

# The collective interest cooperative company (SCIC), a social innovation: performativity of alternative models in the third sector organizations.

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## Reimagining, Rethinking, Reshaping: Organizational Scholarship in Unsettled Times

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**Sub-theme 43**: Performativity as Politics: Rethinking Performativity and Power Dynamics

The collective interest cooperative company (SCIC), a social innovation: performativity of alternative models in the third sector organizations.

#### Introduction

The concept of performativity suggests that theories influence the phenomena they describe. In particular, it suggests that economic and management theories are turned into social reality through socio-technical mechanisms that alter markets and organizations (Cabantous et Gond 2012). However, the concept of performativity has mostly been mobilized to identify the conditions, place and time, under which a theoretical statement can be successful (or fail). In this perspective, the critic of theories and the emergence of alternative models has usually not been taken into account. It is this gap that we would like to consider in this contribution, trying to understand if and how the critic of dominant or standard theories and the reference to alternative models or political ideals may become performative.

In this context, the analysis of markets has been a recurrent field of investigation in the analysis of performativity (MacKenzie and Millo 2003, Garcia 1987, Callon 2006). The contribution is based on an analysis of the construction of the fair price in short food

distribution channel. It is based on the first results of a case study conducted in the "collective interest cooperative company" (Société Coopérative d'Intérêt Collectif : SCIC) Alter-Conso. Based in Lyon, this Alter-Conso defines itself as " a system of solidarity between producers and consumers through a weekly distribution of locally grown vegetable baskets » and as a "non-capitalistic organization". We integrate the notions of critical performativity (Spicer, Alvesson, and Kärreman 2009) and performative praxis (Cabantous and Gond, 2012) and the literature on the social construction of markets in order to show how the critical approach to dominant theories and models can be transformed into social reality through the creation of innovative management practices in a third sector organization. The first results suggest that the definition of the fair price within the SCIC Alter-Conso refers to the result of a formalized deliberation process. An alternative conception of the market and the organization is materialized into innovative management practices that support the prices' definition. This definition takes into account a normative conception of justice as well as the constraints of the market environment.

## <u>Context</u>: The third sector organizations and the criticism of standard management <u>practices</u>

The last decades have shown a growing interest for organizations of the "third sector". These organizations can be defined as hybrid structures, characterized among other things by a democratic governance and a diversity of stakeholders, hybrid financial resources, limited lucrativeness, and a diversity in the goals they follow, including a purpose of social utility (Mair et al., 2012). This increased enthusiasm can be related to a search for innovative, alternative models in a context of economic and environmental crisis, and to a societal critic of some downward spirals of « standard » management models. These organizations often put forward an alternative approach of the ends of the firm and of the market. The notion of performativity seems therefore particularly interesting in order to understand if and how the alternative ideas and values carried by these organizations are transformed into social reality. This question is even more relevant given that our understanding of the management practices and the processes of decision within these organizations remains very limited. Indeed, the literature on "social and solidarity economy" (Laville 2001) has received considerable attention from scholars over the past years, focusing on non-profit organizations, democratic

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<sup>1</sup> Website: www.alter-conso.org

governance, or the social enterprise (Borzaga and Defourny, 2001; Nyssens, 2006, Dees, 2001; Kerlin, 2006). However, there is a need to open the "black box" of these organizations and of their management practices. As so far, two major tendencies have been identified (Bidet, 2003; Laville et Glémain, 2009): on the one hand, some organizations tend to be subject to institutional isomorphism through the adoption of standard management tools and practices in a context of strong economic competition (Di Maggio and Powel (1991), Enjolras, 1996, Mendez et Richez-Battesi, 1999, Nouvel, 2009). The adoption of management models imported from large private corporations creates issues in terms of organization identity and legitimacy (Toulouse et Bécheur, 2008). On the other hand, some organizations resist to the adoption of standard management tools, hindering the professionalization of their activities. Recently, a third option has been identified (Acquier et al. 2011, Hollandts 2009, Demoustier et Malo 2011), that puts forward the creation of hybrid management models, taking into account the necessity of economic viability and professionalisation as well as the serach for a global performance (including social utility, environment, stakeholders). We would like to go further in this third way, trying to understand how the specificities announced by these organizations are put into practice.

