



## **The Future of Co-operation. What challenges can it meet? What challenges does it face?<sup>1</sup>**

### **A report on a seminar organised at The Open University, 5<sup>th</sup> December 2018<sup>2</sup>**

Can co-operatives and associated forms of organisation enable us to think differently about future social and economic organisation of enterprise and services and address the key social and economic issues of our time, in the UK and the rest of Europe, and in global development? What are the possibilities and challenges? A seminar to consider these questions took place at The Open University on 5<sup>th</sup> December 2018. Researchers with experience in policy and practice either from, or linked to, The Open University and the Co-operative College in Manchester came together on the eve of the OU's 50<sup>th</sup> anniversary and the Co-operative College's Centenary,<sup>3</sup> both of which are in 2019.

The seminar was organised in three panels with short presentations and participant discussion. The first panel focused on co-operative education; the second on social and economic hardship; and the third reflected on the potential and challenges of co-operation more widely. The seminar referred to research and experience in both the global North and South.

#### **In memory**

We would like to acknowledge the immense contribution to co-operative education of Professor Suleman Chambo, former Principal of Moshi University College of Co-operative and Business Studies, Tanzania, which became Moshi Co-operative University in 2014. Professor Chambo died in 2018. "He was a man who really kept the faith...remained a co-operator...[he] was a man who was equally at home in a lecture theatre at a formal conference [and] standing under a tree talking to village co-op members...he embodied what I see as the best of co-operative education and also its very broad-based nature" (Linda Shaw).

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<sup>1</sup> We'd like to express our thanks for the support given to this seminar at The Open University from the School of Politics, Philosophy, Economics, Development and Geography; the Strategic Area of International Development and Inclusive Innovation; and Development Policy and Practice; as well as to those involved in organising it and to all contributors and participants.

<sup>2</sup> This report was edited by Hazel Johnson ([hazel.johnson@open.ac.uk](mailto:hazel.johnson@open.ac.uk)), who takes responsibility for any errors or misinterpretation. The report is inevitably a much abbreviated version of the discussion that took place in the seminar and aims to encapsulate the main points made by contributors and participants. The points are very occasionally quoted verbatim but generally paraphrased, and may not cover everything the contributor or participant said. For full accounts, please watch the recordings at: <http://www.open.ac.uk/ikd/news/future-co-operation>; note that these recordings might be moved to the podcast section on this web-site at a later date.

<sup>3</sup> <https://www.co-op.ac.uk/Pages/Category/our-centenary>

## **1. Co-operative Education panel (Linda Shaw, Cilla Ross, Fenella Porter and audience participation)**

This panel considered the nature and purpose of co-operative education. In particular, the panel reflected upon how co-operative education can inform and contribute to current adult and higher education, both within the co-operative movement as well as more widely in society. What kinds of learners and practitioners can co-operative education produce and how? How can co-operative education contribute to wider social change?

### **A holistic co-operative education (Linda Shaw)**

Co-operative education has been part of the co-operative movement since its inception. It has helped to drive co-operative development and the movement's engagement in adult learning. Co-operative education has driven innovation and change; as Brett Fairbairn<sup>4</sup> has suggested, co-operative education is the agency that holds members and co-operatives together. In spite of this, and although there has been a considerable amount of work on co-operatives, there has been much less attention paid to co-operative education.

So what is meant by co-operative education? What has worked well? A forthcoming book<sup>5</sup> notes the tension between three aspects of co-operative education, as:

- generic education about co-operatives, which provides understandings of the co-operative model, the breadth and depth of the co-operative movement, and the many types of co-operative and their purposes
- the skills needed by co-operators to run a co-operative; this approach has particularly informed co-operative education in the global South where there has been a move to autonomous associations and a need to manage co-operatives enterprises without state control or support<sup>6</sup>
- a distinctive approach to education that focuses on values, principles and democratic governance, the nature of co-operative engagement, member responsibilities, and putting the values and principles into practice.

The third approach requires thinking about co-operative pedagogy: putting values into practice through learners' engagement and participation. However co-operative education and training is not necessarily informed by how people learn, what their learning needs are and how to create a co-operative learning environment. Adult learners come with a wealth of personal experience and knowledge which should inform process and content; they are not empty vessels. Co-operatives need to be seen as sites of situated learning as well as acting as channels for more formal education and training. Education and training within co-operatives requires both recognising their multi-functional nature as well as engaging with members, their contexts and specific needs.

