

# **Analysis of the characteristics of the wage-earners in cooperative societies: a compared perspective**

*Díaz Foncea, Millan*  
*Marcuello Servós, Carmen*  
*Clemente López, Jesús*  
*Sanso Navarro, Marcos*

## **Introduction**

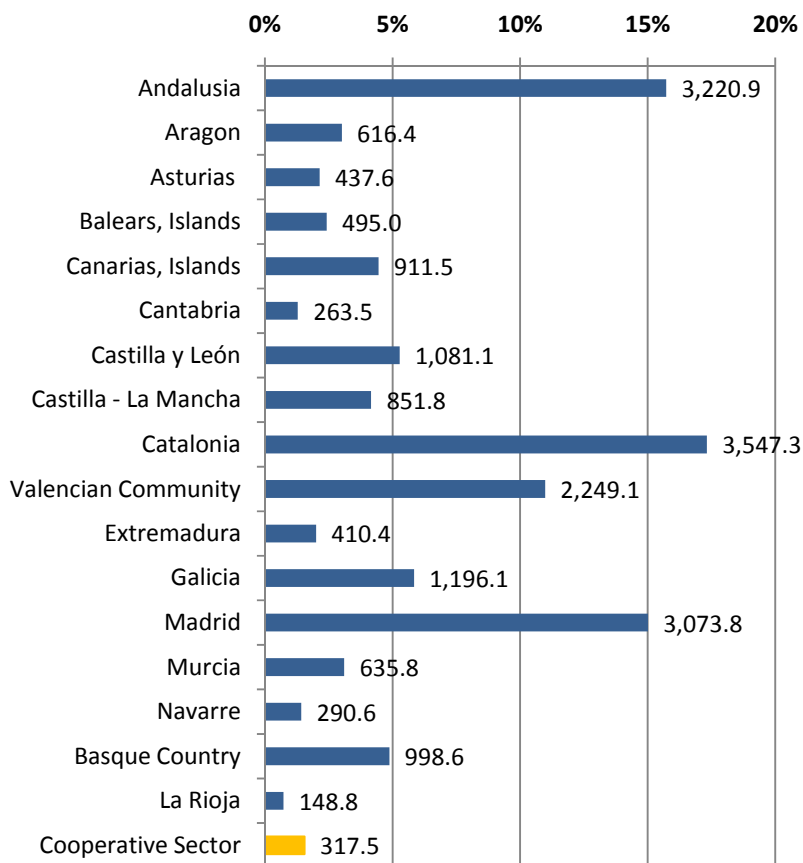
The cooperative societies and capitalist enterprises represent differentiated organizational models. The democratic and participative character of the former, as well as their relation with the promotion of employment, gives a special idiosyncrasy to these organizations. Both democracy and participation are intrinsic in the definition of cooperatives: allocation of the ownership rights in these organizations is based, not in the contributions to capital, but in other contractual conditions as employees, suppliers or consumers have. Also, decision-making is made of collective and equitable form between the members of the firm, who have voice and vote in these decisions. On the other hand, different organisms have observed the relation with the employment. European Union recognizes these organizations are a relevant piece in the economic life of Europe, contributing to the improvement of the efficient competition in markets, and being a niche of emergence of employment and new entrepreneurial forms, as well as of new labor relations.

Likewise, competitive advantages like their commitment with the local community and the existence of objectives different from the maximization of the profits allow them to cover other purposes. This supposes a greater specialization in determined industries, as well as different characteristics of their workers, among other aspects. According to this, cooperatives show a different behavior before the evolution of the business cycle. Particularly, cooperatives have been better prepared than their capitalist twins to support the downward periods with a greater relief. These moments of economic recession have been, in many cases, platform of development for this organizational model. In this way it is expressed by Ben-Ner (1988) for France and other countries during the decade of 1970 and 1980. Then, the number of workers and cooperative societies and the rate of unemployment were increasing at the same time, while the number and the employment of the capitalist companies showed an opposite dynamics. In the current economic situation, it is possible to hope that cooperatives keep this behavior, being necessary to know them with greater detail to use efficiently this potential. As well, during the growth periods, the cooperative sector is outstanding as an example of good practices in the enterprise

management, in the promotion of the autonomy between the employees, and in the culture which highlight to the person and the maintenance of a social objective beyond the capital.

As a whole, cooperatives includes to more than 317,000 workers, which represents a 1.6% of the existing employment in Spain. This supposes to equal the weight of the employment generated by regions like Navarre or Asturias, which gives sample of its relevance (Figure 1). Also, there are different types of cooperatives, according to the group of people who controls the organization (Figure 2). These have an unequal importance within the Spanish cooperative sector, standing out Worker Cooperatives (WC) (45%) and Agricultural ones (29%) above the rest. This relevance extends to the research on these societies, which is focused mainly in the WC behavior. Thus, although in this study we talk about all cooperatives, an important part of the interpretations on their behavior come from Literature in this concrete type of cooperative.

