is tourism for the organization?	From 0: Not at all important to 6: Very important	2.66	2.08	0	6
Social objectives						
Self-determination	How important is self-determination for the organization?	From 0: Not at all important to 6: Very important	4.75	1.40	0	6
Unity						
Appreciation	How important is unity among members of the organization?	From 0: Not at all important to 6: Very important	4.89	1.61	0	6
	How important is local appreciation for the organization?	From 0: Not at all important to 6: Very important	4.37	1.71	0	6
Tradition	How important is continuing traditions for the organization?	From 0: Not at all important to 6: Very important	4.59	1.66	0	6

(Continues)

TABLE 2 (Continued)

Variable	Meaning	Scaling	Mean	Standard deviation	Min	Max
Institutional variables						
Private	Legal nature of organization	1: Private0: Public	0.15	0.49	0	1
Restricted	Organization with restricted admissions («Civic community»)	1: Yes0: No	0.19	0.39	0	1
Discrimination	The organization charges extra for external farmers	1: Yes0: No	0.22	0.39	0	1
Control variables						
Acreage	Size measured by capacity (<i>Normalstoss</i>)	Carrying capacity (number of <i>Normalstoss</i>)	186.40	2815	0	75,285
Dairy	Size measured by dairy cows	Number of cows	34.60	79.50	0	1,000
Herding	Employment of herdsmen and herdswomen	1: Yes0: No	0.84	0.36	0	1
Need for investment	Need for investment or renovation	From 0: No challenge to 6: Large challenge	3.22	2.19	0	6

After outliers with implausible size information were removed, the ordered logit model was carried out with Stata 14. The Breusch–Pagan test was carried out to check for heteroscedasticity and clearly produced insignificant results (p -value = 0.78).

4.2 | Qualitative method

In the qualitative part, we did not attempt to interview a representative sample of Alpine farm managers, not even to guarantee a broad range of different opinions. Instead, the emphasis was on gaining a thorough understanding of individual cases through the tension between economic and social objectives. About 30 interviews were carried out; in general, more than one person within a single organization was interviewed to gather the views of different roles within the organization. Thus, we obtained a clearer understanding of actor constellations and the balance of interests in single cases. These interviews were transcribed. Some excerpts were evaluated by the method of objective hermeneutics, focusing on the parts of the interview where respondents referred to the organization's objectives. This objective hermeneutics method has been applied in many contexts, ranging from family analysis (Oevermann, 1979) to policy evaluation (Mann & Schweiger, 2009), but not yet for understanding the objective of an organization.

The method does not aim to make a standardized statement; according to its founder, Ulrich Oevermann (2004), standardizations miss the point of research to the degree in which the object is not itself standardized. Instead, an attempt is made to explore the lowest level—or substance—of social reality. This exploration is not claimed to be representative, but it is important to analyse the specific characteristics of the case. In our context, it is intended to serve as an illustration of a possible reality behind the statistical connections. To newcomers of the method, it sometimes seems obscure that a single case is getting so much attention. However, in avoiding any generalisations, objective hermeneutics is an attractive counterpart of quantitative methods that neglect these single cases.

Excerpts, or “sequences”, are taken from parts of the interview that seem particularly relevant to the research question. The microscopic text analysis used in objective hermeneutics includes taking single phrases from the text and putting them in different social contexts. This thorough reflection of the “objective” meaning of the words used enables a deeper understanding of the sequence, but it has, of course, the disadvantage that only a small fraction of the transcripts can be considered.

5 | QUANTITATIVE RESULTS

Table 3 displays the distribution of success ratings, indicating a rather positive picture of cooperative farms that are even more successful in the social than in the economic dimension.

The correlation matrix between the three dimensions of success (Table 4) shows rather clear results. The correlation between the two economic dimensions is significantly positive, emphasizing the quality of management and its impact on profitability. The results remind us of the simple fact that some Alpine summer farms are economically successful while others are not. This finding is much stronger than any possible trade-off between what Draheim called the economically caring and the economically accounting dimensions of cooperatives. The correlation between the economic and social dimensions of success appears close to zero and is statistically insignificant.

