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French food cooperatives at the intersection between artisan and industrial business models – Two case studies

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Abstract

Within this study, we examined a sustainable business model which balanced profit and social entrepreneurship in order to maintain their cultural heritage and sustainability, in the face of a changing marketplace. We examined two French food manufacturing cooperatives, both of which have gained national attention by converting commercially failing factories into sustainable economic and employment generators based on artisanal-style and social values within a cooperative governance structure. Those particular cooperatives have balanced both an artisan dimension (producer identity and product values) and an industrial logic (consumer demands and governance strategy). We focus on our newly developed framework of four interdependent and interconnected areas that create a bridge for comparison: Consumer Demand, Producer Identity, Production Values, and Cooperative Governance. We used semi-structured interview convenience sampling of workers and followed up with in-depth interviews with senior managers, operations directors, and factory floor workers. Participants reflected on their experiences during 60-90-minute interviews focused on and coded to literature themes. Validity and reliability were controlled through Yin's (2014) conceptual triangulation framework. Additionally, coding was used to strengthen the degree of "rigour into the qualitative analysis" and minimize any inherent validity issues (Dey, 1993, p. 59). Our novel framework builds on Daya (2014), Kirezieva et al., (2016), Maier et al., (2016), and Doherty et al., (2014), Faure-Ferlet et al., (2018), Kobrin (2017), Ichijo (2020), Autio et al., (2013), and Battilana et al., (2012), which lies in the interconnectivity of the four areas within the French cooperative businesses: Producer Identity and Production Values are most closely interlinked, Consumer Demand was closely associated as well, and The Cooperative structure is a key driver for workers but not consumers. Our result demonstrates movement to a more collaborative strategy where all areas are interlinked, and none could be separated from the other.

Keywords: Cooperatives, Food Manufacture, Artisan, Hybrid, France



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INTRODUCTION

The conventional narrative concerning the development of cooperative business models is one that sees a tension between the for-profit motive and the ethical and/or sustainable values that underpin the company's activities (Battilana and Lee, 2014; Doherty et al., 2014; Hahn and Ince, 2016; Davies and Chambers, 2018). Such a discourse assumes a bipolar struggle between two competing drivers, one which puts the creation of economic value at the forefront of activity and the other which places non-economic values as more prevalent.

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However, manufacturing within the industrial food sector has seen the development of a number of alternative food systems (e.g., Allen and Sachs, 1991) which, their advocates claim, negate the worst aspects of the traditional, for-profit food manufacturing sector by the sustainable use of natural resources; a greater level of justice within agricultural transactions; and increased democracy in the governance of food production. This article provides two case studies of food manufacturing cooperatives in France that have attempted to implement such systems. Both cooperatives were formed after large multinational firms ceased manufacturing in a local factory, and the workers, rather than accepting redundancies, established an artisan production company based on "traditional" techniques and cooperative structures. Our research shows that these cooperatives do not experience a bi-polar pull between two distinct motives (profit vs. values); instead, they have negotiated a complex and changing series of internal mechanisms to resolve a series of conflicting "pulls".

Historically, France's foodservice business models were focused on company activities with for-profit motives that neglected ethical or sustainable drivers (Kobrin, 2017). However, with changes in globalization and local food movements, manufacturing within the industrial food sector has seen the development of a number of alternative food systems.

These grassroots initiatives, which are governed by a hybrid governance structure, are addressing systemic global problems and local issues (Battilana et al., 2012) within traditional foodservice systems. There is a growing cultural backlash against globalization in France, which is promoting more national identity and community focus (Kobrin, 2017). This is evident in rural food production in France, where cooperatives are balancing profit and social entrepreneurship in order to maintain their cultural heritage and sustainability in the face of a changing marketplace.

The aim of this paper is to focus on how French cooperatives have balanced both an artisan dimension (producer identity and product values) and an industrial logic (consumer demands and governance strategy) in order to develop sustainable business models.

LITERATURE REVIEW

Artisan Crafts

The economic and cultural benefits of the artisan craft movement in emerging economies have been established for almost two decades (Luckman & Thomas, 2018; Littrell & Dickson, 2010; Hoyte, 2019). Moreover, the growth of the global artisan craft movement within the developed world has also been well documented (e.g., Grimes & Milgram, 2000). Whilst the world's artisan craft movement context differs from modern France's food marketplace, and there are four key areas that are consistent and create a bridge for comparison: Consumer Demand, Producer Identity, Production Values, and Cooperative Governance.