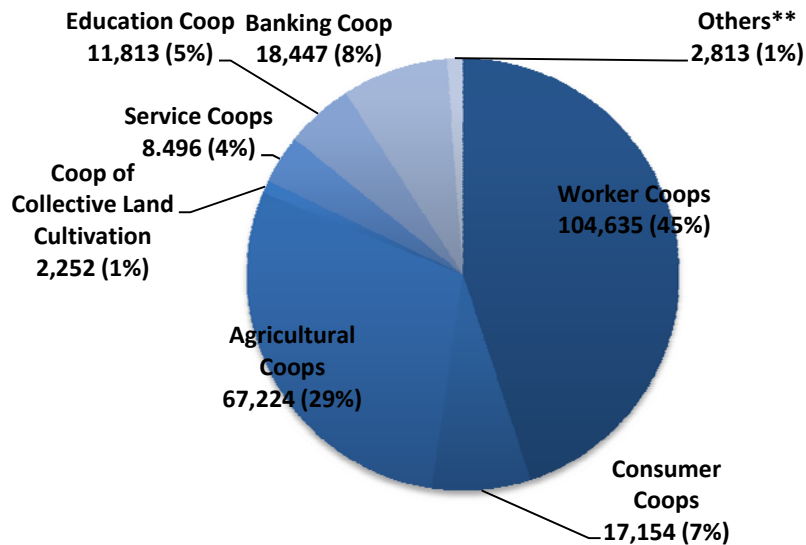
**Figure 1. - Percentage of employment generated by Spanish regions and cooperative sector 2007. Numbers in thousands of Persons**



Source: Spanish Labor and Immigration Ministry (MTIN) and Spanish Statistical Institute (INE)

## Figure 2. - Distribution by type of cooperative

Data of 2007. Percentage on Total of Workers in Cooperatives (232,834)\*



Source: MTIN

\* Number of Workers in General Classification of the Social Security Institute (not in Regime of Self-employed Workers).

\*\* Others include Housing, Sea, Transportation, Insurance and Health Cooperatives.

The aim of this work is to analyze the situation of the wage-earners of the cooperatives from a perspective compared with the wage-earners in the rest of the Spanish economy. The used information is provided by Continuous Sample of Labor Life (MCVL) of 2005 and 2007. This is published by the Spanish Ministry of Labor and Immigration (MTIN) and offers data of the labor life and fiscal data of more than a million workers attached to the Spanish Social Security Institute.

The design of the MCVL only allows to identify the wage-earners in cooperatives, not being possible to have information about the members of cooperatives who are paying like self-employed, since they do not appear in the directory.<sup>1</sup> Although it is not complete, we consider that this analysis on the wage-earners is sufficiently interesting, since it shows a series of facts differentials that contribute to understand better the behavior of these organizations, as well as to reopen the debate on some aspects of enterprise management of interest from the political, economic and industrial point of view.

One of the references of the cooperative movement in Spain is Mondragón Cooperative Corporation (MCC). As Forcadell (2005) explains, MCC are considered one of the leaders of world-wide cooperative culture and a symbol of democracy into the firms. Nevertheless, the MCVL does not allow to completely observe the situation of the cooperative sector in the

Basque Country and Navarre, territories where MCC have a greater implantation. Even so, in Spain there is a cooperative sector which agglutinates to more of 80% of the workers in cooperatives, and which develops its activity beyond MCC, having to be considered by it-self.<sup>ii</sup>

## **Evaluation of the type of employment in the cooperative societies**

In order to develop a complete and comprehensible comparison, we are divided the analysis in three complementary approaches: firstly, we were centered in the study of the characteristics of the organizations (size, economic sector and geographic location); afterwards, the profile of the workers is analyzed (sex, average age, nationality...); and finally, we were focused in the contractual relations in these companies (wages and modality of employment contract). We are conscious of the used indicators are not only the possible ones, but they constitute some of the key elements to understand the characteristics of these organizations.

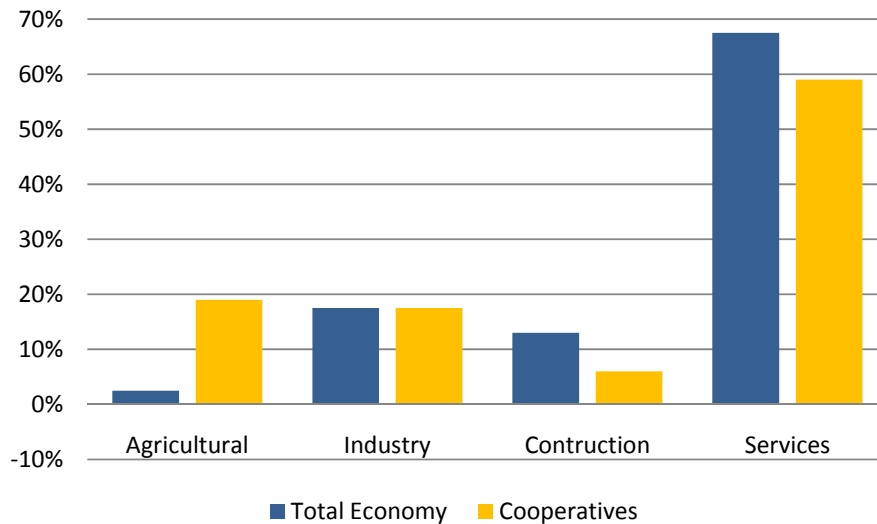
In this essay, in addition to the above global analysis, a parametric estimation of the probability of being wage-earning in cooperative societies has been made. This is a relevant aspect for a suitably characterization of the workers of these organizations. Finally, a study on dynamic perspective is developed, which analyzes the existing variation between the data of 2005 and 2007.

