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Innovative business models in European agrifood systems: governance issues in an era of digitalization, societal demand and environmental challenges

EDITORIAL

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In recent time, European agrifood systems are witnessing tremendous changes which affect the way traditional businesses are organized. Among these trends one can recognize three sets of factors. The first is digitalization, resulting in a recombination of transactions and new players entering the agrifood chains. This phenomenon is seen concomitantly at the agricultural level, at the food processing and at the retailing levels, inducing the emergence and expansion of innovative governance structures, including those that enable the active participation of consumers and small holders, but at the same time provides some reinforcement of global or traditional players.

The second category of factors is societal demands: inclusion of small holders, territorial equity, closure of the income gap, organizational and business model innovations for social inclusiveness, nutritional aspects, etc. This brings society, and its challenges, to the heart of agrifood systems, putting forward the right to access to safe, affordable and culturally acceptable food as a fundamental right.

The third one is environmental, with its multiple components: climate change, biodiversity, energy, circular economy, waste management etc. These societal and environmental challenges open new opportunities for innovative governance structures, in terms of types of contracts, scope of decision rules, characteristics of transactions, control and incentive mechanisms, which are usually seen at ecosystemic and/or more local levels.

Facing these changes, traditional organizations, such as cooperatives, SMEs, multinational companies, innovate and renew their own business models, in order to be more inclusive or more sustainable, while

newcomers, especially in the retail and e-commerce sectors, are important drivers of change in terms of the organization of transactions (e-commerce, digital platforms, relationships with consumers and citizens).

The managerial implications of these transformations need to be better understood. Among other topics, the research needs to shed light on how these new business models can help us tackle the complex social dilemmas which are emerging. Consequently, the silo-type approaches which address each challenge separately are doomed to fail. Managers of these innovative business models are in need of frameworks and analytical tools that will enable them to shift towards holistic solutions.

These drastic changes in governance components and mechanisms can be tracked at different levels. At micro level, the focus could be on intra-organizational governance aspects (e.g., board structures and processes) while at the meso level, the focus is on sectors and /or territory-based. However, there is also a need to look at the macro level, especially with the new roles of international institutions in the definition of standards for environment, fair trade and societal demands for instance, along with the need to take a food systems perspective.

This IFAMA Europe Special Issue of IFAMR provides several contributions centered on one country, inter-European comparisons, or comparisons between European and non-European research cases, and shed an original light on this topic of innovative governance structure issues in a constantly evolving competitive environment.

The article by Taras Gagalyuka and Maryna Kovalova explores how implementation of digital technologies (DTs) assists firms in transition economies in addressing weaknesses of the institutional environment surrounding them, in particular via the establishment of collective governance systems. Based on case studies of three large-scale agroholdings operating in Ukraine, the paper aims to fill the research gaps with regard to the following: motivation of the firm to initiate DT-enabled collective governance systems; the rules these systems are based on; and the reasons behind the firm's choice of a particular governance mode – closed, shared or open – for these systems. The findings generally support the institutional theory argument that complex technology enables coordination of exchange relationships not only within but also outside firm boundaries. At that, the choice of a governance mode between closed, shared or open institutional infrastructure is likely to depend on the firm's ownership concentration, corporate transparency, availability of resources and social embeddedness.

The article by Irene Martínez-López, Marta Fernández-Barcala and Manuel González Díaz is focused on cooperatives, which are a widely prevalent organizational form in the agrifood sector that have been extensively examined in the literature. The primary objective of the literature review is to evaluate approaches taken in studying the performance of these organizations, with a specific focus on whether these analyses have duly recognized the multifaceted nature of cooperatives, characterized by having multiple objectives. Second, the review examines research comparing cooperatives with other types of organizations to ascertain whether, despite operating in the same markets, such analyses have acknowledged that these organizations pursue vastly different objectives. Finally, this literature review also ascertains whether studies have considered the influence of organizational innovations (e.g., allowing capitalist investors or share transferability) on cooperatives' performance. Correctly approximating how to measure the performance of agrifood cooperatives is critical to understanding their success and evolution and, significantly, whether they benefit from innovations in property rights and governance.

