

Abstract

Strategic cooperation is taken as an alternative resort for solving problems facing non-profit organizations (NPO) which suffer a bottleneck in operations resulting from mounting resource scarcity and external threats. It is especially deemed so for farmers' associations in Taiwan, which were closely associated with the development of agriculture on the island in the past century and have been seriously affected after Taiwan entered the World Trade Organizations (WTO) in 2002.

Given this understanding, we conduct a two-phase study to observe the phenomena by studying farmers' associations in Taiwan. Research 1 attempts to explore the cooperation characteristics which can most explain the decision on strategic cooperation types chosen by at least 3 farmers' associations in each network. Research 2, based on the findings of Research 1, attempts to explore the value-co-creating and relation-maintaining mechanisms for such relations.

As part of the methodology, we apply an exploratory multiple-case-study design and refer to NPO and PO (for-profit organization) literature for analytical induction. Prior to the case study, we first categorize the NPO strategic cooperation relations into four types: Non-profit joint operations, for-profit joint ventures, non-profit alliances and for-profit alliances. This categorization made in accordance with literature review and observed phenomena serves as a basis for our further research.

In Research 1, we examine 5 theoretically sampled cases and find out 2 characteristics variables which can most explain the decision on whether to organize an independent institution, and 4 variables which can most explain the decision on whether to keep the cooperation for non-profit purpose or change it into for-profit relations.

According to our findings, if cooperation involves high business separability and high necessity for relation-specific asset input, we suggest a choice for organizing another new independent institution (i.e. non-profit joint operations or for-profit joint ventures). If cooperation involves low business separability and low necessity for relation-specific asset input, we suggest a choice for not organizing an independent institution (i.e. non-profit alliances or for-profit alliances).

In terms of the "non-profit or for-profit" decision, if cooperation involves high input commonality, low input measurability, high output commonality and low output measurability, we suggest a non-profit choice (i.e. non-profit joint operations or non-profit alliances). If cooperation involves low input commonality, high input measurability, low output commonality and high output measurability, we suggest a for-profit choice (i.e. for-profit joint ventures or for-profit alliances).

For the second research, we focus our study on the two non-profit cooperation types and examine 8 theoretically sampled cases including 5 non-profit alliances and 3 non-profit joint operations.

We explore the value-co-creating mechanisms by analyzing case data from the two characteristics variables which can most explain the “organizing an independent institution or not” decision in consideration that the two studied types take different cooperation forms and may apply different mechanisms for co-creating synergetic value in the network. Meanwhile, we explore the relation-maintaining mechanisms from the four characteristics variables which can most explain the “non-profit or for-profit” decision because the two studied types is of non-profit nature and involve high input commonality, low input measurability, high output commonality and low output measurability. It is of strategic significance to heighten partners’ will for continued cooperation in such non-profit relations.

Our findings of the value co-creating mechanisms suggest 6 mechanism variables for the non-profit alliances and non-profit joint operations, respectively, depending on their levels of business separability. Analysis from the characteristics of necessity for relation-specific asset input, in similar manner, suggests 4 variables for the two studied types, respectively.

In the exploration of relation-maintaining mechanisms, results suggest 4 mechanism variables for the non-profit types if cooperation involves high input commonality, 1 variable for relations involving low input measurability, 3 variables for relations involving high output commonality, and 3 variables for relations involving low output measurability.

Although there may be many mechanisms which can help partners to co-create value and maintain relations in their cooperation, this research attempts to explore only the variables which can be of more strategic significance for the two focus types.

Following our findings in Research 1 and 2, we provide normative propositions and build a decision-making model for the choice of strategic cooperation types and another integrative conceptual model of the value-co-creating and relation-maintaining mechanisms for non-profit alliances and joint operations.

Farmers’ associations, which boast of a history of nearly 100 years in Taiwan, are unique in their business models as compared to other non-profit organizations. On top of that, NPO inter-organizational cooperation relations are seldom examined from strategic perspective. Theoretically speaking, findings of this dissertation can further extend and supplement the explanation and the application of present theories and literature to the phenomena in this regard. Implications and recommendations for managerial practices of inter-organizational cooperation among farmers’ associations are also discussed.