Ben-Ner (1988) raises the magnitude of these differences between the cooperatives and capitalist firms can vary based on diverse factors, like the technology of production, the characteristics of its product, the yield of the market, etc. In our case, the disaggregation by economic sector will be used. The presence of dynamic specific in the cooperatives is evident. They are based on the activity sector in which frame, being necessary to obtain a detailed image of the behaviors of these organizations.

## **Characterization of cooperative societies**

The first evidence that shows Figure 3 is the relevance of the sector services in the economy, regarding the employment of the capitalist companies mainly, although also in the case of the cooperatives. This contrasts with the weight that supposes the agricultural sector in the cooperatives (20% of the employment, approximately). The cause of this behavior is that entrepreneurs have few options in this global and concentrated sector, being their only solution the collective entrepreneurship (Torgerson et al., 1998). In this vine, the small producers are be able to resist the power of market of the large corporations, reduce the costs of inputs through grouped purchase, and obtain services not available in the rural world due to the high costs that suppose for the capitalist initiative.

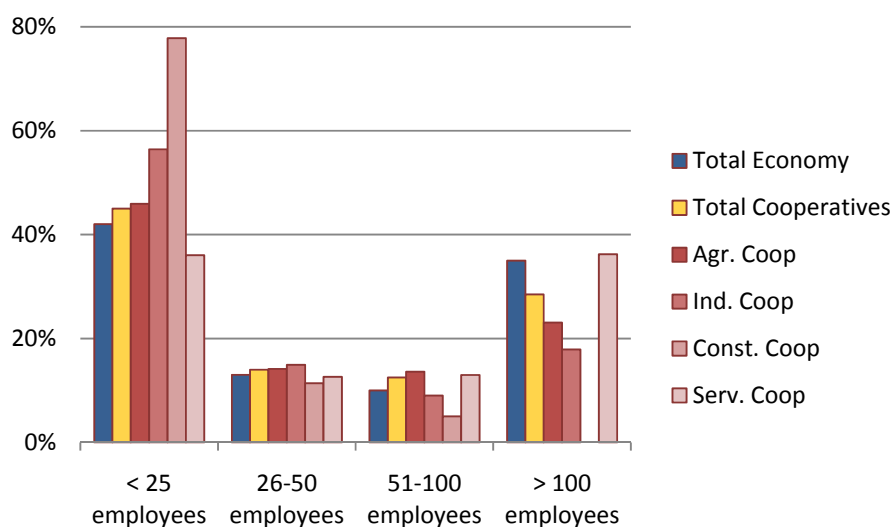
**Figure 3. - Distribution of the wage-earning employment by economic sectors.**  
Data of 2007. In Percentage on the Total of Workers in Each Scope



Source: MCVL, 2007

On the other hand, there are diverse factors affecting the size of the cooperatives. All of them imply a reduced size in cooperative, or due to the cost of the collective decision-making (Hansmann, 2006), or due to the loss of individual incentives by the increase of the number of workers (Alchian and Demsetz, 1972). The data show evidence in this sensitive (Figure 4): the cooperative employment is concentrated in the smaller firms, while the capitalist enterprises are more prone in the large companies. Those that have a medium size are equally distributed in both settings. In addition, it is observed that the sectors more prone to reduced size are industry and construction, whereas the agricultural and services sectors present a greater relative size. The reason must look for in the heterogeneity of individuals implied in each sector. Hansmann (1996) demonstrates the necessities covered by cooperatives of the agricultural sector are those with a reduced diversity of cooperative workers' preferences.

**Figure 4. - Distribution of the wage-earning employment according to size**



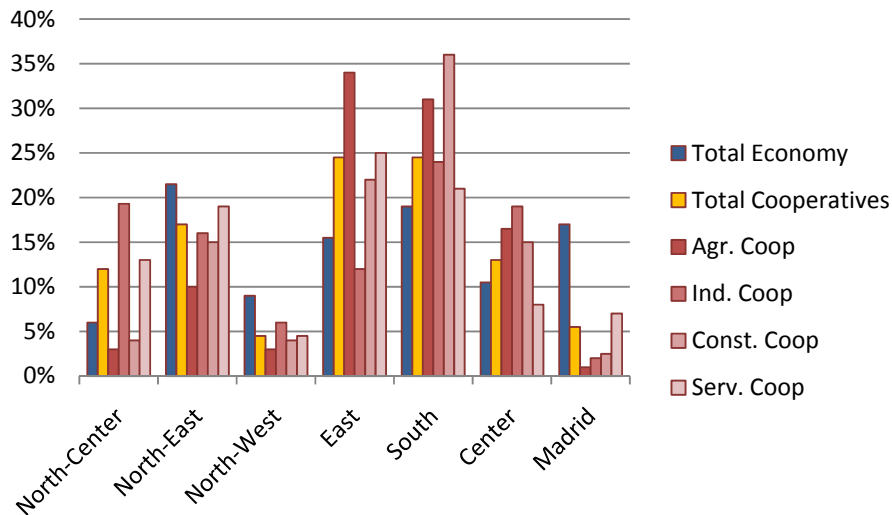
Source: MCVL, 2007

**Table 1. - Distribution by Macro-regions of the Autonomous Communities**

Macro-Region	Autonomous Communities
<b>North-Center</b>	Basque country, Navarre and La Rioja
<b>North-East</b>	Aragón and Catalonia
<b>North-West</b>	Galicia, Asturias and Cantabria
<b>East</b>	Valencian Community, Balearic Murcia and Islands
<b>South</b>	Andalusia and Canary Islands
<b>Center</b>	Castilla and Leon, Castilla-La Mancha and Extremadura
<b>Madrid</b>	Madrid