Consumer Demand

Anthropologist June Nash's argument that local artisan crafts act as "the medium of communication between people who live profoundly different lives" (Luckman & Thomas, 2018, p. 55) extends to the food culture in France. In fact, there is increased demand for local food production, as customers are increasingly unsatisfied with industrial global food production, which they see as harmful in terms of personal health and global values (social and environmental) (Autio et al., 2013). Consumers who struggle to trust large-scale producers are attracted to local artisan foods, which also identify themselves with a nation's original food culture and traditional food production (Settanni & Moschetti, 2014). Additionally, consumers believe that by purchasing local artisan products, they are also fighting social issues,

empowering local businesses (Autio et al., 2013), and supporting ethical business practices (Littrell & Dickson, 2010).

There is some debate as to what degree a consumer's artisan crafts buying decisions demonstrates their level of support for a community, empathy with the producer's cause, or passion for local traditions (Luckman & Thomas, 2018; Autio et al., 2013). With worldwide initiatives like the Slow Food and Fair-Trade movements, there are more organized expressions of political and ethical concerns in consumerism (Bowen & Clerc, 2008). It is clear that some consumers are taking social values and local foods into account when buying products to support local producers, local economy, employment, and even food chain transparency (Autio et al., 2013). Indeed, this practice is appearing to be consistent across the world's economies and increasingly playing a role in the global markets (Luckman & Thomas, 2018).

Producer Identity

Social entrepreneurs capitalize on customer motivations related to their local resources and values by creating imagery associations between their distinctive local identity and/or social cause, creating an inimitable producer's brand-identity (Müller & Korsgaard, 2018). Building an identity based on physical resources (historic buildings, legends, or natural products) and owner personalities or talents can create a complex relationship between the community and local food producers (Ichijo, 2020). Marketing literature has long recognized the strong impact local culture and national heritage have on a producer's brand identity (Pike, 2013), and France's gastronomic, cultural heritage characterizes this, with their nation's economy and identity closely linked to food producers and their town, area, and/or region (Ichijo, 2020). A French study found that consumers identified the relationship to cooperative products and resource acquisition as more positive than the ones to traditional for-profit companies (Faure-Ferlet et al., 2018).

Over the last decade, there has been a significant consumer backlash against globalization, which is demonstrated by a growing nationalistic consumer movement towards French-identity foods (Ichijo, 2020). This has resulted in French companies having internal conflicts between their drive for economic growth and customer-trends towards maintaining traditional methods and processes (Kobrin, 2017). Rural area food cooperatives with clear links to local economy and culture (for example, utilization of local products and local expertise) have taken advantage of commercial revenue, grant funding, private donations, and additional forms of nationalist-based philanthropy (Ichijo, 2020). All this demonstrates the unique identity of their production, in stark contrast to the homogenization of the global producers (Autio et al., 2013).

Artists and craftspeople describe their product as "standing at the heart of their identity" (Quinn & Seaman, 2018, p. 461). From this perspective, the creation and aesthetics of their crafts are determined by traditional methods and personal, community, or family history (Autio et al., 2013). This is in contrast to 'modern' production methods, which are produced for efficiency and profit (Battilana et al., 2012). As a result, artisan producers create both a niche market, developed from a unique selling proposition (USP) and a cultural knowledge-transfer, based on their traditional manufacturing techniques (Luckman & Thomas, 2018). Indeed, these aesthetics and quality of producer products, as well as the creativity and uniqueness, all attract consumers (Autio et al., 2013). However, it is the combination of local culture, aesthetics, and social purpose, that creates the USP of the producer's identity (Hoyte, 2019).

Production Values

Similar to producer identity are the production values that govern every aspect of this type of artisan's operation (Hoyte, 2019). Social and environmental values are applied to the supply chain and thereby attract consumers who believe their purchasing power demonstrates their support for common

values (Autio et al., 2013). Local food producers differentiate themselves from industrialized corporations and demonstrate value by manufacturing local foods using artisanal techniques and regional culinary processes (Renting et al., 2003).

