



NUFFIELD THE NETHERLANDS

A worldwide search for cooperative values

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Introduction

Born and raised on an arable farm in the Netherlands, with parents working in the fields as well as in cooperatives and on boards with a collective aim, the cooperative mindset has always been essential in our daily lives. I was raised with a belief that working together allows us to achieve more and not focus solely on ourselves.

In my role at the Farmers Union, LTO Noord, where I work on member commitment and the association's part of the organization, I deal with the changes in the cooperative mindset, the evolving world, and the adjustments of cooperatives. This made me ponder the value of cooperatives in other parts of the world.

Throughout my Nuffield research journey, I had the privilege of traveling to various countries, visiting cooperatives worldwide, and exploring the concept of cooperative value, along with the cultural nuances surrounding it.

I'm sincerely grateful for this enlightening experience and more than happy to share my findings and experiences.

The Issue

In discussions about the transformation of the agricultural sector*, two phrases often arise: "Cooperatives play a significant role in the agricultural transition" and "Cooperatives are a vital tool for system change." There is a lot of buzz around cooperatives, especially in the Netherlands, where they represent more than 68% of the agricultural economy (NCR, Het coöperatieve landschap, sd). However, amid the optimism, questions remain about how to bring about this transformation and the potential sacrifices members might need to make to achieve these goals. These questions often go unanswered as we celebrate the impressive initiatives undertaken by cooperatives.

Yet, beneath these commendable efforts, noticeable challenges arise that cooperatives grapple with. These challenges include member commitment, finding the right people to serve on cooperative boards, attracting younger farmers, adapting to the growing diversity among members, and maintaining transparent governance. These challenges prompt a reflection on the intrinsic value of cooperatives. What exactly is this value, and do all members seek the same ideals within a cooperative? Could disparities in values exist within different cultures, and if so, what insights can we draw from these distinctions?



MY RESEARCH DELVED INTO "THE VALUE OF COOPERATIVES AND THE DIFFERENCES BETWEEN CULTURES," OFFERING A COMPREHENSIVE VIEW OF COOPERATIVES IN GENERAL.

*Transformation of the agricultural sector in the Netherlands.

The agricultural sector in the Netherlands is undergoing significant changes due to climate change, sustainability concerns, nitrogen emissions, biodiversity issues, and growing calls for a more nature-friendly approach to farming. European laws and regulations have compelled the Dutch government to reevaluate the existing system. Although the precise means of achieving these goals remain unclear, the necessity for change appears to be at the forefront of the minds of most Dutch farmers. (Rijksoverheid, 2022)

The experiences

First and foremost, traveling the world and meeting farmers from different countries has been an incredible experience. Secondly, experiencing various cultures can be both challenging and incredibly fascinating. When trying to understand a culture within a country, relying solely on theoretical research is never sufficient. It's essential to engage with people and maintain an open mind about the country's history and religion. I witnessed numerous differences, which I will attempt to summarize with the assistance of Hofstede's cultural dimensions (Hofstede, sd).

Hofstede differentiates between seven pillars or cultural dimensions for each country, representing:

- **Power Distance:** This measures the degree of hierarchical power that people accept.
- **Individualism:** It assesses whether a culture leans towards 'we' (collectivism) or 'I' (individualism).
- **Masculinity:** This dimension explores whether a culture emphasizes winning or taking care of everyone.
- **Uncertainty Avoidance:** It evaluates a society's tolerance for ambiguity and its willingness to rely on rules and structure to reduce uncertainty.
- **Long-Term Thinking:** It examines whether a culture prioritizes long-term planning, perseverance, thrift, or short-term thinking and quick results.
- **Indulgence:** It considers whether a society allows for the gratification of basic human desires and impulses or promotes restraint and strict social norms.