Relative to the geographic distribution, with the purpose of increasing the manageability of the data, an adaptation of *Nomenclature of Territorial Units for Statistics* (NUTS) used by EUROSTAT<sup>iii</sup> has been used, grouping the Autonomous Communities in 7 macro-regions (Table 1). In this distribution, a different pattern for cooperative and capitalist firms is observed. In the case of the cooperatives, their location is affected by historical and cultural aspects. Ben-Ner (1988) explains that one of the existing obstacles in the development of the cooperatives is the ignorance on this model. In those territories where there are a greater number of them, it is more probable that this model institutionalizes and grows more than in others. So, it is showed in the sample; more than 50% of the cooperatives are located in the East and Sur regions,<sup>iv</sup> whereas the capitalist companies are located in the regions North-East, Sur and Madrid (Figure 5). However, it is observed the cooperative sector is focused on different sectors depending on the region. So, in the East region its development is support mainly by a powerful agricultural sector, whereas in South region it does in the construction besides.

**Figure 5. - Distribution of the wage-earning employment according to location**



Source: MCVL, 2007

### Profile of the Cooperative Worker

Regarding to workers in cooperatives, it is worthy of pointing out that they suppose a 1.6% of the existing ones in the MCVL. This is an identical result to the obtained one with the population data, which allows to observe the robustness of the data that offers this sample. Advancing in the analysis, to general level, the cooperatives present a greater percentage of women, immigrants and disable people in their payroll than the capitalist companies. This evidences the propensity of the cooperatives towards the obtaining of a social performance, being more sensitive towards those segments of population with greater labor difficulties. Also, the seniority, next to average age, indicates a smaller rotation of the personnel of the same ones, and therefore, the existence of better labor conditions.

However, when the data are disaggregated, it is observed that these strengths are not extended to all sectors. For example, the average age is solely superior in the sector services. Likewise, this and agricultural sector show a greater disposition towards hiring immigrants. By the contrary, cooperatives of agricultural sector present a smaller prone towards hiring disable people in comparison with the capitalist companies. Finally, the case of the sector construction is worthy. In it, cooperatives seem to be a solution of the young people to avoid the high labor rotation that this sector shows (Table 2).

**Table 2. – Compared analysis by sectors of the profile of the worker in cooperative societies and the rest of companies**

	Number	Sex (Female)	Average age	Immig.	Disab.	Senior.
<b>Total Economy</b>	535.377	41,66%	38,03	24,25%	0,95%	3,34
<b>Cooperative Societies</b>	8.880	45,80%	38,7	29,40%	1,45%	3,79
<b>TE Agr.</b>	22.966	27,00%	39,86	32,39%	0,93%	1,74
<b>Coop. Agr.</b>	1.681	39,38%	39,51	46,22%	0,65%	1,64
<b>TE Ind.</b>	85.732	25,51%	39,53	23,78%	0,90%	4,83
<b>Coop. Ind.</b>	1.508	28,71%	38,84	22,68%	1,66%	4,69
<b>TE Cons.</b>	70.908	8,50%	37,01	31,29%	0,43%	1,99
<b>Coop. Cons.</b>	500	9,20%	36,17	24,00%	0,60%	2,85
<b>TE Serv.</b>	355.771	52,90%	37,78	22,71%	1,07%	3,41
<b>Coop. Serv.</b>	5.191	56,37%	38,65	26,43%	1,73%	4,31

Notes: Sex represents the percentage of women between the workers; Immig. represents the percentage of foreigners in firms; Disab. talks about to the percentage of disable people in the payroll.

Source: MCVL, 2005 and 2007

### **Contracts and Wages in the Cooperatives**

In this point, the main interest is centered in the comparison in the wages. Literature has developed different theories, setting out mainly that these will be superior in the cooperatives. This is due to twofold: the lack of control from atomized proprietors, who allows a level of greater autonomy in the employees, establishing superior wages; and the risk premium that the workers of the WC demand because they cannot diversify their labor and their capital (Miyazaki, 1984). On the other hand, Saez et al. (2003) affirm that the wages of these organizations will not be superior, but that labor conditions and work environment will be better. From another approach, the search of individuals who are intrinsically motivated individuals by noneconomic goals and who value the level of existing participation will entail these organizations maintain a level of low wages, promoting pay-off between wages and the desire to work in this type of organization (Leete, 2000).