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<sup>4</sup> <http://usaskstudies.coop/about-us/Faculty%20and%20staff%20pages/brett-fairbairn.php>

<sup>5</sup> Shaw, L. and Woodin, T. (2019, forthcoming) *Learning for a co-operative world: education, social change and the Co-operative College*, Trentham (UCL/IOE). See also: Shaw, L., Vernon, K. and Woodin, T. (2019, forthcoming) *The Co-operative College 1919-2019: internationalism, co-operativism and learning*, Palgrave/Macmillan.

<sup>6</sup> Learning how to organise and run a co-operative also informs much co-operative training in the UK.

## **A co-operative university (Cilla Ross)**

*“What we want and seek to obtain is a co-operative journey that will end in a co-operative university.” (Rae, 1909)*

Poverty, inequality and the future of work are huge challenges in our society, in spite of widening participation and increased access to higher education. Dominant discourses focus on employability, however we need to be thinking about how to shape the future of society and work, and what kinds of higher education are required.

The Higher Education and Research Act of 2017 offers an opportunity to think about a different kind of university. This opportunity has been seized by educators interested in pursuing a different approach, called the Co-operative University Project (CUP). In spite of a strong commitment to public universities amongst the stakeholders, there is now a chance to rethink both the kind of higher education needed for the future and how to create a different kind of HE institution.<sup>7</sup> The CUP aims to develop a new and visionary co-operative higher education which both engages with the co-operative movement and explores new ways of thinking about work, organisation and livelihoods. This thinking is based on the holistic approach alluded to by Linda Shaw.

The CUP will be directed at adults who wish to study part-time and engage with a progressive adult education linked to traditions such as that of the Workers’ Educational Association. It will build on the growth of student-centred learning but be distinguished from other forms of higher education by:

- Pursuing a co-production approach with participant learners developing content and process
- Aiming to create critical thinking, sympathetic and empathetic co-operators, whether working in the co-operative movement or simply wanting to be creative and imaginative in resolving social and economic challenges through co-operation
- Using a values-driven approach, aiming to create better world
- Having a governance structure in which all are encouraged to members and be actively engaged
- Building the foundations for co-operative study through an initial generic module on co-operative learning, research and practice, which all students will take irrespective of the of the course of study they choose
- Having a funding regime that enables participants to draw on the student loan system while providing a ‘divvy’ which can be spent on needs such as childcare or other domestic demands during the study period
- Creating a federated model with representatives of other higher education co-operatives, UCU and NUS on the Academic Board.

The aim is to attract learners who want a different kind of higher education with different aims and outcomes. There is considerable support for this project from other academics, on whose experience the CUP will draw as contributors and critical friends.

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<sup>7</sup> See: Noble, M. and Ross, C (eds) (forthcoming) *Reclaiming the university for the public good: experiments and futures in co-operative higher education* (Palgrave).

## **The RED Learning Co-op (Fenella Porter)**

The RED Learning Co-op stands for Research, Education and Development for Social Change. It is very new (12 months) and has been set up by a small group of academics who used to work at Ruskin College in trade union education (International Labour and Trade Union Studies – ILTUS). The purpose of RED is to contribute to the labour movement, and other movements promoting social change, by providing activist education. Becoming a co-operative has created an organisational base and enabled RED to become part of the federation of the Co-operative University Project.

The first step in building this education co-operative has been to renew relationships with the trade unions who participated in the ILTUS courses. The current courses are unaccredited but enable engagement, critical learning and reflection. For example, focusing on issues such as workloads provides an opportunity both to reflect on the nature and reasons for high workloads (such as those experienced by teachers) as well as learning about negotiation skills.

A crucial dimension is the educational philosophy that informs the co-operative, namely that activism is a site of knowledge. This approach draws on the work of Aziz Choudry, amongst others.<sup>8</sup> The purpose of the co-operative is to enable activist knowledge to be realised and to produce critical analysis. Activist knowledge comes from the experience of mobilising and organizing, and critical reflection on this experience can, in turn, strengthen social movements.

A further aspect is the governance of the co-operative. At present it is owned by the educators not by the learners. This decision was made to mitigate any negative effects of possible tensions between educators and learners. The structure therefore enables the co-operative to have an outward facing relationship with different social movements.