#### A new organizational form: the Collective Interest Cooperative Company

In this context, we focus on a new form of cooperative, the Collective Interest Cooperative Company (SCIC), which has been created in France in 2001. The SCIC are commercial enterprises, and are therefore required to be economically efficient and innovative. However, they differ from « classical » cooperatives on the two following points:

- They have a business purpose of collective interest and an aim of social utility (production of goods and services that fill the collective needs of an area, in coherence with sustainable development processes, setting up of a democratic dialog between the various stakeholders).
- They enable a variety of stakeholders to go into partnership on a common project. Indeed, these cooperatives have to rang the three following types of stakeholders among their members: employees, services users and contributors (local authorities and communities, firms, volunteers, non profit organisations, private individuals).

Owing to their characteristics, the SCIC can therefore be defined as social innovations (Cloutier 2003), in relation to an approach of the economic activity based on transgression and construction. The transgression consists in highlighting the norms, rules and values taken for granted and deliberately questioning them. The constructive process refers on the other hand to the attempt to define alternative practices in management.

#### Presentation of the case study: the SCIC Alter-Conso

This contribution will present the first results of a case study conducted in the SCIC Alter-Conso. The SCIC counts around 750 members, divided in 4 electoral colleges: employees (8 members), producers (45 members), consumers (700 members), and sympathizers. The 45 producers are divided according to the type of product: fruits, vegetables, dairy products, alcohol, bread and pastry. Three basket sizes are proposed for each type of product: « one-man », couple, family.

Beyond its status, Alter-Conso can be qualified as a social innovation at several levels: a strong social goal (provide access to quality local fool to the greatest number), a democratic governance associated to multiple management innovations, strong relations with the territory (through the participation to several rural development and social and solidarity economy networks).

#### **Conceptual framework**

#### From the criticism of performativity to a "critical performativity"

Despite its polysemy, the notion of performativity it refers in a broad manner to role of practical and theoretical knowledge in the constitution of reality (Muniesa and Callon 2008). As so far, the notion of performativity has been mostly investigated as a positive correlation, as illustrated by the notion of "self-accomplishing prophecy", in relation to the idea that "performing" means "making something happen" (Muniesa and Callon 2008). In this sense, several scholars have shown how theories which are produced in a restricted academic world can meet in a broader environment a configuration that will enable them to "come through" (Garcia 1986, Mackenzie et Millo 2003), shaping the markets and organizations in which they

are adopted. This approach of performativity has contributed to a critic of the role of scholars in the reinforcement of the power relations and domination within organizations, and in the "naturalization" of dominant management and economic theories. As underlined by Ghoshal (2005) "Many of the worst excesses of recent management practices have their roots in a set of ideas that have emerged from business school academics over the last 30 years". In parallel, this approach has also led to a rejection of the notion of performativity itself in Critical Management Studies (CMS). This is mostly related to the adoption of a narrow definition of performativity as an "optimization of the global relationship between input and output" (Lyotard, 1984). CMS have therefore adopted a position of "anti-performativity", in relation to a critic of a performativity seen as a legitimation of instrumental rationality that contributes to "shape the intellectual and normative order within which all day-to-day decisions were made" (Ghoshal 2005).

The tradition of anti-performativity in CMS is thus related to a search for emancipation through the acknowledgement of power relations in organizations (Fournier et Grey 2000) and the «denaturalization» of management theories and practices. However, this anti-performative approach raises a number of issues, including the difficulty to give an aim and direction to CMS beyond the critic of the world as it is, and a «cynical consciousness» (Sloterdijk, 1984) that exempts the researcher from taking the responsibility of proposing alternative models (Spicer et al. 2009) In order to challenge the idea that critical management studies should be anti- or non-performative, Spicer et al (2009) introduce a notion of "critical performativity" that would give a «more constructive direction for CMS». Therefore, a critical performative approach would aim at identifying the existing theoretical alternatives and the way they are performed. It also introduces a political and normative dimension to CMS.