**Table 3. - Compared Analysis of wages and types of contracts by sectors.**



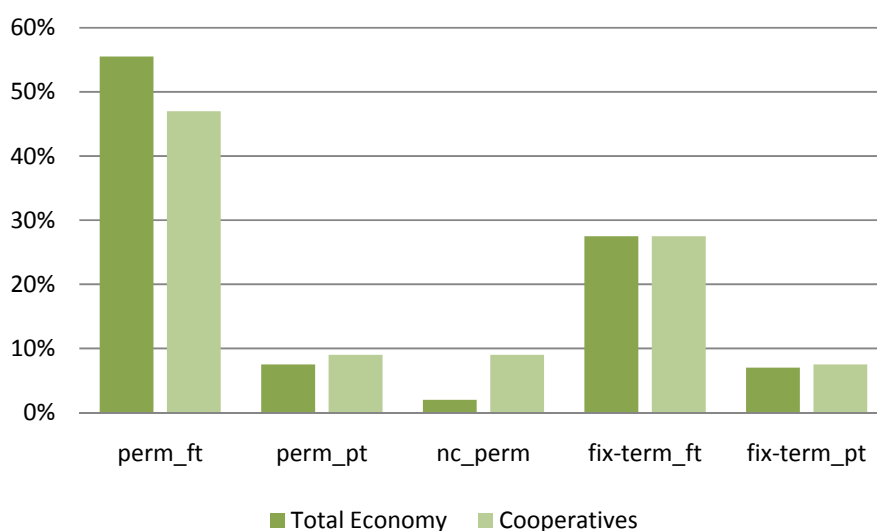
	Total Economy	Cooperative Societies	TE Agr.	Coop. Agr.	TE Ind.	Coop. Ind.	TE Cons.	Coop. Cons.	TE Serv.	Coop. Serv.
<b>Wage</b>	145,801.3	138,690.5	104,820.0	128,027.5	171,099.4	142,914.2	157,944.7	147,266.6	140,084.3	141,492.2
<b>Bonus Contract*</b>	10.80%	8.06%	6.38%	3.99%	10.76%	10.08%	10.39%	9.00%	11.04%	8.71%

Source: MCVL, 2007

\* "Bonus Contracts" are a specific modality of contract in Spain which allows to support conversions from fixed-term to permanent contracts through payroll tax reduction.

The data shows wages of the capitalist firms are a 5% over wage of the cooperatives (Table 3), corroborating the hypothesis by Saez et al. (2003) and Leete (2000). At industrial level, it is worthy of noting wage of the cooperatives in agricultural sector. It is superior to the rest of firms, whereas in construction and industry it is the opposite, being identical for both models in the sector services.

**Figure 6. - Distribution by type of contract of the wage-earning employment**



NOTE: *perm* is referred to permanent contracts; *fix-term* represents fix-term contracts; and *\_ft*, *\_pt* and *nc\_* are related to full-time, part-time and non-continuous permanent contract, respectively.

Source: MCVL, 2007

Given the high seasonal activity of the labor market in Spain, the Government has implemented different measures to favor the establishment of permanent contracts, for example temporal bonus to the firms which change fixed-term to permanent contracts. The MCVL data allow to conclude that the access to these bonuses has been smaller in the cooperatives. This result, next to the smaller proportion of fixed-term contracts in them, allows to affirm that cooperatives present better conditions of work than the rest of firms. However, it is observed the relevance of

*non-continuous permanent contract* in cooperatives,<sup>v</sup> due to the high seasonal activity of the agricultural sector, with has a great weight into this organizational model.

### Parametric analysis

As it has been commented above, MCVL allows a parametric analysis that contributes information relative to the probability of be hired in a cooperative as opposed to the possibility of doing it in another type of organization. So, it is possible to characterize more suitably to the workers of these organizations, incorporating to the study the relations between the diverse explanatory variables of previous sections.

In this section, a *Probit* analysis is developed, incorporating in the analysis great part of the variables presented previously, with the exception of the wage, which has been replaced by the classification according to group of contribution to the Spanish Social Security Institute (Table 4). This transformation allows to know the qualification of workers, not being possible to study both variables jointly, due to the existing correlation between them.

**Table 4. - Association by Group of Contribution**

<b>Group 1</b>	Superior Engineers and Graduates, and Technical Engineers and Assistants	QUALIFICATION OF THE HUMAN CAPITAL
<b>Group 2</b>	Administrative headquarters and Assistants Non-graduated	
<b>Group 3</b>	Administrative and Clerical Workers	
<b>Group 4</b>	Administrative Assistants and Officials of 1 <sup>a</sup> and 2 <sup>a</sup>	
<b>Group 5</b>	Officials of 3 <sup>a</sup> , Laborers, Workers with less than 18 years and Others.	
		+
		-

In Table 5 the results obtained for the year 2007 are offered, as at general level as at disaggregated level. The Probability Statistical (statistical LR) indicates that these variables contribute significantly to the explanation of the probability of being hired in cooperatives.

**Table 5. - PROBIT Analysis on the probability of working in a cooperative society.**

	Total	Agriculture	Industry	Construction	Services
--	-------	-------------	----------	--------------	----------