## **Discussion**

**On values and principles: (Amanda Benson)** Often people working in the co-operative sector [in the UK] are not really aware of the values and principles, while there are others who are ideologically driven to set up a co-operative because of its social values. So co-operative education - creating the co-operative character - has to address this in a fundamental way. **(Roger Spear)** There is considerable ignorance about co-operatives and lack of knowledge about how to create one that's both effective and underpinned by the values of co-operation. Those [in organisational education] often want to contest the thinking about mainstream organising and to link co-operative organising to activism and change. The challenges raised by Cilla - political and economic democracy; injustice; inequality; exploitation; enhanced well-being - are fundamental issues in our society and should be part of everyday education. How can we change education to recognise the co-operative, associational and social economy initiatives as part of this broader cultural foundation of our societies?

**On educational approach and content: (Daniel Tabor)** How can we address areas of apparently mainstream curriculum differently? **(Cilla Ross)** An underlying principle of co-operative education is to include curriculum that is relevant to participants and an approach which enables them to engage and develop meanings that relate to their life experience. A

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<sup>8</sup> See: <https://www.mcgill.ca/dise/aziz-choudry>

co-production approach can promote that kind of engagement and enable participants to take responsibility for developing a curriculum that both has meaning for them and creates knowledge that is of use to wider communities. (**Dave Wield**) Curriculum or subject areas of relevance to particular individuals or groups can also be pursued through independent study. Schools of independent study have been lost to some extent in higher education although they have been promoted by, for example, the University of East London and the University of Lancaster.<sup>9</sup>

***The distinctiveness of a co-operative university:*** (**Sally Hartley**) An important element is the journey of the student. Co-operative values and principles underpin pedagogy and governance but also how people relate to each other, which is likely to have an influence on curriculum. The student's experience in a co-operative university will be different from other universities because it will be informed by co-operative history and values. (**Theo Papaioannou**) However many universities claim that they are informed by justice, equality and fairness, so how will a co-operative university be different? (**Cilla Ross**) We would hope that all good educators would have many of the values and principles of co-operativism, however the distinctiveness of a co-operative university would be to reflect on the meaning of these values, both for the institution and for those who study within it. (**Linda Shaw**) Another distinctive aspect would be how co-operative values are embodied in the university governance. (**Fenella Porter**) An additional dimension would be how the values guiding a co-operative university would enable it to resist the marketisation of education.

## **2. Social and economic hardship panel: in the global North and South (Alexander Borda-Rodriguez, Amanda Benson, Sally Hartley and audience participation)**

The second panel discussed the contexts in which co-operatives and social and solidarity economy enterprises are generated to meet conditions of social and economic hardship internationally and particularly in the global South. A number of issues were raised, including the role of the state, whether co-operatives are attractive avenues for young people and what role co-operatives and SSE enterprises have in capitalist economies.

### **The experience of South America (Alexander Borda-Rodriguez)**

From 2006, a number of left-wing governments in South America have been promoting the social and solidarity economy (SSE), including co-operatives. Ecuador is an emblematic case. Ecuador has long had co-operatives however the 2006 government introduced the social and solidarity economy as part of its economic development model for the country. Bolivia followed suit. What followed was a high level of state engagement to support these changes and pursue the model. The state can therefore play a significant role in co-operative and SSE development, through regulation and policies to promote it, and by creating bridges between co-operatives and markets. This last aspect is particularly important as many small co-operatives may not have been able to make those market connections.

More recently, there have been big political changes in South America – notably a turn to the right (Brazil, Argentina, and also Ecuador) – which has led to a reduction in funding for the SSE and even its dismantling in some cases. This change presents a huge problem for low income people who rely on co-operatives and the SSE for their livelihoods. Moreover,

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<sup>9</sup> For example, the Independent Study Unit at the University of Lancaster offers students the possibility to replace one of their non-compulsory modules with a period of directed but independent reading in an area chosen by the student. Postgraduate educational research is also offered through independent study.

those engaged in co-operatives and the SSE are often more widely involved in activism and political work separately from the state. So there are cases of worker co-operatives in Argentina, for example, where an industry under threat of closure or bankruptcy may have been taken over by a co-operative formed by its workers<sup>10</sup> who have then had to defend themselves from police forces trying to shut them down.

