Exit, Voice, and Loyalty in the Case of Farmer Associations:
Decision-Making of Dairy Farmers during the German Milk Conflict

Jan Alpmann & Vera Bitsch
TU Munich – Chair Economics of Horticulture and Landscaping
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Background: Dairy conflict

Before the Dairy conflict

- DBV: Solo representative
  - Accelerating structural change
  - Increasing price fluctuations
  - Abolishment of the dairy milk quota

During the Dairy conflict

- Resigning of DBV members
  - Rising protests
  - Increasing dissatisfaction
  - Alternative BDM (pro milk quota)

- Joining the BDM
  - BDM Caims: 1. minimum price 2. flexible quota system
  - Vision of sufficient income for small family farms
Asymmetry: BDM vs. DBV

- Founded in 1948
- 300,000 members

- Founded in 1998
- 30,000 members

(Source: http://www.dbv.de; http://www.bdm-verband.de)
Objectives

Analysis of the decision-making of affected dairy farmers with a focus on:

1. *Exit-decision (DBV)*
2. *Participation-decision (milk strike)*

Apply and adapt the exit, voice and loyalty theory of Hirschman (1970)
Grounded Theory approach

1. Deciding on a research problem
2. Framing the research question
3. Data collection *(34 qualitative interviews)*
4. Data coding and analysis
5. Theory development

(Bitsch, 2005)
Theory development

Marking of text passages within transcripts and linking to codes

Cross-linking of codes and development of a code system

Analysis and interpretation

Theory development
Transfer EVL model: DBV exit

Hirschman (1972):

- Exit
  (withdrawal from an organization)

Transfer to the Dairy conflict:

- convinced exit
- pressured exit

silent withdrawal from exit
remain non DBV member
## Transfer EVL model: DBV exit

<table>
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<th>Hirschman (1972):</th>
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<td>convinced exit&lt;br&gt;silent withdrawal from exit&lt;br&gt;remain non DBV member</td>
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<tr>
<td><strong>Voice</strong>&lt;br&gt;(constructive or destructive feedback)</td>
<td>claimed voice&lt;br&gt;constructive / supporting&lt;br&gt;destructive / insulting</td>
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<td>pressured exit</td>
<td>voluntary voice</td>
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Transfer EVL model: DBV exit

Hirschman (1972):

- **Exit**
  - (withdrawal from an organization)
  - convinced exit
  - pressured exit

- **Voice**
  - (constructive or destructive feedback)
  - claimed voice
  - voluntary voice

- **Loyalty**
  - (solidarity to an organization/product)
  - active loyalty
  - passive loyalty

Transfer to the Dairy conflict:

- silent withdrawal from exit
- remain non DBV member

- constructive / supporting
- destructive / insulting
Likelihood DBV Exit (convinced group)

- Exit/apathy
  - Dissatisfaction $\uparrow$
  - Lack of trust in change

- Destructive v.
  - Voice $\downarrow$

- DBV loyalty $\downarrow$

- Alternative BDM
  - Public opinion against DBV
Likelihood DBV Exit (convinced group) (pressured group)

- Dissatisfaction ↑
  - Pressure ↑
  - Exit/apathy
  - Exit/silent withdrawal

- Lack of trust in change
  - Fear of getting personal invol.
  - DBV loyalty ↓
  - Passive loyalty
  - Voice ↓

- Voice ↓

- Alternative BDM
- Public opinion against DBV

- Destructive v.
- No voice
Decision-making: milk strike

- Curious about outcome
- Feeling of power
- Enthusiastic of group dynamic / community

Participation by conviction

Participation under pressure

No participation despite pressure
Decision-making: milk strike

- Afraid of consequences
- Pressured from BDM farmers to participate
- Controlled by BDM members
- Retain harmony within the family
- Anxious to maintain relationships to suppliers
Decision-making: milk strike

- Participation by conviction
  - Family dispute
  - Authentic (against milk strike)
  - Participation would be against own believes
- Participation under pressure
- No participation despite pressure
Discussion and Conclusions

• The DBV exit is often linked with the decision to participate in the milk strike

• Exit is recurring used as implicite voice function

• Voice in form of feedback was missing or mainly destructive during the milk conflict

• Advice DBV: scenario planning for optional reactions/ increasing communication with members
Ideas!? Suggestions!?