Thus, this work will also refer to an approach of critical performativity. Based on the idea that "Performativity must be understood not as a singular or deliberate "act" but, rather, as the reiterative practice by which discourse produces the effects that it names". (Butler, 1993, 2), the critique of current management practices and power relations could also become performative, in the sense that these discourses could be enacted and « actively intervene in managerial discourses and practices » (Spicer et al, 2009). We believe that the notion of critical performativity can be useful when addressing the development of alternative management models in socially innovative organizations. In this context, Spicer and al. (2009) insist on the need for the researcher to adopt an attitude of care (taking into account

the participants' views and look for cases that do not fit the existing theories), and to be attentive to "matters of concern" (Latour 2004) within organizations. Finally, they insist on the need to drawn particular attention to heterotopias (Foucault 2000), defined as "spaces of play that encourage the exploration and imagination of alternative modes of being and doing » (Hjorth 2005). However, this attention for heterotopias is mostly defined in CMS as a renewed attention to struggles and conflicts and micro-spaces for emancipation as seeds for change within organizations. Thus, they do not refer to the organizations that already affirm their will to bring societal, political or economical change. We believe that the study of "critical performativity" through the analysis of the relation between ideals and values carried by the members of the SCIC, in relation to their management practices could be a way to develop the notion of critical performativity and to fill this gap. A better understanding of the "critical practices in management" and of the way alternative and socially innovative organizations apprehend the classical concepts in management would contribute to such an approach of "performativity as politics".

#### The "performative praxis" and the relation between ideas, tools and actors

In order to understand the processes through which theories and models may be turned into social reality, Cabantous and Gond (2011) mobilize the notion of "praxis" as "something that emerges from the doing of organizational actors". More precisely, they define "performative praxis" as "the "actors' daily activities that turn into social reality. These activities are supported by material tools and cognitions embedding this theory's assumptions" (Cabantous and Gond 2011). It is thus necessary to identify the relationships between theories, agents and tools in order to analyse performative praxis. The relationship between agents and theory, models or ideals can be understood through the mobilisation of the conventions theory. The conventions theory states that the coordination of human actions is not strictly based on instrumental rationality, but relies on a conventional framework. It identifies « the behaviours normally expected » in a given socio-economic context Gomez (2011), by underlining the collective beliefs and the moral values shared by the players. Therefore, it is necessary to identify the beliefs that support the management practices within alternative organizations. Thus, one may wonder if the representations of the players and stakeholders reflect a denaturalization of the classical management tools (Taskin, De Nanteuil (dir.) 2011) and how the room for reflexion and mobilization of alternative models organizes itself. What are the grounds for legitimacy in the decision-making process? What are the potential alternative conventions that emerge within these organizations? Which ideals and theories do they rely on? What are the critical perspectives on management that are carried by the members of the SCIC, and how are they materialized into « critical practices in management »? This leads us to draw a particular attention to management tools and in particular to innovative management devices.

#### A focus on innovative management devices

Boussard and Maugeri (2003) define the management devices as "disparate and complex assemblies and tools, techniques, rules and procedures, but also actors, discourses, representations and visions about the organization, that is to say, of material, human and discursive elements which are closely embedded in one another and aim at giving an orientation to organizations". In parallel, Birkinshaw et al. (2008) refer to management innovation as "the invention and implementation of a management practice, process, structure, or technique that is new to the state of art and is intended to further organisational goal". In relation to these two approaches, we would like to identify to what extent the SCIC, defined as an alternative and critical organization propose innovative management devices that reflect their definition of fair price and contribute to enacting it.

#### The social construction of markets: a recurrent topic in the analyses of performativity

The social construction of markets has been a recurrent issue in the analysis of the performativity of economic theory. On one hand, the analysis of the social construction of markets has helped to understand how the reality of markets can be « reshaped in conformation with the theory » (Mac Kenzie and Millo 2003). As underlined by Callon (2006) it has also ironically contributed to a denaturalization of the standard economic theory, showing the role played by agents, tools and investments (socio-technical agencements) in the enactment of the theory. On the other hand, the analysis of the social constuction of market has contributed to a critique of the standard economic theories, highlighting the gap between theory and the effective functionning of some markets.