Variable	Coef.	T rat.	Coef.	T rat.	Coef.	T rat.	Coef.	T rat.	Coef.	T rat.
<b>Characteristics of Workers</b>										
Sex (male=1)	-0.06*	-6.48	-0.31*	-9.76	-0.08*	-3.23	-0.09	-1.33	-0.03*	-2.75
Age	0	-0.98	-0.01	-1.51	-0.01	-1.02	-0.01	-1.13	0	1.06
Age <sup>2</sup> /100	0	1.20	0	1.54	0	1.62	0	1.19	0	-0.75
Immigrant	0.01	0.52	0.22*	6.53	-0.05*	-1.99	-0.13*	-3.23	0	-0.28
Disable	0.21*	5.47	-0.13	-0.81	0.23*	2.54	0.11	0.52	0.22*	4.79
Group2	-0.08*	-3.88	-0.08	-0.66	-0.11	-1.91	-0.1	-0.68	-0.07*	-3.21
Group3	-0.16*	-9.42	0.2	1.47	-0.25*	-4.25	0	-0.03	-0.18*	-9.6
Group4	-0.15*	-9.86	-0.02	-0.16	-0.18*	-4.09	0.13	1.24	-0.16*	-9.39
Group5	-0.05*	-3.52	0.06	0.64	-0.1*	-2.26	0.22*	2.02	-0.07*	-4.15
<b>Characteristics of Firms</b>										
Industry	-0.86*	-45.76								
Construction	-1.13*	-50.52								
Services	-0.9*	-52.99								
26 -50 work.	0.03*	2.21	0.32*	7	-0.2*	-6.38	-0.2*	-4.01	0.1*	5.2
51- 100 work.	0.05*	3.36	0.48*	9.77	-0.34*	-9	-0.33*	-4.73	0.14*	7.72
> 100 work.	-0.07*	-6.08	0.24*	5.85	-0.49*	-17.4			0.04*	2.94
Nut2	-0.31*	-18.13	-0.01	-0.07	-0.4*	-11.2	-0.03	-0.29	-0.35*	-16.3
Nut3	-0.44*	-19.07	-0.29*	-2.91	-0.47*	-9.91	-0.22*	-2.12	-0.46*	-15.7
Nut4	-0.1*	-5.79	0.11	1.26	-0.4*	-10.1	0.13	1.59	-0.1*	-4.87
Nut5	-0.16*	-9.41	-0.16	-1.88	0	-0.04	0.19*	2.3	-0.24*	-10.9
Nut6	-0.17*	-9.24	0.05	0.63	-0.04	-0.95	0.09	0.98	-0.3*	-12.1
Nut7	-0.6*	-28.05	-0.74*	-5.21	-0.81*	-12.3	-0.37*	-3.32	-0.63*	-25.5
<b>Characteristics of Contracts and Wages</b>										
perm_pt	0.19*	5.89	0.26	1.61	0.36*	3.09	-0.25	-0.8	0.21*	5.61
perm_bonus	0.55*	25.2	0.22*	4.42	0.55*	8.19	0.34	0.8	0.58*	20.72
term_ft	-0.02	-1.37	-0.15*	-3.96	0.3*	11.11	-0.08*	-2.15	-0.11*	-7.22
term_pt	0.19*	5.39	0.32	1.97	0.27*	2.1	-0.24	-0.76	0.21*	5.47
ctp1	-0.11*	-3.15	-0.96*	-3.17	-0.47*	-3.12	0.3	0.93	-0.13*	-3.35
ctp2	-0.23*	-6.99	-0.71*	-3.6	-0.19	-1.6	0.2	0.66	-0.27*	-7.34
ctp3	0.07	1.99	-0.64*	-2.18	-0.22	-1.56	0.19	0.53	0.07	1.74
Constant	-0.91*	-14.76	-0.86*	-4.18	-1.54*	-10.9	-2.20*	-9.83	-1.93*	-25.8
No. of observ.	544240		13615		95955		62352		364159	
Pseudo R2	0.082		0.067		0.076		0.03		0.041	
Likely Log.	-41594		-4720		-7159		-3866		-26095	
LR	7379		677		1184		174.6		2230	

Notes: \* indicates the significant value to 5%. The control group is formed by the native workers, the non-disable people, the workers of greater qualification, the small companies (less than 26 workers), the North-Center region, as well as the workers with full time permanent contracts. Source: MCLV. 2007

In connection to the global estimation, it is possible to be affirmed that disable people, to belong to a medium or small size company (below 100 workers) and to have a permanent contract increases the probability of being hiring in a cooperative (positive sign of the coefficient). By the contrary, to be man, with a lower-middle qualification, located in any region except of the Center-North, and with a temporary contract, influences negatively on the possibility that the worker develops his activity in a cooperative, being more probable that he/she does it in a capitalist company (negative sign of the coefficient).

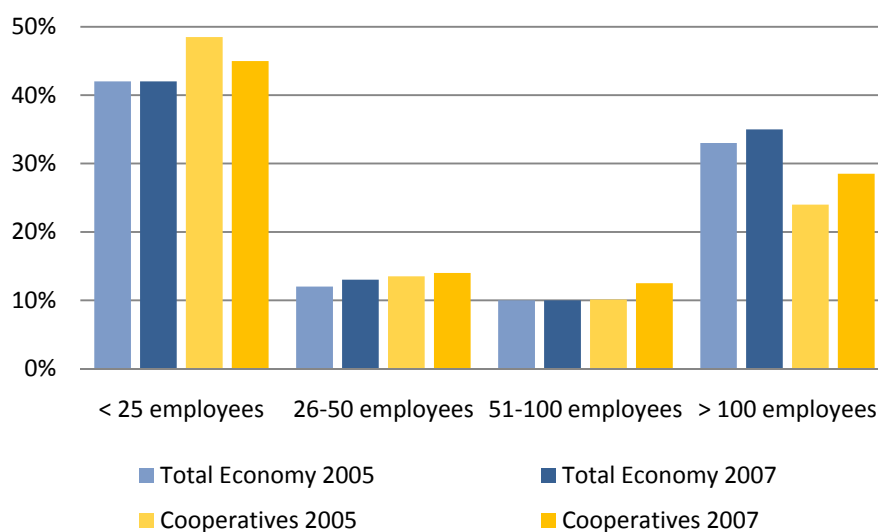
This aggregated result hides specific behaviors by sector. So, in the agricultural sector, the characteristic more relevant is the nationality; on the other hand, the disability is the most important aspect in industry and services, having the nationality and the low qualification a negatively influence on it. The construction sector is the only sector in which variable sex and low qualification do not diminish the probability of being hiring in a cooperative. With regard to the characteristics of the companies, it is worthy to note the positive sign that it shows the variable size as in the agricultural sector as in services. This supposes that the cooperative workers are located themselves in companies of greater size. Finally, in industry and services sector, the probability of being hired in a cooperative with a permanent contract is greater; whereas in the agricultural sector, it happens with the non-continuous permanent contract.