TABLE 3 Results of the three dimensions of success

Variable	0 (Very low)	1	2	3	4	5	6 (Very high)
Profit for organization	1%	3%	13%	44%	28%	9%	2%
Profit for members	3%	4%	9%	31%	30%	18%	5%
Social success	2%	2%	5%	26%	28%	26%	11%

TABLE 4 Correlations between dimensions of success (*p*-value in parentheses)

	Profit for organization	Profit for members
Social success	0.11 (0.17)	0.09 (0.27)
Profit for organization		0.52 (0.00)

Table 5 reports separately the estimates (and standard errors in parentheses) obtained from the ordered logit model for each success variable. Organizations that consider profit an important incentive manage to be more economically successful than others, both for themselves and for their members. It seems possible to steer an organization towards profitability if this objective is set.

TABLE 5 Results of the ordered logit analysis

	Profit for organization	Profit for members	Social success
Economic objectives			
Profit as incentive	0.235*(0.074)	0.208*(0.072)	0.001(0.059)
Importance of tourism	0.124*(0.048)	0.084*(0.045)	0.082*(0.046)
Social objectives			
Self-determination	−0.060(−0.064)	0.049(0.068)	0.202*(0.083)
Unity	−0.139*(0.055)	−0.007(0.060)	0.130*(0.069)
Appreciation	0.051(0.059)	0.061(0.058)	0.144*(0.064)
Tradition	−0.033(0.060)	−0.054(0.057)	0.143*(0.069)
Institutional variables			
Private organization	−0.394*(0.202)	−0.522*(0.204)	−0.209(0.167)
Restricted	−0.553*(0.129)	−0.275(0.176)	0.038(0.248)
Discrimination	−0.204(0.280)	−0.446*(0.334)	−0.172(0.265)
Control variables			
Acreage	−0.000(0.000)	−0.000*(0.000)	0.000(0.000)
Dairy	−0.001(0.001)	0.003*(0.001)	−0.000(0.001)
Herding	0.533*(0.430)	0.483*(0.431)	0.478*(0.381)
Need for investment	−0.042(0.036)	−0.074*(0.034)	0.004(0.038)
Pseudo R^2	0.04	0.04	0.05
Number of observations	538	539	541

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$; standard error in parentheses; LR chi2-value: 55.40.

The effect of engaging in tourism is broader than expected. Organizations engaging in touristic activities engage in generating profits and, albeit by a weaker degree, in financially supporting their members. However, considering tourism as important also influences social cohesion. By including visitors in its scope, the caring aspect of the cooperative organization seems to become stronger.

All four selected variables of social values do their job of significantly strengthening the social success in the organization. It is worth considering the often-described (Hannum, 1993; Ryan & Deci, 2002; Weller, 2008) tension between self-determination and unity. While self-determination has the strongest positive effect on social success and unity has the weakest, it should also be emphasized that a focus on unity weakens the economic profit of the organization itself. While tradition and the perception of local appreciation strengthen social cohesion without hampering economic performance, emphasizing unity seems a double-edged sword for cooperative organizations.

The importance of institutional choice for economic success can be confirmed, although intuition about the effect of exclusion has been plainly wrong. On the other hand, public organizations, such as municipal Alpine summer farms, seem an efficient organizational solution. Both the restricted-access *Bürgergemeinden* and private organizations fare less well in economic terms, which is particularly striking in the case of the *Bürgergemeinden* that perform significantly worse for the organizational profit indicator. This challenges the economic belief that by escaping the free-rider phenomenon, the exclusion of property rights is always advantageous. Alpine summer farms with an inclusive framework—be it by their legal organization, their membership access or the fees they charge—seem to have a better economic performance. However, organizations that discriminate between local farmers and farmers from abroad manage to obtain better results for their own members.

The control variables all play a role. The acreage variable contradicts the narratives of size variables in Swiss agriculture. Larger territories lead to less, rather than more, economic success of a summer farm. More dairy cows, however, have a positive impact on economic success. A high density of animals indicates a well-working organization. The 'herding' variable confirms the notion of active management as a success factor. Organizations employing herdsmen and herdswomen have an advantage in both economic and social terms, almost doubling economic indicators and also markedly lifting the social success. Finally, it can also be confirmed that organizations with a need for investment are economically less successful than others.

6 | QUALITATIVE RESULTS

The Alpine summer farming collective in Chur, the capital of Switzerland's eastern Grison Canton, is a good example of the (often extremely complex) organization of Alpine summer farms. The high number of actors involved includes the following:

- The restricted-access *Bürgergemeinde* owns the 4,200 hectares of land, which is partly forest and partly pastures used for summer farming. The *Bürgergemeinde* also owns the Alpine dairy that processes the farms' milk into cheese and other products. Its 4,900 members (of Chur's 33,000 inhabitants) employ a clerk and two inspectors for operational issues, as well as elect a council for decision making.
- The Farmer Cooperative, of which all farmers in the town are members, has rented the Alpine summer farms and the dairy and selects staff for herding and milking.