#### Towards a critic of the standard theory in the formation of prices

The standard economic theory suggests a representation of price formation that is « formal and idealized, based on the Walrassian model of competitive equilibrium » (Birkinshaw, Hamel, et Mol 2008). Since the 1980's, a growing number of scholars, mostly in socioeconomy, have. On one side, the « meeting » of the offer and demand curves does not present the concrete mechanisms on which this meeting is based (Chiffoleau et Laporte 2004), or the modalities of price calculation. Callon et Muniesa (2003) therefore insist on the importance of the tools used by the agents in order to qualify, compare and evaluate the goods and on the organizational structures that support the exchange. On the other, the representation of markets as an "autonomous area driven exclusively by selfish and calculating behaviors" (Le Velly 2012, p.3) assumes a social atomization that conceals the role of interactions and interpersonal relations in the participation to the exchange. In line with the work of Granovetter (1985) on the social embededdness of economic activities, a number of scholars have developed an analysis of markets as social constructs, focusing on the processes of interpretation, sense-making and social interactions that drive market activities (Le Velly 2012, p. 4).

In parallel, attention has been drawn on the existence of market imperfections and on the notion of bounded rationality. It shows the importance of non-market-based forms of coordination (Williamson 1981) as well as the importance of the processes of evaluation of the quality of goods and of the notion of trust in markets characterized by strong uncertainty. (Karpik 1989). These analyses put emphasis on the diversity of concrete markets and coordination forms, and on the role of tools and sense-making in the evaluation of goods and in the price definition.

#### From the social construction of markets to the definition of fair price

There is little reference to the justice of exchange in standard economic theory. Even though the notion of justice in exchange has always been a major concern for political economy, few scholars tried to identify substantive criteria for the notion of justice in the price definition. According to Elegido (2009), this lack is related to a standard approach of the market as a neutral, natural phenomenon. In this approach, the price is seen as a « phenomenon to explain, a fact to analyze, and not a norm to define » (Prevost 2012). This assumed neutrality of the

price definition is in line with a « naturalized » conception of economic phenomena. In this context, neither the ethical or political considerations, nor the agents' decision power (determined by their egoism and rationality) have a role to play in the understanding of price formation. In this sense, an approach of the market as social construct may renew the reflexion on the question of fair price. The market, or at least some markets can therefore be seen as spaces for deliberation between individual and collective values and expectations, in which « the just can and must be discussed » (Prevost 2012). Adopting a definition of the market as as social construct, it becomes possible to wonder how the conception of justice adopted by the participants to exchange affects the price definition and therefore the organization of the market. Moreover, a number of alternatives developed by fair trade movements and short food distribution channels have renewed the reflexion on the equality of exchanges that draws a particular attention to the question of fair price.

#### The question of the fair price in short distribution channels

Since the 60's in Japan, the 80's in the United States and more recently in France, a diversity of initiatives has developed in order to promote sustainable agriculture, based on a logic of short distribution channels, promoting environmental quality, social justice and economic equity (Dubuisson-Quellier et Lamine 2004). In parallel, fair trade movements have emerged in order to modify the power struggles in South-North exchanges. These various movements have in common « the expression of a societal critic that aims at questionning the principles and consequences of some forms of market activities » (Dubuisson-Quellier et Lamine 2004). In reference to the sociology of collective action, the market is thus therefore defined by some social movements as a « frame of injustice » (Benford et Snow 2000), characterized as an impersonal realm, exclusively oriented towards the search for profit and ignoring its social and environmental impact as well as the living conditions of the producers. These movements suggest that, in line with an alternative conception of justice in trade, it is possible to transform the organization and impact of economic exchange. The SCIC Alter-Conso can be associated to both movements as it defines its activities as « local fair trade » and « promotion of organic and small-famer oriented agriculture ».

In this context, we would like to analyse the concrete mechanisms of price definition in order to identify « the processes and justifications associated to the definition of fair price » (Prevost 2012), in the SCIC Alter-Conso.

#### **Methodology**

This contribution is based on the first results of a case study about the SCIC Alter-Conso, in the frame of a PhD thesis. This work is based on a comprehensive approach and gives a particular attention to the representations of the diverse stakeholders of the SCIC, in order to put forward the relation between, values, tools and agents in innovative management practices. The fieldwork is based on the analysis of documents (website, journal of the cooperative, press articles, accounting documents, meeting minutes), on long interviews and observations (meetings, preparation of baskets, distributions). As so far, 10 interviews have been conducted with the members of the different colleges, in order to identify the first categories of analysis. This work is based on a first analysis before a more in-depth coding of the data.