Cultural differences significantly influence people's lives and their expectations from their government, environment, and cooperatives. In addition to culture, I discovered that both the religion and history of a country also influence cooperative thinking. For instance, in Vietnam, having been under a communist system for many years, people are not familiar with entrepreneurial activities or making their own decisions, as they are accustomed to following orders. This affects the role of the cooperative, as members often look to the board for guidance. Religion also plays a role; in Islam, it is essential to share with others and take care of each other, which can closely align with the cooperative mindset. Many different factors have an impact on the perceived and expected value within cooperatives.

In the next table the visited countries and their numbers on the cultural differences of Hofstede are reflected (Hofstede, sd), in addition to these differences I added the religion.

Country	Power Distance	Individualism	Masculinity	Uncertainty avoidance	Long term thinking	Indulgence	Religion
Basque land - Spain	57	51	42	86	48	44	Half catholic, half non-religion
Vietnam	70	20	40	30	57	35	Mostly folk religions, some Buddhism and small Catholicism.
Singapore	74	20	48	8	72	48	Multi religious
New-Zealand	22	79	58	49	33	75	Half non-religion, 1/3 Christianity
Kenya	70	25	60	50	11	40	85% Christianity
Chile	63	23	28	86	31	68	60% Christianity, 40% non-religion
Serbia	86	25	43	92	52	28	85% Eastern Orthodox
Israel	13	54	47	81	38	40	75% Jewish, 20% Islam
Palestina	No data about Palestina, comparable with Jordan						98% Islam
Jordan	70	30	45	65	16	43	95% Islam
Turkiye	66	37	45	85	46	49	95% Islam
Georgia	65	41	55	85	38	32	85% Georgian Orthodox church, 10% Islam
The Netherlands	38	80	14	53	67	68	60% non- religion, 30% Christianity and 6% Islam

Table 1 Comparison different countries based on Hofstede Cultural Dimensions

In this table I highlighted some of the low numbers (green) and the high numbers (blue) to show the differences and explain how they work. Scoring low (Israel) on power distance versus high (Serbia) explains the difference hierarchical power people accepts. Low power distance cultures focus on the individual, are less willing to accept inequality within their society, and have roughly equal distribution of power and wealth among members. A low individualism score like the Netherlands and New Zealand indicates that individuality and individual rights are paramount within the society. High individualism scores like Vietnam and Singapore typifies societies of a more collectivist nature with close ties between individuals. In a high masculine culture like Kenya, men are expected to be assertive, competitive, and focused on material success. Women are expected to be nurturing and focused on people and quality of life. In contrast, Hofstede says a feminine culture or feminine society like the Netherlands is one where gender roles are more fluid. In a culture with low uncertainty avoidance like Singapore, the people tend to be more open to the unknown. They take more risks, make decisions even when they don't know the potential outcome, and are more inclusive of others. These cultures focus less on rules and principles and more on ideas and personal feelings than countries with a high score like Serbia. A long-term orientation as in Singapore fosters virtues directed toward the future—in particular, perseverance and thrift and ordering relationships by status. A short-term orientation as Kenya reflects, fosters virtues related to the past and present—in particular, respect for tradition, preservation of "face," and personal steadiness and stability. And last but not least, an indulgent society like in this table New Zealand is one which values the satisfaction of human needs and desires; a restrained society like Serbia on the other hand, sees the value in curbing ones' desires and withholding pleasures to align more with societal norms.

A few examples that reflect the differences as mentioned in this table are the differences between New Zealand and the Netherlands. Two countries that are often considered to be quite similar, both culturally (individualism, uncertainty avoidance, indulgence) and agriculturally (innovative, Western, and based on an export market). However, when talking about cooperatives, New Zealand is struggling to really grow/start cooperatives. As a farmer told me; "In New Zealand, farmers are commercial and tend to only think about themselves." When comparing these practices with the cultural differences, the difference in masculinity becomes apparent (NZ 58 and NL 14), indicating a culture focused on winning and 'I,' rather than taking care of each other and involving the 'underdog', This likely reflects the differences in cooperative thinking within the country.