### **Dynamic perspective**

Finally, we dedicated a section to the dynamic analysis of the behavior of both organizational models. In this, the comparison of the existing data in the MCVL for 2005 and 2007 are used. For reasons of space, this analysis is developed solely for those parameters that show a greater relevance.

Firstly, the change produced in the size of the cooperatives is observed. There are a substitution effect between the small companies in 2005 and the great companies in 2007. This fact can indicate a tendency towards the convergence between cooperatives and capitalist companies. However, it would be necessary to have more information to be able to explain this result more accurately.

### **Figure 7.- Distribution by size of the company and sectors of the wage-earning employment of the cooperative societies**



Source: MCVL, 2005 and 2007

Secondly, it hoped that the number of cooperatives descends in the 2005-2007 period, since they are more prone to the transformation of their legal form when they are successful and at upward cycles (degeneration effect). This is due to the existence of incentives to the reduction of the number of members in order to maximize their individual profit: they contract wage-earning workers instead of incorporating new members. This behavior entails the transformation from a cooperative to a capitalist company when there is only one member (Miyazaki, 1984). In addition, in these upward moments, the opportunities in the labor market increase, being more probable the exit of workers.

**Table 6. - Descriptive Analysis of the cooperative societies and the rest of companies**

	2005		2007	
	Capitalist companies	Cooperative societies	Capitalist companies	Cooperative societies
<b>Number</b>	491,276	8,669 (1.76%)	535,377	8,880 (1.66%)
<b>Sex (Female)</b>	39.96%	42.96%	41.66%	45.80%
<b>Average Age</b>	37.57	37.88	38.03	38.7
<b>Immigrants</b>	15.61%	16.03%	24.25%	29.40%
<b>Disable People</b>	0.87%	1.36%	0.95%	1.45%
<b>Seniority</b>	3.34	3.48	3.44	3.79

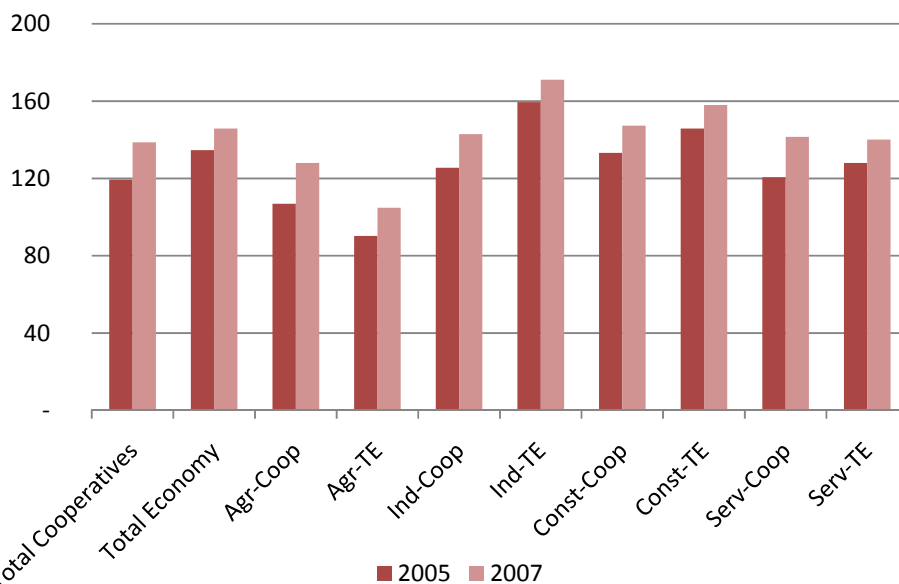
Source: MCVL, 2005 and 2007

Table 6 shows the compared data of the profile of the worker. In it, we can verify that as cooperative as capitalist companies increase their number of workers from 2005 to 2007. During this period, the Spanish economy has shown a considerable growth, as in the GIP as in the employment. However, the degeneration effect that was expected in the cooperatives for the cycles of growth is not observed. Even so, the weight of the cooperative sector on the total of workers has descended, making visible that the attraction of these organizations is smaller in the upward cycles.

The rest of variables about workers maintain the same increasing tendency, although it is greater in the cooperative sector, converging both models. This allows to demonstrate that the differentials characteristic of the cooperative sector are increased during these periods of growth.

**Figure 8. - Distribution of the wages by sectors**

In thousands of Euros.