One of the issues for co-operative education and research in the UK is that the experiences in South America are little known and we cannot easily draw on and learn from them. There is a huge literature in Spanish and Portuguese that is not read in the UK. This lack of engagement with knowledge produced in South America also creates problems for gaining research funding, as the experiences South America are relatively invisible in the literature (in English) compared with Africa and Asia. Finding ways of engaging with South American experience and analysis would be a positive step for a new co-operative university in the UK.

### **The SSE and co-operatives in Europe and Malawi (Amanda Benson)**

In the UK, we do not have a very clear idea about what we mean by the Social and Solidarity Economy (SSE).<sup>11</sup> Organisations within the voluntary sector may call themselves social and solidarity organisations but they are not necessarily working to co-operative values and principles, putting people before profit, thinking about sustainability, nor empowering and including different kinds of people in what they do. However, an EU-funded project, called Susy, aimed to film<sup>12</sup> and document case studies of best practice in the SSE across 23 countries and 26 organisations in the EU and the global South. An example produced by the Co-operative College focused on how the co-operative movement in the Andaman Islands was able to work with communities to recreate livelihoods after the 2004 tsunami. However there are also many examples of SSE initiatives in European economies experiencing high unemployment levels, particularly among young people, who are being encouraged to create their own organisations that reflect values they might subscribe to, such as environmental concerns or ethical issues. The Susy project aimed to influence EU policy on the SSE to create a favourable framework in support of it, particularly as the sustainability and resilience of SSE organisations in capitalist economies can be challenging.

In a global South context such as Malawi, where the College has also been working, there are both similar and different issues. Forming a co-operative may not be the automatic choice for low income populations but it may be the only option they have. It can also provide a link to other co-operatives and forms of solidarity as well as links to credit and production inputs, and markets. However, the formation of co-operatives can also be donor-driven and may not reflect co-operative values and principles but simply be seen as a mechanism to organise people. It is therefore important to think how members of co-operatives are educated and trained in terms of what it means to be a good co-operator: developing conceptual understandings, for example, about democracy, as well as providing

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<sup>10</sup> Known as an 'empresa recuperada' or 'cooperativa recuperada'.

<sup>11</sup> The ILO defines the SSE as: 'enterprises and organizations (cooperatives, mutual benefit societies, associations, foundations and social enterprises) which produce goods, services and knowledge that meet the needs of the community they serve, through the pursuit of specific social and environmental objectives and the fostering of solidarity.' [https://www.ilo.org/global/topics/cooperatives/projects/WCMS\\_546299/lang-en/index.htm](https://www.ilo.org/global/topics/cooperatives/projects/WCMS_546299/lang-en/index.htm); accessed 25.01.19.

<sup>12</sup> The films documenting the case studies can be found here:

[https://www.youtube.com/channel/UCRy4hjD4Sjg1Oo\\_OOapXhcg/videos?sort=dd&shelf\\_id=0&view=0](https://www.youtube.com/channel/UCRy4hjD4Sjg1Oo_OOapXhcg/videos?sort=dd&shelf_id=0&view=0)

practical knowledge and skills that might be needed for livelihoods, such as how to use local resources to make fertiliser in isolated rural areas.

A final point is the challenge that the SSE can potentially make to the neo-liberal paradigm for economic development. It is noticeable that young people engaging with SSE in a European context are often driven by ideological motives – doing something different from the mainstream - as well trying to make a living.

### **Young people, networks and co-operation (Sally Hartley)**

Although co-operatives have the potential to engage young people, there are also some challenges. Globally speaking, young people face very high levels of unemployment. One billion more than at present are expected to enter the labour market over the next decade, but only 40% of them are estimated to secure work.<sup>13</sup> An important issue then is to understand young people's perspectives and relationships, and build on their agency and aspirations to help them to develop strategies and programmes that meet employment and other life needs.

In the early 2000s, the ILO and DFID funded initiative, CoopAfrica, aimed to promote youth co-operatives as well as support the development of co-operatives more widely in sub-Saharan Africa. Those set up became important to their members in enhancing livelihoods and providing spaces for trust-building and situated learning. Nonetheless this initiative did not spread more widely. Although there is an International Co-operative Alliance Youth Network,<sup>14</sup> young people tend not to belong to co-operatives.