In France, the strongest connection was found within the food sector, where a close relationship was demonstrated between agricultural and consumer products (Settanni & Moschetti, 2014). Cooperatives are seen as small organizations whose productions are much more restricted than those of multinational companies (Faure-Ferlet et al., 2018). This links the inherent qualities ascribed to traditional values and has led to the emergence and growth of alternative food movements, which connects food to local cultures, returning economic control to the producers (Nicholls & Huybrechts, 2017). These include Fair Trade, Organic, Local Foods, and Slow Food movements. The Slow Food Movement, for example, aims to protect local food traditions and cultures to empower communities and consumers to influence how food is cultivated, produced, and distributed (Slow Food, 2018).

In addition, instead of exclusively focusing on consumer demands, trends, or tastes, producers achieve sustainability by balancing their social and/or environmental values simultaneously with profitability (Daya, 2014). Emphasizing the value of national distinctiveness (DeSousey, 2010), producers create value and a relationship with the consumer and therefore are important economic drivers for business (Bianchi & Mortimer, 2015). Balancing the economic challenges between social values and financial aims can be difficult for organizations and can put stress on decision-makers (Battilana, 2018).

Cooperative Governance

Dynamic changes in the global economy have directly affected businesses, specifically food-related businesses that have been hit hard by increased competition and rising production costs (Kirezieva et al., 2016). This brought a rise to community focused worker-owned cooperatives, which inspired the United Nations to declare 2012 the International Year of Cooperatives, underscoring the importance of their social and economic impact to reducing unemployment, poverty, and social exclusion (Cheney et al., 2014). Over the last 30-years, there has been a trend to strengthen shareholder accountability and transparency, as well as a difficulty gaining capital for food-focused ventures. This has resulted in an increase of agri-cooperatives where decision-making and investments are made by members (Kirezieva et al., 2016).

There exists a variety of structures within the cooperative governance umbrella, with several underlying similarities including, members receive benefits (through use and/or as an investor), the governance board is comprised of and supports the membership, and decisions are made in the interest of the social cause and business sustainability and not any outside entity (Kirezieva et al., 2016). These cooperative, democratic principles represent a governance model that combines a shared ethos based on social values and organizational sustainability (Doherty et al., 2014).

Research has shown membership-based cooperative governance focuses on greater economic and employment opportunities for the community (Cheney et al., 2014) and product quality due to member participation at all levels (Cechin et al., 2013). On the other hand, it has been argued that non-profit incentives in cooperative food manufacturing have resulted in low member commitment and food safety concerns (Kirezieva et al., 2016). Yet, it is often social entrepreneurs who are credited with community development (Müller and Korsgaard, 2018). Cooperative governance is considered a social entrepreneurship hybrid (success through financial and social benchmarks) (Doherty et al., 2014), balancing social mission with a profit-making capacity to serve the community (Maier et al., 2016).

Battilana (2018) found French hybrids were developing successful business practices by hiring outside managers with expertise in specific business areas in order to maximize profit and social