- Through the Department of Forests and Alps, the political municipality approves employment contracts by the staff selected by the cooperative.
- The Alpine Commission coordinates the three organizations. Of the five members, at least one is delegated by the Bürgergemeinde, the Farmer Cooperative and the municipal Department of Forests and Alps.

As many agricultural enterprises, the Alpine summer farm in Chur benefits from the strong expansion of settlement areas in Switzerland, mainly due to immigration, which allows for an increase in the value of the farmland considerably by converting it into “building zones” with consent of the cantonal administration. Family farm managers would usually sell such converted land for a high price, whereas the civic community in Chur is sufficiently large and wealthy to manage the real estate themselves. The interview uses this case to ask about the organizations’ objective.

The sequence below is taken from a longer interview with the Bürgergemeinde’s clerk, being also in charge of the Alpine summer farm, in a phase where the objectives of the organization were discussed:

C: It is indeed the case that the civic community maybe has a slightly different approach or er er (.) positions itself differently when it comes to the management of real estate if compared to a private. So, er, to a private. So, now, profit orientation is not in the foreground for us, absolutely not. It is about doing something for the community, to have a longer-term horizon rather than acting in a short-term profit-oriented manner.

I: Yes. Is your real estate policy also subordinated to that, so is there an overall concept or so, is that in it, what, what exactly are the objectives? It sometimes may be “you could get a bit more out of it if you would do it like that”, could one say, because eventually it will also benefit the culture, or you say, you just do not want it, you want fair rents, you want

C: Now, this is of course a somewhat er (..) difficult way between a rock and a hard place, isn’t it? You have, on the one hand, you have to generate profit, so that you can give something back to your community, in any supportive form whatsoever. On the other hand, you want to offer your houses for, as you say, fair prices. Er. We actually have a very large project, where we are in the planning stage, where we want to start building next year; this is an apartment house with 100 flats, where we want to offer family apartments for affordable prices. And this also is a case where it isn’t profit orientation that is driving us, but rather the intention to create an offer which should find favour with the town and is looked after. So, there always is the discussion, budget apartments, who is going to provide it, and private investors won’t voluntarily bow in to lower profits to be the good guy, and budget apartments, so who will finally do it right, and this is an objective we have set ourselves.

(.) denotes one second of pause

In the respondent’s first sentence, the boldness of its first part (“it is indeed the case”) interestingly contrasts with the vagueness of its second part (“maybe”, “slightly”). While the beginning of his sentence is apparently dominated by the desire to confirm a notion raised by the interviewer, the second part of the sentence reflects caution when claiming differences between the Bürgergemeinde’s approach and a private organization. The two sub-clauses can also confirm this development (starting with “when” and “if”) that increasingly limit the scope of the differences. The last limitation is even repeated to clarify (more for the speaker himself) the frame of reference. It seems important to the respondent that he is not positioning “his”

Bürgergemeinde to others but compares them to private businesses. Under this presumption, it is again possible for the clerk to return to his former boldness (“absolutely not”). When laying out the two differences of the collective organization to private enterprises, however, he chooses to avoid personal forms, speaking neither about a “we” nor about “the organization”. By choosing the most impersonal form possible (“it is about”) the respondent depicts necessities rather than choices. The organization is obliged to act in the way it does due to its status.

After this statement, the interviewer steers the attention towards real estate policy as a necessary field of activity when owning major amounts of land, but also towards formal ways of defining objectives. By preparing two possible, but opposite, pathways through direct speech, he attempts to take a neutral stance so that the respondent may choose one.

The clerk, although having prepared his statement with an underlying “of course”, hesitates twofold. First, he avoids deciding between the options offered by the interviewer and uses a proverb to opt for a middle ground; second, he apparently needs time to find this description before providing it. It is worthwhile to observe the evolution of his second sentence. While he first intends to say, “You have to generate profits”, he finds this too one-sided and restarts this sentence with “on the one hand”. The profits he mentions, however, are apparently motivated by altruism. While the ‘community’ apparently refers to the members of the organization, it becomes clear that profits are not a target for the sake of the Bürgergemeinde itself. The missing emphasis of profitability indicates (and then is also made explicit) that the main objective is to support the community, even if there are many ways to do so.