Source: MCVL, 2005 and 2007

Finally, with reference to the temporary variation of the wages, their adjustment to the environment conditions is more quickly in the cooperatives. The relation between workers and owners is narrower, mainly for the WC, which facilitates these adjustments. This one is one of the reasons for which the cooperatives confront better the periods of crisis, being able to reduce their wages with the security of they will be increased in upward periods above average. Therefore, given the macroeconomic situation of the period 2005-2007, it is expectable that wages have been increased in the cooperatives in greater measurement than in the capitalist enterprises. This is showed in Figure 8: the wages of the cooperatives present a higher variation

than the capitalist companies (0.13% and 0.7%, respectively). However, these continue being smaller in average than the wages in capitalist firms, although the dynamics presented by the services sector supposes that this situation can be changing.

## **Conclusions**

The obtained results demonstrate the existence of heterogeneity between the behavior of the cooperatives and capitalist companies. From the point of view of the design of political-economic mechanisms, it is necessary to consider these differences, being able to appear counter-productive effects if they are not controlled. Likewise, they have to be oriented to specific sectors, since the development of one of these instruments at general level could have opposite results to they would be hoped, depending on the sector.

As it is seen in the analysis, a relevant aspect in the cooperative societies is its social performance. It demonstrates the existence of empowering factors the social cohesion and the professional development of the levels of population more underprivileged (females, immigrants, disable people). On the other hand, regarding the type of contract, the cooperative societies show greater prone towards the permanent ones (mainly non-continuous permanent ones, due to the weight of the agricultural sector). This demonstrates the better labor conditions that cooperative have at general level. This is reflected in the probability of being hired in a cooperative society as opposite to do it in another type of organization, where there are relevant differences. Finally, the dynamic analysis indicates certain convergence in the distribution by size of both organizational models, as well as with respect to the wages.

There are some limitations in the analysis: other aspects could be in order to do a deeper comparison. Questions like the tendency to the fix-term hiring, the duration of these contracts, the access to the advantages on the contribution to the Social Security Institute, or the stability of the employment are susceptible of a higher parametric analysis. Even so, we considered that the obtained results show important elements in this first approach to the behavior of these organizations.

This essay presents to the cooperatives as organizations with an idiosyncrasy different to other existing firms. In periods of economic growth as 2005 and 2007, these organizations demonstrated to be more sensitive to the people with greater difficulties, being located in those settings with a more important necessity of progress. Currently, we consider that the cooperatives can suppose a suitable model to obtain a better development, since they have demonstrated in previous periods, paying special attention in those social layers with greater problems.

## References

Alchian, A.A. y Demsetz, H. (1972) "Production, Information Costs, and Economic Organization", *American Economic Review*, No. 62, p. 777-795.

Ben-Ner, A. (1988) "Comparative Empirical Observations on Worker-Owned and Capitalist Firms", *International Journal of Industrial Organization*, No. 6, p. 7-31

Clemente, J.S.; Díaz, M.; Marcuello, C. (2009) "Sociedades Cooperativas y Sociedades Laborales en España: Estudio de su Contribución a la Creación de Empleo y al Crecimiento Económico", *REVESCO-Revista de Estudio Cooperativos*, No. 98, p. 35-69

Forcadell, F.J. (2005) "Democracia, Cooperación y Éxito: Implicaciones Prácticas del Caso de Mondragón", *Universia Business Review*, No. 6, p. 54-67

Hansmann, H. (1996): *The Ownership of Enterprise*, 1ª Edición, Harvard University Press, Canadá.

Leete, L. (2000) "Wage equity and employee motivation in nonprofit and for-profit organizations", *Journal of Economic Behavior & Organization*, Vol. 43, p. 423-466

Miyazaki, H. (1984) "On the Success and Dissolution of the Labour-Managed Firm in the Capitalist Economy", *Journal of Political Economy*, No. 92, p. 909-931

Sáez-Fernández, F.J.; González-Gómez, F.; Sánchez Martínez, M.T. (2003) "Cooperativas, sociedades laborales y mutualidades de previsión social: 25 años de progreso de la economía social de mercado bajo la constitución de 1978", *CIRIEC-Revista de Economía Pública, Social y Cooperativa*, No. 47, p. 175-198

Torgerson, R.E.; Reynolds, B.J.; Gray, T.W. (1998) "Evolution of Cooperative Thought, Theory and Purpose", *Journal of Cooperatives*, vol. 13, p. 5-18

---

<sup>i</sup> Although this modality of contract is acquiring relevance in the Spanish cooperative sector, it represents a percentage not too important: in 2007, 30% of the members of the cooperative societies were included in this modality. Nevertheless, the wage-earning workers are assigned to the General Modality of Social Security Institute (Clemente et al., 2009).

<sup>ii</sup> We know that there are other cooperative realities in the Basque Country in addition to MCC; its importance is far beyond the rest of cooperatives in this region. Also, MCC also generate employment in other Autonomous Communities, this one is diluted between the cooperative movements of these territories.

<sup>iii</sup> European Statistical Institute. This adaptation is based on the change of real Macro-Region in order to group the cooperative economic centers.

<sup>iv</sup> It is necessary to consider that precise data on Basque Country and Navarre are not included. This distribution can be altered in favor of the cooperative sector of the North-Center region if they were counted.



---

<sup>y</sup> Non-continuous permanent contract is a modality which allows to hire to worker only during the period that work is available, with the commitment that he/she will be hired the next season. It is typically use in agriculture, although in other economic sectors also.

BORRADOR