In her article, Sofia Boza analyzes the international competitiveness of agri-food products, which is crucial for the economic growth of exporting countries, closely related to critical aspects of sustainable development. This research aims to comprehensively understand the factors of international competitiveness in two contrasting cases: Spain as the world's leading exporter and Chile as an emerging exporter of olive oil. This study takes a novel approach by including the governance of sustainable practices as part of the framework

for analyzing international competitiveness. A mixed research method was used: firstly, quantitative indicators were estimated to compare the levels of international competitiveness of both countries; secondly, a qualitative analysis was carried out to analyze in depth the determinants of international competitiveness based on Porter's Diamond Model. The results show that Spain has solidified its position as the world's leading olive oil exporter. On the other hand, Chile still has a small market share; however, it already achieved its revealed comparative advantage in 2015. The potential causes of this performance were determined by the comparative study of the determinants of the competitiveness of Porter's diamond model; "Factor conditions", "Demand conditions", "Firm strategy, structure, and rivalry", "Related and supporting industries", "Government" and "Chance". In addition, both countries show the adoption of sustainable practices in their exports driven by subsidy policies, informal conventions, and consumer preferences. Finally, some relevant implications for management and public policy are highlighted.

Based upon case studies, the article by Ouiam Fatiha Boukharta, Fabiana Pena-Fabri, Leticia Chico-Santamarta, Luis Manuel Navas-Gracia and Loïc Sauvée develop an analysis of urban agriculture as an answer of the great pressure in cities on the demand and supply of food as well as environmental needs, where urban agriculture emerges in various forms to confront this situation. Indeed, urban agriculture is a form of agriculture, highlighting its multiple functions to ensure food security, maintain urban ecosystem services, and improve the quality of life. Moreover, the use and transformation of abandoned areas is proving to be an appropriate way of creating new green spaces. This research article focuses on analyzing the alignment between governance mechanisms, as well as the distribution of the value created, together with the benefit it brings. The comparison is based on four case studies in France, two in Paris ("La Caverne" and "Veni-Verdi") and two in Rouen ("Le Champ des Possibles" and "Le Jardin de l'Astéroïde") with different vocations (social vs economic), and which will serve as a basis for investigations into the theme of Food Governance Structures. The research work consisted of interviews with stakeholders involved in the operation, as well as on-site visits for analysis and evaluation. An empirical analysis through the NVivo Software is used, which allowed the qualitative analysis of the data. The results show that there are similarities between the different initiatives, such as having a well-structured administrative office with a president, treasurer and employees. At the same time, there are a few differences in terms of the type of structure, key priorities, and management structure. Indeed, three of the four initiatives evaluated aim to reach out to local residents and to understand the benefits of having agricultural spaces in our cities and to recreate this link with nature, unlike the economic initiative, which focuses more on business and commerce and less on social and educational inclusion.

In their article, Mika W. Shin, Anne Kinsella, Michael T. Hayden and Bridget McNally develop an analysis on the topic of the aging farming population and a decline in younger farmers, which are global issues of concern in pursuing the objective of sustainable agriculture. To facilitate generational renewal in agriculture there has been a gradual transition to alternative business structures as a means to collaborative farming. Prior literature acknowledges that various alternative business structures provide many benefits and opportunities for both new entrants and older farmers to farm collaboratively while assisting in the farm succession process. However, little is known about the prevalence of such alternative business structures as there is a dearth of academic research in this specific area. The objective of this study is to provide a comprehensive overview of the various alternative farm business structures in operation in Ireland, and in other European countries, using a desk-based research approach. Gathering accurate, reliable and comparable data regarding the level of existence of alternative business structures has been challenging. Consequently, a key recommendation emerging from this study is a call for a more uniform classification of the various types of alternative business structures in existence, and a more accurate and comparable dataset detailing the prevalence of these business structures, in agriculture across European countries.

The article by Noreen Byrne, Olive McCarthy and Martina Ryan-Doyle is focused on Agricultural Advisory Services (AAS) which have always had a central role to play at each juncture in agricultural development and innovation. A transition to sustainable agriculture requires an agri-advisory response which draws on the agency and knowledge of the farmer(s), is more tailored to a particular local context and encourages

the sharing of knowledge and experimentation across farms in a landscape. Co-operatives, as collaborative, farmer-owned and embedded entities, would seem to be well placed to play a greater role in this evolving agri-advisory space. However, there would seem to be little recognition of the current or potential role of co-operatives in agri-advisory either in academic literature or policy discourse. This paper explores the current agri-advisory offering of Irish dairy co-operatives and their potential to offer an enhanced collaborative and landscape-based offering. It concludes that many of the elements are in place for such an approach but there is a greater need to leverage this potential, appreciate the benefits and enable a more farmer-centered and tailored agri-advisory orientation in co-operatives.

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