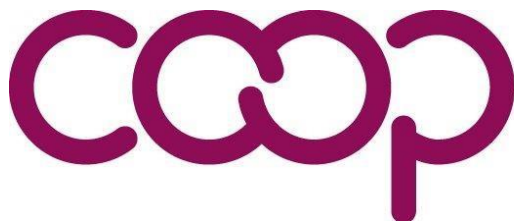


## ICA CCR EUROPEAN RESEARCH CONFERENCE 2022

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ΙΝΣΤΙΤΟΥΤΟ ΕΥΝΕΤΑΙΡΙΑΤΙΚΩΝ ΕΡΕΥΝΩΝ

& ΜΕΛΕΤΩΝ (ΙΖΕΜ)

**Title of abstract:**

## **Cognition and Incentives in Cooperatives**

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**Abstract :** (max. 300 words)

We extend the results of Feng and Hendrikse (2012) by investigating the relationship between cognition and incentives in cooperatives versus investor-owned firms (IOFs) in a multi-tasking principal-agent model. The principal chooses the incentive intensity as well as the precision of monitoring, while the agent chooses the activities. We establish that a cooperative is uniquely efficient when either the synergy between the upstream and downstream activities or the knowledgeability of the members regarding the cooperative enterprise is sufficiently high.

Keywords: Cognition, incentives, cooperative, governance, multi-tasking.