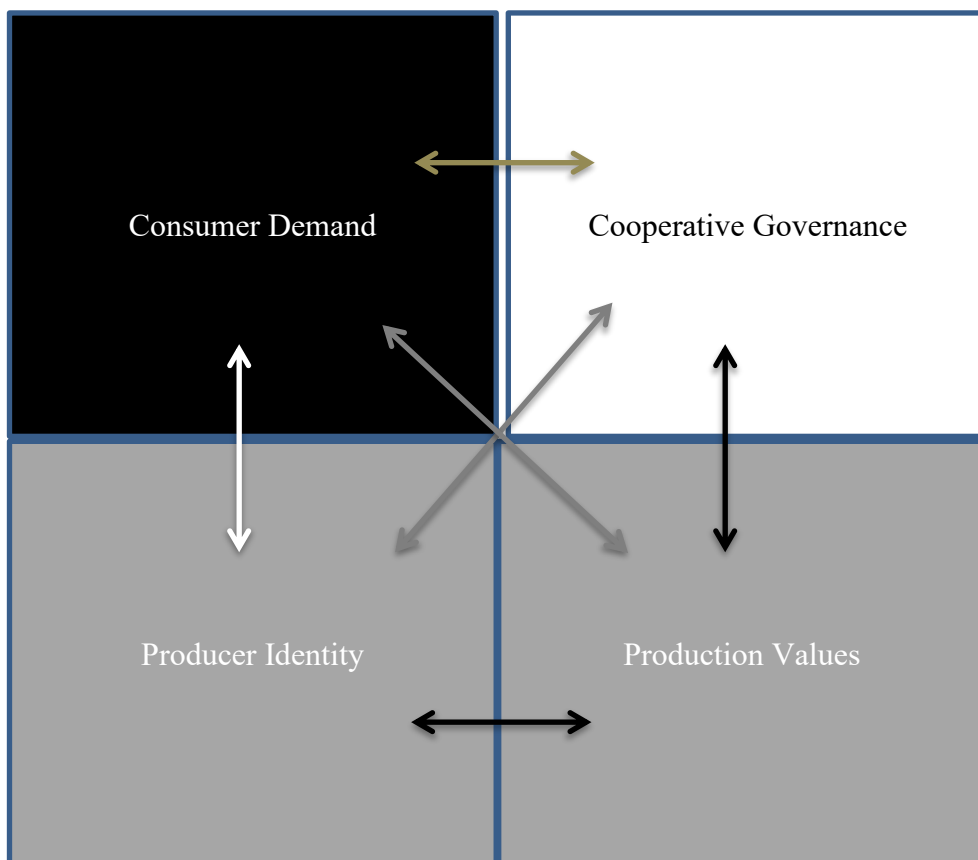
investments. Additionally, successful social hybrid enterprises could not be defined by a single community focus or goal (Young & Lecy, 2014). By incorporating an employee-membership cooperative structure, organizations spread risk amongst their members and increase job security in times of economic change (Steinerowski & Steinerowska-Streb, 2012).

The French government identified these cooperative structures as a way to maintain national stability and respond to employment needs in a way that the current for-profit market does not satisfy (Faure-Ferlet et al., 2018). Whilst these techniques have been successful, and public support for cooperatives is prevalent in France, it is still difficult to meet the combined economic, social, and consumer demands.

INTEGRATED THEORETICAL FRAMEWORK

The preceding was not an exhaustive list with which to analyze an organization or its culture. Instead, these four areas are intended to focus this study and provide useful context from which to examine how French cooperatives are developing businesses to maintain their unique cultural heritage in the face of globalization. Obviously, these elements do not act in isolation but are interdependent (Figure 1), creating a symbiotic relationship where like living organisms, development in one area will support development in another area. Within this study, we select the case studies in France. This integrated framework will be used in the analysis and discussion of the case studies, which are described in the results section.

Figure 1: Interdependent Relationship of the Frameworks



METHODOLOGY

We will explore two case studies of food manufacturing cooperatives, due to their gained national attention for converting commercially failing factories into sustainable economic and employment generators for their communities (Moreau, 2019; Luxey, 2019).

Two organizations were studied: Scop-Ti, a tea-bag manufacturing cooperative based near Marseille, and La Fabrique du Sud, an ice-cream making cooperative in Carcassone. These organizations had a number of factors that made them relevant to this research. They each had:

1. A food manufacturing site for a large multinational organization;
2. Existed for a number of decades within a locality famous for that specific type of manufacturing;
3. Been threatened with closure as part of a global restructuring plan;
4. Responded by establishing a cooperative of workers and 'buying out' in some form the factory and some production equipment from the multinational owners;
5. Achieved success through a series of high-profile campaigns which had been initially opposed by the multinational organization;
6. Re-branded itself as an artisan food manufacturer, based on local techniques and culture.

Twenty semi-structured interviews were conducted both in-person and remotely (Skype) with employees having at least 12 months of employment at their organization. Follow up in-depth interviews were conducted with senior managers, operations directors, and factory floor workers. Convenience sampling was chosen as a non-random method to target the population due to their accessibility, geographical proximity, and willingness to participate (Etikan et al., 2016). Interestingly, all participants had been 'factory floor' workers prior to the establishment of the cooperative.

