

# Chapter 11

## ICT and Agricultural Cooperatives: Are They Prepared to Take Advantage of Business Opportunities?

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### ABSTRACT

*New technologies in information and communication technology are significantly impacting traditional business models, demonstrating how the relationship between the company and its corresponding value chain is changing in recent years due to the new possibilities they offer. The aim of this chapter is to analyze the current situation of Internet usage and electronic commerce in agri-food cooperatives in the province of Lleida, Spain. To this end, a questionnaire was completed by olive oil and sweet fruit cooperatives in 2010 that addressed the following aspects: computer equipment, Internet connection and presence, and finally, the level of electronic commerce. The results provide information on aspects to consider for ensuring that agricultural cooperatives take full advantage of the opportunities offered by new technologies, resulting in a useful tool for the managers of these organizations as well as for policy makers concerned with encouraging and promoting the social economy.*

### INTRODUCTION

The emergence of the Internet and the development of new information and communication technologies have resulted in considerable changes in society in general and in business, which has led

to the so-called Information Society. The Information Society is regarded as a new social paradigm that offers a great opportunity, as most people are connected through an electronic device to telecommunications systems, and more specifically to the Internet (Banegas, 2001; Laudon & Traver, 2001;

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Molla & Heeks, 2007). This situation empowers an almost unlimited availability of information, and even more importantly, knowledge sharing. This possibility affects all fields, both socially and economically, thus becoming the expression of globalization, modernity and progress (Avgerou, 2008; Suárez, 2001).

Although information and communication technology (ICT) are present today in all production sectors and society in general, we have focused the study of ICT on a very specific sector such as cooperatives for two reasons.

First and foremost due to the weight cooperatives have in Spain. According to the Confederation of Agricultural Cooperatives of Spain, agricultural cooperatives are an important part of economic activity in the Spanish agri-food sector with a billing of 18.322 million of euros for 2010 (Sagarna, 2010). Agri-food cooperatives group together some 2,849 companies and 1,012,265 members around the country. These cooperatives provide employment to more than 79,567 workers, mostly in rural areas, making these companies a real economic, social and cultural engine in rural and less populated areas in the country. It represents 10% of GDP in Spanish economy (Monzón, 2010). On the other hand, of the 2,849 agri-food cooperatives, 683 are located in Andalusia, 480 in Castile-La Mancha, 244 in Catalonia and the rest are divided among the rest of the regions. To that effect, Catalonia ranks third in importance with an annual turnover of 10.4%. Within Catalonia, Lleida stands out as being the main province in the agri-food sector.

Secondly, the importance of these companies as a means to contribute to economic, social and environmental development in a sustainable and responsible way, to the extent that their activity is based on the use of endogenous resources from the area, to create stable employment, constitute a factor of progress in rural areas, achieve a better redistribution of resources and more effectively provide services of a social nature.

The use of ICT is one of the key factors for improving the competitiveness and productivity in companies. This was revealed by data from the last report by AMETIC (2011) on “Information and Communication Technology in the Spanish company.” According to the report, the increasing use of ICT has meant a “lever of modernization” for company development.

Cooperatives as companies operating in markets cannot be left behind. If these companies want to retain a place in the market and compete successfully with other economic sectors, they must be at the forefront of this technological revolution. The speed of communication is essential in today’s markets and a growing number of business activities are conducted through the Internet. Cooperatives must become “learning organizations” given that the acquisition of knowledge is considered essential for improving competitiveness and maintaining quality employment.

Therefore, cooperatives need to constantly update to integrate with the global pace in which they operate, in such a way that they can adapt accordingly. One way to achieve this is with technologies that are suitable for optimization and that perform well.

## BACKGROUND

There is a degree of consensus on the existence of a positive relationship between the implementation of technologies and improvement in the performance of organizations on issues such as higher productivity, more customer satisfaction, value creation, and so on. These new technologies can *intervene* at various levels of the value chain and in different ways in cooperatives, not only with regard to acquiring hardware and software, but to generate added value through more efficient systems in the processes of communication, improve the analysis of information and greater access to it, better service for customers and members, shorten geographical distances or communicate quickly

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