Another example that aligns with the numbers is the culture in Serbia and Georgia, both of which were part of the Soviet Union. This is reflected in the numbers for power distance (both high), high collectivism, high uncertainty avoidance, and low indulgence, which indicate a culture with less emphasis on freedom for pleasure and more on duty. This is also evident in the cooperative landscape. Milow Vucevic from Agro-Mobil in Serbia told me; "Farmers in Serbia have a hard time and have always had to produce for the Soviet Union. Now they are 'free,' but they lack a commercial mindset. Starting a business is difficult, and within cooperatives, they prefer to be told what to do instead of thinking for themselves."

The outcomes

The quick and straightforward answer to the question 'what is the value of cooperatives and how does this differ between cultures' is easy:

The value of the cooperative is always a balance between the economy (money) and the heart (the social part). This balance can be influenced by the culture of the country. For example, in collective cultures, the social aspect often needs more attention than in individualistic societies. In long-term oriented societies, making high economic investments in the future is more accepted than in short-term oriented cultures. So, plain and simple, yes, values of cooperatives differ between cultures.

If that's the quick and straightforward answer, it's assumed there is also a long and extensive answer.

There are a few conclusions I reported while conducting my research on cooperatives. First, the influence of culture doesn't have the impact on the value of the cooperative as I would have expected beforehand. In every cooperative, the basics are similar and all based on a set of core values and principles used worldwide. These values and principles promote fairness, transparency, and collective well-being. They provide members with shared resources, mutual aid, and access to better services. In every cooperative, these principles are represented in some way, with some being more important than others, but all being considered.

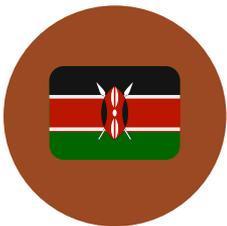
Second, during my research, I found that knowledge about cooperatives within the Netherlands isn't high. Not in universities or scientific knowledge, not in the cooperatives themselves, and certainly not among the members of the cooperatives. I do realize that this is quite a statement to make. But I do think that we have enough basic knowledge about what a cooperative is, what the basic values are, and why cooperation is important. However, when we delve deeper into the world of cooperatives and start asking more profound questions, there is often silence. For example, when asking about the value of the cooperatives, I often received the answer: 'the long-term thinking within the cooperative and investments for the future.' To understand this question, I often asked, 'how much sacrifice can we make now to invest in the future?' In other words, how is the balance between short-term and long-term? And although I understand that this is a difficult question to answer, I believe it's very important that we bring this kind of questions on the table, especially among members of the cooperative. Knowledge about the principles, rules, reciprocity, and commitment is often lacking. While cooperatives have an obligation to educate their members, the basics about the cooperative itself are often forgotten.

Another, in my view, very important topic I've learned about values in cooperatives is that the value of the cooperative, mostly among the board members, is reflected by the goal of the cooperative. The goal of the cooperative is also the value that members experience or want to experience.



Vietnam | Chair woman of the Tan Huong, tea cooperative (Huong, sd) , 41 farm members producing 15HA tea

Values and information: Started with economic reasons and empowering women (only women in the board and most farmers are women). Now, visiting members during life events such as marriage and funerals seems to be a significant reason for staying a member. The cooperative feels like a family and is important in the province. The reason to become a member is selling tea, while the reason to stay a member is the sense of family. Education is important, but competing with the larger cooperatives in the south of the country is difficult. Vision for the future: Maintain the cooperative, teach the young generation to run the cooperative, work on high quality, but initially, focus on the domestic market only.



Kenya | Starlight cooperative (Cooperative, 2004) Kenya for dairy and potato farmers, 2187 small scale farmers

Values and information: Started to provide members with more economic advantages and market power to sell their products. One of the significant side effects of the cooperative is having a board member for each village, which has resulted in less conflict between the villages.



Singapore | owner of Petalicious Farm & member of Singapore young Farmers (Farmers, sd) | 10-20 members

Values and information: In Singapore, people are very individualistic, even selfish in thinking about themselves. Even though agriculture is such a small business in Singapore, working together is not on their minds as a solution. Sharing information is difficult and remains at a general level.