Participants reflected on their experiences during 60-90-minute interviews focused on and coded to literature themes. Validity and reliability were controlled through Yin's (2014) conceptual triangulation framework. "The combination of methodologies in a study" (Denzin, 1978, p. 294) supports a deeper understanding of the participants and their motivations. Additionally, coding was used to strengthen the degree of "rigour into the qualitative analysis" and minimize any inherent validity issues (Dey, 1993, p. 59). This study was funded as part of a Leonardo Project under Markers 2, Track 12 EU Research Programme.

Organization's Background

The Société Coopérative et Participative Thés et Infusions (Scop-Ti) first came to national attention in 2015 when French President Francois Holland visited the plant to inaugurate the cooperative (Barla, 2015). This was the result of a long struggle that began in 2010. When Unilever announced the herbal tea factory (Fralib) would relocate from Gémenos, where it had been for 80-years, causing redundancy of 182 workers (ibid). The staff fought to save the factory, garnering considerable public attention (Moreau 2019). Two years later, Unilever paid €20million in back pay and €1.5million in start-up capital (Bertrand, 2014). The staff went on to launch a new cooperative, which converted the factory from a traditional business in crisis into a successful cooperative (Cheney et al., 2014).

Scop-Ti was launched with €3million, a humanistic agenda, and a focus on local organic materials (Moreau 2019). Their localized and organic identity differentiates it from consumers and promotes the connection to French gastronomic traditions (Ichijo, 2020), which has grown the company to ten times the value in 2019 (Moreau 2019). This membership balance between social mission and profit-making translated to financial and community success.

In July 2013, 19 former employees of Pilpa used their redundancy payments to open an artisan ice cream cooperative (Luxey, 2019). They created La Fabrique du Sud (Factory of the South) and the brand La Belle Aude (ibid).

An association was also formed with the objective of protecting worker's rights and engaging consumers to support the cooperative (Mas, 2017). They named the association, Amis de la Fabrique du Sud (Friends of the South Factory) a Société Coopérative de Production (SCOP). Cheney et al. (2014) contend that among all the types of cooperatives, these worker cooperatives enlist the highest level of engagement, contributing labor, and receiving dividends and value in return. SCOP has grown to become a national cooperative, supporting cooperatives throughout France (Mas, 2018).

Five years after its start, Amis de la Fabrique du Sud has expanded to over 800 members in order to pass on their values and cooperative knowledge to support other communities throughout France (Luxey, 2019). Michel Mas, President of SCOP, estimates they have contributed over €57 million to the French economy (Mas, 2018). Autio et al. (2013) argue food manufacturers can support customers by focusing on social values such as environmentally conscious production techniques. This benefits local food producers and supporting local economies.

Francoise Hollande was a major supporter of the new cooperative's success (Carnehy, 2012). This is not surprising considering The United Nations General Assembly found cooperatives are major factors in the economic and social development of their local communities (United Nations, as cited in Cheney et al., 2014). Scop-Ti demonstrates this by investing in the community, supporting the company's values, and supporting employment and local herb production (Autio et al., 2013). In 2015, President François Hollande recognized this model for their economic and social successes maintaining their mission to create jobs whilst developing local expertise, producing quality products whilst investing in local farms, distributing benefits equally with good working conditions for employees whilst maintaining high environmental standards (Mas, 2018).

RESULTS

The following findings represent the prevalent themes emerging from the interviews and media accounts. These demonstrate the contention between local traditions and social values within artisan food manufacturing (Luckman & Thomas, 2018). The themes capture and are narrowly focused on the central elements in the data relating to the integration and interconnectivity of French cooperatives on their cultural heritage in the face of changing global conditions and the dependencies of Consumer Demands, Producer Identity, Production Values, and Cooperative Governance. For that reason and to demonstrate their interconnectivity, the elements of the framework are also integrated within this section.

SCOP was designed as a national worker cooperative and thereby supported other cooperatives within the nation. The President of SCOP characterized their structure's governance strategy as "the most important thing about us, it is a different mode of governance whereby the company belongs to its workforce and not to a financial group – so we put our product as the number one priority – our knowledge – and our connection to our consumer, [French cooperatives]." From this perspective, these three entities are related, and they are also inter-related, supporting each other's initiatives, not regarding each other as competitors. Similarly, in 2014 when La Fabrique du Sud and in 2017 when Scop-Ti registered as

cooperatives (Societe, 2020), member-employees were able to vote and participate in profit-sharing. Amandine Viornery, Brand Strategy Consultant at Scop-Ti described the new process as “Always very democratic, they were a cooperative operating on the principle of showing hands for each decision, including the name and identity of every product” (James, 2017).