When beginning to describe the flipside of this support, the need for economic moderation, the clerk addresses an entirely new subject. While the interviewer most likely thought of land rents when discussing real estate policies, the clerk uses the interviewer’s notion of “fair prices” to describe housing as a side activity of the Bürgergemeinde. It is at this stage that the respondent bids farewell to the always-neutral formulations of “it” and “you”. He now begins to speak of the “we”, indicating that he is no longer speaking of abstract necessities but his organization’s individual story. In this context, his narrative becomes even more personal when mentioning the forces driving the organization’s pricing policies. In this case, the focus seems to be on the fact that there is a true demand, not by people in the Bürgergemeinde but by the much larger group of local residents.

After depicting the apparent dilemma of the market failure of a demand that is not met because few profits can be generated in such a way, the clerk finally returns to the personal “we”. The “finally” indicates that his organization’s role is to jump in if there is a blank spot to act for the good of society. This role, as indicated by his last sentence, is self-chosen. The Bürgergemeinde may have the liberty to act as a profit-oriented organization.

Altogether, it is easy to see Draheim’s description of the cooperative as an organization that cares for its own members, as outlined in the clerk’s statement, but it is also an organization for the broader community.

7 | DISCUSSION AND CONCLUSIONS

Going back to Draheim’s perspective of necessarily different objectives provides additional insights into the nature of cooperative organizations. Draheim’s findings remind us that every cooperative organization needs to sustain itself with at least some material base, but it also needs to maintain motivation for its members, which might comprise economic benefits and social capital.

The survey among Swiss Alpine summer farms shows that organizations set their own priorities. If a summer farm prioritizes economic objectives, it is more likely to succeed in economic terms than otherwise. If their priorities emphasize social values like self-determination or tradition and are active in creating bridges to the local society, the outcome is likely to create social cohesion. This has, of course, its limits. If an organization suffers from debts or has major investments to make without owning the assets, it is obvious that economically accounting objectives, as Draheim would have called them, should be pursued. However, the results of the survey have indicated the rather relaxed financial situations of most entities. Therefore, most Alpine summer farms are free to set their own agendas in terms of strategic objectives. Some trade-offs could be identified in the quantitative analysis. Emphasizing unity in an Alpine summer farm will be good for social cohesion, but not for economic profitability.

None of this means that an organization must choose between the social and economic pathways. On the contrary, a simple correlation matrix indicates positive connections among being economically successful for the organization itself, succeeding economically for members and being socially successful. In addition, organizations choosing a rather inclusive institutional framework fare better in economic terms. In particular, *Bürgergemeinden*, restricting their access by birthright, usually have difficulties to work profitably. This means that a best practice approach for cooperative organizations would be an inclusive one that may lead to both economic and social benefits. Therefore, it might be difficult to empirically show the trade-off between economic and social success, which is one of Draheim's messages. The difference between well-managed and less professional cooperative organizations may always overshadow the slight differences between economic and social strategic directions.

The qualitative interview takes this a step further. If an Alpine summer farm uses some of its lands to construct low-priced apartments, which of Draheim's dimensions does this affect? This investment is an example where social and economic benefits are difficult to distinguish. If the members of the *Bürgergemeinde* move into the low-priced housing project, there will be both positive economic and positive social effects.

This leads to a field where quantitative and qualitative results point in the same direction. The survey shows that cooperatives investing in tourism tend to fare better both economically and socially. In the qualitative part, a manager raises issues resulting from the summer farm holder transforming his land into residential property. Both show pathways for cooperative organizations to add successfully new activities outside their traditional field of dairy farming. This opens the question of whether the highly traditional cooperative organizations in Alpine summer farming could evolve as a seed for cooperative organizations beyond agriculture.

Milton Friedman's provocative remark that it is the ethic responsibility of business to generate profit may have a point, and it demonstrates the fundamental differences between private businesses and cooperative organizations. The normative scale and, therefore, the dimensions of success of cooperative organizations are complex and interwoven, leaving ample room for future research. This research, however, should include the possible role of the public administration. Currently, agricultural activities in Switzerland in general and on Alpine summer farms specifically are heavily subsidized. It is worthwhile to explore whether more economic and social capital could be generated by supporting more innovative activities instead.

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