Basque Land, Spain | worker of Mondragon, worlds biggest workers cooperative with 70.000 workers

Values and information: Cooperatives are a part of life, and individualizing doesn't have a significant impact, perhaps due to the history of the Basque Country and its independence from Spain. Mondragon is the largest cooperative with its own system as a workers' cooperative, comprising 70,000 people in 84 different coops and 23 umbrella coops. They have a system of equality where the highest position can earn a maximum of 6 times more than the lowest. Everyone has one voice and is an owner of the cooperative. The cooperative is a blend of business and solidarity.



The Netherlands | board and cooperative affairs of Rabobank | 8,9 million customers of which 2 million are member of the cooperative.

Values and information: We still believe in the cooperative model in which members are the owners and have influence on decision-making. The board and the bank are accountable to society. The power still lies with the people who ask questions. "The power of the cooperative comes from selfless individuals who voice their opinions about the cooperative, especially in this era of individualism."

For example, if the cooperative started with the goal of collectively selling milk for better prices, often earning money by increasing mass is one of the main values of the cooperative. Did it start with the goal of teaching people and strengthening the sense of community within a region, the social aspect of the cooperative needs more attention and will be the expected value of the members. For example, in Vietnam, I went to a tea cooperative for women. One of the goals was selling tea collectively and earning better money, but a significant part of the cooperative was about empowering women, giving them education, and emancipating them. The 'social' aspect is, therefore, more important and adds real value to the women in the cooperative.

But most of the time, the goal of the cooperative is established at the beginning, and the structure of the cooperative best fits the goals, and the entire organization is built around the main goal. For example, Rabobank was established to emancipate farmers and give them a position against landlords. 50 years from that time, the world has changed and farmers are emancipated; the main goal of the bank (of that time) is fulfilled. So as the world and goals changing, shouldn't the system?

Discussion and recommendations

Some of the above outcomes may sound like common sense, and you may question, "So, what now?" The world will change, and cooperatives will change, education is essential, culture is important, and even goals will eventually change. That's true and perfectly fine, necessary even for the future of cooperatives in every country.

But to keep your members committed, add value in major transitions and changes in the agricultural sector, and maintain reciprocity and transparency within cooperatives, I found that it is necessary to keep the cooperative's goal very clear for every member. So, one of my main recommendations from this research is the importance of recalibrating your cooperative every five years.

What does recalibrating mean (in my view)?

Assuming that:

- The aim of the cooperative is very clear at the start but faces either major or minor changes over time.
- Member commitment and transparency are and will always be the unique selling points of cooperatives.
- Cooperatives invest in the future generations.
- Cooperatives think about strategy and the long term thinking bonds the members.
- Cooperatives will add value to major transitions in the agricultural sector.

We can conclude that the cooperative system is facing change repeatedly. So, how are we going to face these changes without losing member commitment or even members? The answer: keeping them, over and over again, involved by the aim or goal of the cooperative and daring to re-question this aim. In other words, asking the 'why are we doing this?' question over and over again.

Questioning the 'why' means questioning the basics of the cooperative and leading you to the core of the cooperative. But, most importantly, you're not asking the board, you're not asking the CEO/ management you're asking your members, the unique selling point of your cooperative! Enlist your members in the development of these critical, cooperative-defining ideas and you'll gain clarity, alignment, energy and a sense of shared purpose (commitment).

Like a compass, we all require recalibration sometimes. It is gift. and opportunity.

The process of recalibrating starts with the importance of member engagement. Stress the involvement of members from the outset and integrate education in this process. Foster an open culture that values input from all members and ensure that members gain a comprehensive understanding of the cooperative's current state to start the process.

01 — Recognition of change:

- Acknowledge the inevitability of change in the agricultural sector/ surroundings of the cooperative.
- Emphasize the need for regular recalibration to stay responsive to changes.