Results: The price definition in the SCIC Alter-Conso: the search for a fair price based on an innovative management device

The project of Alter-Conso: creating quality jobs, or the fair remuneration of the employee

One of the motivations of the founders of the SCIC was the creation of quality jobs, enabling the employees to articulate their life at work and out of work (the employees work part-time, on a basis of 30 hours per week). They have a goal of fair remuneration fixed at an hourly rate of 1,4 SMIC (the French minimum wage), not achieved for the moment. The employees are in charge of the distribution of the baskets (helped by the producers in order to maintain the relation with the consumers). The organization of the baskets distribution induces operating costs (wages, maintenance of the trucks, gas) that are added to the cost of the products and are equally supported by the producers and the consumers. The consumers pay a subscription for the baskets and a separate price for the operating costs, in order to maintain the transparency concerning the price paid to the producer. The operating costs are a percentage of the price of the baskets, fixed in reference to the income level of the consumers: 0% percent for consumers depending on social benefit, 10% for non-taxable consumers, 20% for the taxable ones. The choice of the criteria taxable/non-taxable (in preference to other criteria like student, unemployed...) is related to the will to take into account the poor workers.

Concerning the producers, their participation to the operating costs depends on the location where they deliver their products (on the farm, in the premises of Alter-Conso, halfway).

« Concerning the baskets, the consumer signs up for six month, with two jokers; He pays two different checks, one part for the baskets, that is exclusively used to pay the producer, and another that pays the operating costs, the wages, the trucks and the gaz. This part is a percentage of the baskets and we wanted it to be as fair as possible, as we did'nt want to put a strain on the budget of the consumers. » (Hervé, employee of Alter-Conso<sup>2</sup>)

The definition of the operating costs is therefore related to a criteria of justice at three levels: employee remuneration, financial participation of the producer, accessibility of the products for the consumers.

#### A definition of the fair price based on innovative management devices

Beyond the operating costs, the price definition also concerns the price of the products. Given that the price of the baskets is fixed, the price of each product directly impacts on the diversity and quantity of products in each basket.

The prices of the products are fixed once per season, in order to secure the producer's income and to stand out from the standard ditribution channels (large producers' cooperatives, marketplaces, supermarkets). However, under exceptional circumstances (climatic ones in particular), the prices can be reassessed during the season. The price fixation takes place in two steps. First, the producers discuss the prices in a « sector meeting » (a sector is defined according to the type of production, with a sector representative elected among the producers every second year) and organize the production calendar according to the seasonality of the products. One or two employees take part to these « sector meetings » in order to be informed about the production issues and the discussions about the price. Then, the employees, the producers and the consumers meet to fix the final price of the products for a given season. Any producer who wishes to change the price of a product for the upcoming season has to announce it ahead of that meeting. This enables the members of the different colleges to get prepared, if they wish so, for the discussion about the price of the product.

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<sup>&</sup>lt;sup>2</sup> The names of the interviewees have been systematically modified

« In order to fix the price of the products, the producers, the employees and the consumers sit down at a table. The producer will say « the kilo of strawberries, I make it at this price, it's not possible to make it at a lower price ». The consumer will say « at this price, I will never buy strawberries, it's out of my budget ». And the employee, he is there to be the mediator between the two, the idea is to have the fair price (...). The idea of a fair price is not to follow the market price but to associate a price that is remunerative for the producer, and affordable for the consumer, with a moderating mechanism from the employee.» (Hervé, employee of Alter-Conso).

The price fixation aims at defining a fair price, based on a clearly established deliberation process and involving all the stakeholders of the cooperative. Moreover, the notion of fair price is clearly defined in opposition to the market price. At this level, the idea is to bring together a fair level of income for the producer, a requirement for quality and diversity in the baskets composition, and accessible prices for the consumer. The employee interveenes as a mediator in the discussion. Apart from the « sector meetings » and from the price fixation meetings, the SCIC organizes once a year a day of more informal workshops. These workshops are open to all the stakeholders in order to discuss the future orientations of the cooperative and to prepare the annual general meeting. In the past two years, the workshops respectively focused on the commitment in the cooperative's life and on the importance of the organic farming label. Given that the price fixation is a growing concern within the cooperative, this question might be the subject of the workshops in the next years.

