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& ΜΕΛΕΤΩΝ (ΙΣΕΜ)

Title of abstract: Community-based enterprises, institutional complexity and sustainability: Lessons from the Chios Mastic Growers Association

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Abstract:

Community-based enterprises (CBEs) represent a unique type of cooperatives, because they involve the majority of the local community members and build upon a very distributed ownership structure. As a result of this structure, we can expect tensions, conflicts and institutional complexity, as members-owners might have heterogeneous interests and adhere to different institutional logics. This is especially the case nowadays, as the market logic invades multiple spheres of life and a number of moral dilemmas regarding corporate goals, products and practices are continuously posed. Walking this tightrope, it is unclear how CBEs respond to institutional complexity, achieve their goals and contribute to the community. Previous organization and management studies on institutional complexity have not focused much on distributed forms of ownership and, thus, cannot shed further light on this phenomenon. Hence, this paper sets out to explore how CBEs manage institutional complexity. The study follows a single case study research design and delves into the Chios Mastic Growers Association, a CBE that stands the test of time for 84 years and relies on thousands of community members for the delivery of mastic, a unique resin. The findings reveal that the CBE implements four interrelated strategies to manage institutional complexity: establishing a moral system of exchange, centralizing its value chain, socially constructing the market logic and nurturing the community logic. The findings demonstrate the effect of community ownership on responses to institutional complexity and enable a deeper understanding of CBEs. Furthermore, they show that moral markets and systems are not necessarily facilitated or instigated by social movements, as argued in the literature, but can be established by alternative forms of organizing, such as cooperatives and CBEs. Finally, they reveal how CBEs support community development and sustainable development goals despite conflicting pressures and, thus, contribute to the literature on grand challenges.

Keywords: community; community-based enterprises; institutional complexity; moral markets; sustainable development goals