02 — Re-Questioning the 'why' as the catalyst:

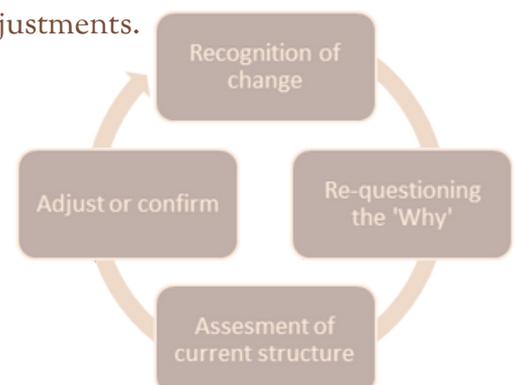
- Start the process by posing the fundamental question: "Why are we doing this?"
- Encourage a mindset shift that values continuous re-examination of the cooperative's purpose.

03 — Assessment of current and new goal

- Evaluate the cooperative's existing, strategies, and structures.
- Identify discrepancies between the current goal(s)/ aim and the new ones.

04 — Adjust or confirm

- If the core business remains relevant for the goal; confirm the existing goals and evaluate the structure of the cooperative and make necessary adjustments.
- If the world or goal has changed significantly, involve members in discussions about new goals and assess whether major or minor adjustments are needed in the cooperative's structure.



So, what can be the outcomes of this re-questioning process?

- Perfect! Our core business will remain the same, we're doing the right thing and making good choices. Now you have members committed to the goal (again), you looked at your business with an open mind, and decided it still fits the changing world. By involving the members, they felt the social part of the cooperative by making choices together and talking about the goals and strategy improves member commitment and coherence of the members. The next step is to consider if the structure of the cooperative still fits the goal and strategy, but the most crucial goal is already achieved; your members feel committed to the cooperative (again).
- Also perfect! The world has changed, and the business isn't the same as it was before. You'd prefer to discuss this with your members and make new plans. If our goal has changed, what will it be in the future? Do we need significant changes or just some minor adjustments? This outcome will lead to changes in the cooperative and make the cooperative future ready.

What is the gain from this, probably challenging, process?

First of all, I did state that the knowledge about cooperatives is low, especially among members of the cooperatives. While doing this recalibration process every five years, with the members, they do have an influence in the cooperative, but they also learn about the cooperative. Education while re-questioning. But not only do members get more knowledge about the cooperative, but the board and management will also gain a better understanding of the organization, the daily business of the members, and the changing world.

Second, facing the future with an open mind, questioning the aim of the cooperative with the changing world, and not being confined by the daily business; you have the opportunity to either confirm what you're doing or change before everyone else is changing, and you're left standing still.

Conclusion

Starting this research with the main question 'what is the value of cooperatives and does this value differ between cultures,' I had the opportunity to engage with numerous Dutch cooperatives and travel to other parts of the world to answer this question.



HIGHLIGHT 1

I found that cultural differences have an impact on the experienced value of the cooperative, although the values themselves do not differ between countries. In the foundation, every cooperative adheres to the same values, but there are minor differences in expectations and experiences.



HIGHLIGHT 2

While conducting this research, I also became aware of the differences between cooperatives, in terms of their period of establishment and their influences. This includes the size of the cooperative and its impact on member commitment. Most importantly, I learned about the importance of the aim or goal of the cooperative on the values.



HIGHLIGHT 3

One of my most significant conclusions arising from these experiences is the importance of recalibrating the aim and purpose of the cooperative every five years, to discuss this purpose with the members of the cooperative and highlight the importance of member commitment and education.

This may all sound somewhat abstract, and it is. But considering the cooperative code in the Netherlands (NCR, 2019) as a guideline for the cooperative structure, I believe we need a 'cooperative agenda' where reconsideration is one of the main focuses. I'm more than happy to discuss my ideas with any cooperative interested in this endeavour and will share my opinions with the NCR, the Dutch organization for cooperatives and working on knowledge transfer.

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