Demonstrating the interconnectivity of member governance and product identity, as argued by Young & Lecy (2014) and Cechin et al., (2013), a senior manager of La Fabrique du Sud said, “we wanted a different form of governance and that is linked directly to the quality of the product – that’s more important than profit.” Management decisions such as using low-cost supplies were made from this perspective and with the support of the community. Scop-Ti “will always have pressure to use cheaper supply chains [if it gets bigger] but SCOP is here to stop them from doing that. We would use crowdsourcing and explore different distribution mechanisms.”, said the President of SCOP.

The governance decisions by the membership combined strategic directions which transformed the company towards making a greater connection between location and ingredients (product identity), connecting in local values (production values) which led to the economic successes (consumer demand), as “We think that in 3-4 years we can be turning over €3-4million with 30-40 staff. I’d like to get bigger, but others are more cautious because they feel it would be hard to maintain values at that size. They feel that if it becomes bigger then it will be hard to be able to relate to everyone through the human dimension”, a senior manager at Scop-Ti said, signifying the interconnectivity as part of the company ethos.

Demonstrating the strength of the identity linking to governance in France, as argued by Bijman & Iliopoulos (2014), a founding member of La Fabrique du Sud reported “it was the staff who believed in [the cooperative], who took it on – [and became] activists” at La Fabrique du Sud. “French companies have a special relationship with food ... Food is not just about calorie intake: it’s about culture and local traditions, and it’s deeply rooted in local communities”, said Emmanuelle Wargon, Vice-President of Corporate Affairs at Danone, a French-built multinational company (Business France, 2017).

As a result, La Fabrique du Sud employees incorporated local products into their overall strategy, creating a new product identity, as well as a cultural identity into the organization, which is predicated upon a concept of themselves as owners. “We had been making mid-quality products on a large scale, but we wanted to start again from scratch and offer consumers high quality products using local ingredients...using local ingredients gives our products a local identity and ties in with the idea of *terroir*,” said, Christophe Barbier, Chief Executive and Development Director of La Fabrique du Sud in a 2017 interview (Business France, 2017). He went on to explain the success: “Our sales rose by 50% in 2014-2015, 25% in 2015-2016, and for the next year we’re expecting an increase of 30%”. This illustrates the dependency of governance strategies, which focus on inherent qualities ascribed to traditional values integrated into the produces identity that connects to consumer’s choices.

The ongoing debate regarding food cooperatives’ ability to manage food manufacturing mentioned by Cechin et al. (2013) occurred in this case as well. Here, government intervention sparked criticism by Paul Polman, the Unilever Chief Executive, who went as far as to warn the French government that allowing employees to govern the factories would be compared to that of Communist countries: “In Cuba and North Korea, brands are not protected. I’m not sure that is to the economic benefit of those countries....If France does not respect its laws, that would pose a risk for investments” (Carnehy, 2012). However, Polman’s warnings were not realized, and in 2018 La Fabrique du Sud’s turnover reached 2.7 million euros in an increase from 750,000 euros in 2014, demonstrating a steady rate of 10% per year (Vialatte, 2019). From this example, we can see a hybrid business model can exhibit economic success by

combining a shared ethos based on social values and organizational sustainability, focusing on local food products.

The staff at both companies can be characterized as "activists" for not taking their redundancy funds and instead investing the funds into a new company. Moreover, they had undergone intensive and powerful bonding during this period of time. The interviewees shared similar stories of "struggles" and a feeling of 'liberation' through their formation of a cooperative artisan manufacturing firm, illustrated by heightened feelings of identity and shared values, as discussed by DeSoucey (2010). Scop-Ti's marketing manager represented this as "a need to succeed but we can only do that via an alternative mode of governance. So, the governance actually means un-relocatable jobs linked to the local population". Recognizing the connection between governance and the Producer Identity they had built. The finance director at Scop-Ti explained, "the hardest thing is the next generation of people who are going to be working in the company – telling them where we came from and why we do things as we do." In other words, the organizational culture is a balance of a passion for the production values, the product identity, within the governance strategy.