Through this organizational device, the SCIC implements a democratic process fot the evaluation of the goods, referring to « a frame of deliberations close to the « market agora » mentionned about the reflexions on fair price prior to the modern political economy: public spaces that respect indivual equality and freedom, which are the founding priciples of the liberal equity, whereas the markets as they are do not » (Prevost 2012).

Once that the requirement for justice and the existence of a deliberation process around the price definition has been established, there is need to identify the criteria of evaluation of the goods and of the calculation devices associated (Callon et Muniesa 2003). Indeed, in short distribution channels, the price can be seen as the expression of a social choice. It reflects the value given by the consumers to the different aspects of a product. The criteria of justice refer to the formation of « *individual and collective judgment* » (Prevost 2012). It is then particularly important to understand how the individual and social values emerge and how they are articulated with social choice and democratic deliberation. As underlined by

Chiffoleau and Prevost (2013) « in the matter of food products, the consumers have a multidimensional conception of quality (related to taste, safety, environmental and social quality...) » (Codron, Siriex, et Reardon 2006). Thus, the price definition, related to the diversity of individual expectations, implies a constant dialogue between the different stakeholders,

<u>Tools for price definition: between normative criteria for quality assessment and economic calculation</u>

#### • From trust to the setting up of a calculation tool for production costs

When the SCIC was created, the employees (and founders) had no education or competencies in agriculture. The project was mostly driven by the will to give access to quality local food to the greatest number, in a dynamic of community development. During the first years, the employees have therefore trusted the producers for the price definition as they did not consider themselves as specialists in that matter. However, as they gained competency, the employees noticed what appeared like excessive prices proposed by some producers and decided to deepen the reflexion on the notion of fair price. In order to maintain the price transparency for the consummer, the setting up of a more rigourous calculation of the production costs has been decided. A training session has been proposed to the producers to enable them to evaluate these costs. The majority of producers has « played by the rules », however some of them did not follow. This situation is creating tensions among the producers (some of them being considered as free-riders), and contributes to a renewed in-depth reflection about the price definition within the SCIC. As so far, the requirement for transparency has mostly been expressed by the employees, who make sure that the price fairness is respected. As for the consumers, they seem to express their trust in the employees to guarantee fair prices.

#### • The question of « fair remuneration »

The promotion of a more rigorous calculation of production costs is also related to a reflection on the fair level of income, which applies to the employees as well as the producers. It questions the level of income considered as acceptable to live with dignity and the value given to work. As mentioned earlier, the SCIC clearly defines itself as a non-capitalist

organization. The satisfactory income level is therefore defined through a normative discussion and enacted through a vote in the general meeting. It is fixed at 1,4 SMIC for the employees (althought the takings if the SCIC are not sufficient for the moment to reach that level). The question of the employes' income reflects a tension between the social and economic goals of the cooperative, and between fair price and fair remuneration. Given that the salaries fall within operating costs, a raise in the salaries implies either a growth in the number of consumers, or an increase in the price paid for the operating costs. In either case, it limits the number of low-income consumers that can join the cooperative.

#### • A position « in and against the market » (Le Velly 2006)

For the members, being part of the SCIC is a way to avoid classical food production and distribution channels and try to become independent from the market price. For the producers, the SCIC secures a more lucrative price (30 cts/kg apples in a standard cooperative, 1,40 euros with Alter-Conso) and guarantees to sell the production. Moreover, urban agriculture projects often contribute to the empowerement and the decision power of the producers, as they reduce the relations of domination and hierarchy in place in the classical food industry (Chiffoleau et Prévost 2013). The price levels and the commitment of the consumers contribute to this emancipation. Pellequer et Chiffoleau (2010) identify 5 producers profiles according to the reasons (more or less pragmatic, more or less political) that motivate their choice for short distribution channels. At this stage, our data analysis is not deep enough to develop this point, but we have already identified the following motivations among the producers: protection of the environment, development of alternative agricultural production systems, or just the pleasure of going to the city to distribute the baskets. The diversity of these motives will have to be futher analysed, including their role in the price definition, but show that it combines economic interest with normative and political positions.