Employees in both companies felt they had developed new businesses, emerging from the ashes of the large multinational company's factory closures. However, to classify the organizations as start-ups is to ignore the substantial legacies, which the closed companies created prior to shutting the factories. The stories, routines, symbols, structures, and control systems, which made up a cultural web (Johnson, 1992), were both in contrast to and predicated on the experiences of the staff within the multinational company and continued into the start-up. The two are, in fact, inseparable. Through this transfer of cultural traditions, social purpose, and knowledge, developed a unique USP and producer identity, thereby reflecting Luckman & Thomas's (2018) and Hoyte (2019) depiction of the artisan producer, who create a niche market. A senior manager at La Belle Aude demonstrated this feeling of unique combined identity by stating, "in a sense the struggle created the sense of pride in the product".

The reaction of pride originated in both companies from similar strategies, focusing upon the decision to secure shorter supply chains, identifying with local French food products, and national distinctiveness, as argued by DeSoucey (2010) and Nicholls & Huybrechts (2017). For example, Scop-Ti entered into discussions with local farms to grow high-quality chamomile rather than follow Unilever's process of using bulk tea and spraying on artificial chamomile flavoring. Once Scop-Ti could purchase enough quantity to make production worthwhile, producers began to harvest plants, which were once commonplace in France and had become virtually extinct, such as Verbena and Linden (Bertrand, 2014). Similarly, La Belle Aude built their brand strategy around producing 'Glaces artisanales' (artisan ice cream) and invested significant efforts sourcing locally produced fruit, as well as chocolate and vanilla from "ethical" suppliers in Perpignan, France. Additionally, they use only organic whole milk and non-vegetable fresh cream in recyclable cardboard containers. This is in comparison to Unilever, which regularly used dyes, artificial scents, and powdered milk. By recognizing France's unique national food heritage, the cooperatives enlisted community support representing the global food trend identified by Slow Food (2018).

Both factories had a long tradition in their area: Tea had been traded through Marseille since the early 17th Century, and Eléphant tea, based in the city, became a global brand in the 19th Century. A member of the managerial team interviewed at Scop-Ti commented on their history in Marseille by saying, "the factory has been here so long every family in the town either has or knows someone who has worked here". The local history mattered to members of the cooperative. One floor worker inadvertently paraphrased Renting et al. (2003) by stating that "[in the past] the national brands didn't care where it was

made. The workforce was frustrated that their skills weren't appreciated and that their location wasn't recognised as a place of expertise".

There was also a desire to connect their values to local cultures whilst gaining economic control (Nicholls & Huybrechts, 2017). This follows a growing trend of protecting disappearing local food traditions and cultures, attracting consumers who then influence product cultivation through distribution (Slow Food, 2017), as emphasized by a marketing manager at Scop-Ti, "We wanted to be visible actors in our own economy. We felt that we made a quality product and that it has a local connection."

This was reinforced by a member of the management board; "There is an expectation now from consumers, where to buy a quality product and to understand the importance of a company [supplier], which has local roots and which shares its wealth [with the community]– this has growing awareness in France". By integrating within the local economy through the purchasing of local products and employing the local workforce, there was a positive reaction to the consumer. This was anticipated by both Bijman & Iliopoulos (2014) and in Ichijo's (2020) comprehensive review. Additionally, Luckman & Thomas (2018) anticipated, both companies' artisan products would fill a niche market and would then develop a sustainable business strategy. Whilst this did occur, Scop-Ti's employees were unprepared for the magnitude of activists and enthusiasts that would manifest through their public's support. In a crowdfunding campaign, Scop-Ti "Fans" represented nearly 3,000 of all presales, nearly 300% of their goal numbers (James, 2017). Amandine Viorner, Brand Strategy Consultant at Scop-Ti, said, "the employees were extremely happy about the craze surrounding the campaign. Many did not expect it" (Ibid).