As we already mentioned, the consumers trust the employees and price definition process that is sett up in the SCIC. Moreover, the fact that they do not have to patronise supermarkets, the contribution to small-farm local agriculture and positive environmental externalities justify in their eyes a higher price. However, a more in depth analysis of the data is necessary at this stage to improve our understanding of the consumer's perspective.

As for the employees, the goal is to define a fair price within the SCIC, regardless of the « market price ». An employee points out that it is not relevant to speak about <u>the</u> market price : if apples cost 30 cents at the cooperative and 1,40 euros on the market, what does the market price means? In fact, the prices defined by Alter-Conso stay close to the prices of

local small organic markets. In a competitive environment, it is impossible for the SCIC to completely free itself from the market environment that might in the long run impact the consumers' commitment. This is one of the limits of the ability to perform the conception of justice in exchange carried by the SCIC.

#### The price reflects the environmental and social quality of the products.

The environmental quality of the products, and especially the organic agriculture label, is taken into account in the price definition. Thus, the SCIC defines three price levels according to the agricultural practices: conventional, « in conversion », organic, in order to incite producers to adopt the organic label. The SCIC also develops a global reflection on the necessity of labels and on the adoption of labels that are alternative to organic agriculture (like the « small-farming » label).

#### • A reflection on poverty and on the right to quality local food

The short distribution channels have a role to play in the reflection on poverty and unequal access to quality food products (Prevost 2012). This reflection is at the core of the project of Alter-Conso: the initial idea of the founders was to create a « public service » for food, through the setting up of specific distribution channels in collaboration with local authorities, in order to give access to the baskets to low-income citizens. However, the public authorities did not believe in the project and it had to be modified. However, it is now being developed by an organization co-created by Alter-Conso.

#### **Discussion**

The first empirical results show that the SCIC Alter-conso setts up a formalized procedure in order to define the fair price. This procedure aims at creating spaces for deliberation about the quality of the goods and the tools for price calculation. This procedure can be understood as an innovative management device that reflects the request for participatory governance and a conception of justice that combines the fair remuneration of producers, accessibility for the consumer, environmental and social quality of goods. Thus, the SCIC put into practice an alternative conception of the role of the market and organization. However, the performativity of the political ideals carried by the organization and their critique of the dominant economic

model is limited by its inclusion in a competitive environment. However, we would like to propose three possible theoretical contributions:

First, the definition of the fair price within the SCIC puts forward the relation between the « market culture » and the definition of justice criteria. Indeed, in their definition of the fair price, the members of the SCIC refer to the fair remuneration of producer, accessibility of the products for the consumer, normative limitation of profit (in reference to a non-capitalistic orientation and decent living conditions), justice towards the next generations (through the protection of the environment), and distributive justice. All these criteria refer to a normative position about justice and about the goals of markets and of the enterprise. These criteria are precisely the ones that are refuted by scholars defending the liberal market as the best way to achieve justice in exchange: profit maximization without a normative limit, economic remuneration of innovation, responsibility of the producer as regard to his ability to earn enough to live with dignity, no responsibility of the firm as regard to distributive justice or social issues. On the contrary, Alter-Conso considers exchange as a medium to produce social utility, the firm has a clear social responsibility, the market is considered as a mean more than an end. The criteria for definition of the fair price are therefore directly related to the way the actors of the exchange address purpose of the market and the firm.

Second, in the case of Alter-Conso, the procedure of definition of the fair price enacts the vision of the market as a space for deliberation about the value of goods and creates the material support in order to promote the empowerment of producers and the participation of the various stakeholders. In this sense, the SCIC one can talk about a "performativity" of the values and ideals carried by the different members of the SCIC. In relation to critical performativity, it puts forward the role of the participants in the creation of "critical practices" and in the co-creation of alternative models. These practices should receive particular attention of the scholars in the comprehension of alternative models and in the definition of alternative theories.

Finally, the notion of social innovation could then be seen as an answer to the limits of the classical organisational frames of the market economy and to the oppositions that these frames can create. The actors of the SCIC could therefore be understood as « groups of concern » such as defined by Callon (2006). The market imperfections can thus create social dynamics that may eventually lead to a reorganisation of the market. For example, a definition of the price based on criteria of justice and solidarity questions the classical approach of the

market and suggests an alternative approach through the construction of a management tool, namely a formalized space and process of discussion for the price definition.

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