To this end, employees who are members at either Scop-Ti or La Fabrique du Sud understood their businesses were not simply producing products, but they were 'ambassadors' supporting a greater mission, reflecting the writings of Renting, et al. (2003), Nicholls & Huybrechts, (2017) and Slow Food (2018). A senior manager at La Belle Aude explained that "As soon as we created the cooperative the first thing was to create a quality product of our own – a French product, healthy, good taste and in tune for the consumer trend for "real" taste". This demonstrates the connection between the employee values focused on producing high-quality artisan products, along with an emphasis on quality local producers within a cooperative governance structure. The result is their advocacy for social benefit, organizational identity, and desire to meet a growing consumer trend.

Scop-Ti's financial success was due to collaboration with Amis de la Fabrique du Sud (Aizicovici 2017), which supported Scop-Ti's crowdfunding campaign with their expansive network, which organized donations (Mas, 2017). Scop-Ti "provides proof that it is possible to sustain a society of Social Economy and solidarity in a competitive market", said Henry Garino, member (Yvette, 2018). Working in partnership with producers, local suppliers to promote cooperatives, such as Fabrique du Sud, as well as educate consumers (Mas, 2017), Scop-Ti demonstrates how the interconnectivity of these concepts delivered organizational success.

The purpose of SCOP is to support worker cooperatives, like both Fabrique du Sud and Scop-Ti, and they emphasize national product identity, local values, and the inclusion of consumers as members (Yvette, 2018). In contrast to Fabrique du Sud and Scop-Ti, whose members are employees, SCOP's membership is open to anyone who donates 5 euros and is passionate about "creating jobs, maintaining and developing local know-how, and manufacturing products, whilst respecting consumers through transparency of quality and product origin" clarifies Michel Mas (Mas, 2017).

On the other hand, the four areas of the framework presented here do not necessarily distribute evenly at all times and by all stakeholders. A marketing manager at La Fabrique du Sud explained this

vision, “The consumer wants some level of meaning – it’s not just health or organic – it’s more a sense of values of work and know how that used to be important.” Similarly, a member of the workforce at Scop-Ti remarked, “We are not at the stage where the consumer will pay extra for an ethically sound product, but they will for the ‘real’ taste.” From this perspective, we can extrapolate that cooperatives need to balance consumer demand, producer identity, and production values in different amounts and times based on different needs, which is supported by Cheney (2014).

CONCLUSIONS

The theoretical construct posited by this article maintains that rather than find themselves pulled between two competing logics, French cooperatives balance for-profit businesses with non-profit economic models in the face of complex economic factors, including changing global competition. This conclusion is hardly new within the dedicated academic discourse. What is new is the interconnectivity of the factors facing French cooperative businesses. From this perspective, there has been a growing change in their governance to a more collaborative strategy supporting an employee-led democratic model based on integrating national producer identity, valuing product sources, and consumer inclusion. The article has shown two French organizations that demonstrated these four interrelated key elements: Producer Identity, Production Values, Consumer Demand, and Cooperative Governance.

Producer Identity and Production Values underscored by governance strategy have been shown to be most closely interlinked. Employees at both companies came to identify themselves through their commitment to a concept of product/source quality and the culture of membership governance. This was more than simply a market differentiation. This was an ideological commitment to a set of values understood as having been lost by large scale and detachment governance in the previous manufacturing processes.

Consumer Demand was closely linked to this. The struggles underpinning the cooperative’s formation had been widely publicized and, in both cases, had received significant public support. Both companies built upon this social capital in order to establish themselves. Moreover, they partnered with a third cooperative, which engaged consumers within their governance structure. Additionally, they understood their production values directly linked to a demand amongst consumers for a product that was more “real”. These companies believe that globalized manufacturing creates a division between the consumer and producer, which is inherently harmful, which is a recent trend in consumer-food activists.

Lastly, the Cooperative Governance, while recognized as not a key driver for consumers, was seen as central to the identity and practices of both companies. Staff saw themselves as committed to a new way of working based on a series of democratic principles, which were core tenants superseding any pressure from the market to operate in a different way. For all respondents, the fact that they worked in and for a democratically controlled organization was central to their vision for the future.

For both companies, the framework is made up of four sides of the same paradigm. Meaning, all areas were interlinked, and none could be separated from the other. They constitute more than a strategic response to market conditions or global food trends. For the workers, these four elements represent a commitment to a new way of working, which is in direct opposition to the multinational globalized manufacturing processes which had abandoned them.

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