From research in sub-Saharan Africa, young people often talk about being in networks - of people who are important to them in terms of educational opportunities, skill development, financing for livelihoods and creating new relationships. The terrain of the networks and how young people manage them changes over time. However young people do not necessarily focus on, or even think about, co-operatives.

One reason may be the image that young people have about co-operatives: that they are for people of their parents' generation, or are state-led enterprises, not organisations that might speak to young people's interests and ideas about networks. For example, in the planning of a forthcoming conference with Restless Development and the Centre for Development Studies in Cambridge on the future of work for young people,<sup>15</sup> co-operatives were not on the agenda. So there is a need to discuss what young people are really interested in in terms of collective forms of organisation. Can co-operatives enter that space?

### **Discussion**

***New ways of engaging with young people: (Amanda Benson)*** With respect to young people, there is evidence that they are seeking other alternatives. There are other European projects promoting youth entrepreneurship, including events to bring young people together to hold hackathon events and share business ideas, including co-operatives. But these activities and forms of engagement need to be promoted by people from the same generation, such as creating young co-op ambassadors. **(Cilla Ross)** The International

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<sup>13</sup> <https://plan-international.org/skills-and-work>; accessed 25.01.19

<sup>14</sup> <https://www.ica.coop/en/youth-network>

<sup>15</sup> <http://oppourtunities.com/2019-restless-development-peak-youth-and-making-a-living-workshop/>



Organisation of Industrial and Service Co-ops (CICOPA) has seen increasing numbers of young people choosing to join workers' co-ops, and there are also union co-ops. They are often in the platform economy and IT. However, a conversation with young people in Sri Lanka revealed that they didn't want to go into co-operatives because they identified them with agriculture; so the challenge was how to attract young people into agriculture or alternatively acknowledge the changes brought by modernity and the impact of globalisation and think about other sectoral employment. **(Sally Hartley)** A lot of young people in the global South will only have livelihood opportunities in agriculture, which co-operatives could enhance. But co-operatives may need to reinvent themselves to attract young people and to seek external funding. **(Amanda Benson)** Getting young people into agriculture may also require thinking about niche markets and making agriculture more exciting and innovative. **(Nigel Todd)** It may also require linking co-operatives to other things that young people are interested in, such as a social movement or by providing facilities for something they want to do.

***The co-operative challenge in the capitalist economy:*** **(Peter Robbins)** The context of capitalist markets and resisting the current politics of individualism is a considerable challenge, so what role can co-operatives play? **(Alexander Borda-Rodriguez)** There is a real challenge for SSE organisations to co-exist in a capitalist world. One way is to diversify products and differentiate from others in the economy. For example in Malawi, people will buy a particular brand of coffee because they identify with its source [viz. a Malawian co-operative]. In South America, members of co-operatives will resist closure, such as the example in Argentina mentioned earlier, where in one case the resistance by a workers' co-operative was supported by the whole neighbourhood. A further way to resist is to follow the principle of co-operation among co-operatives<sup>16</sup> and build networks of old and new co-ops. **(Roger Spear)** We also need to get away from the idea that co-operatives are simply individual enterprises disconnected from patterns of other social movements. In thinking about SSE and networks, it's important to identify the other stakeholders (trade unions for example), the broader landscape and the role of the state. While the co-operative movement reacted against an over-controlling state and emphasized independence and autonomy, we actually want an enabling and complementary role for the state in response to civil activism at the local level. **(Theo Papaioannou)** A further dimension is the role of technologies and innovation in a broad sense. There seem to be similar priorities with the open source movement and the people's science movement, for example, which have strong co-operative values without the structures. So what links are there between the co-operative movement and these other processes, particularly given the competitive nature of markets? To what extent do co-operatives innovate? And don't co-operatives need to bring ideology and needs together? **(Alexander Borda-Rodriguez)** Potentially there is a natural alliance between different forms of social enterprise and SSE organisations around technological innovation. **(Cilla Ross)** Platform co-ops are one of the big growth areas which are lending themselves to alternative forms of organisation – young people, for example, may identify with a network but not a movement. So maybe there's an intersection between the idea of movement, networks and the co-operative movement. **(Hazel Johnson)**

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<sup>16</sup> The 6<sup>th</sup> principle is 'Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures'; [https://www.ica.coop/en/cooperatives/cooperative-identity?\\_ga=2.8631477.1271902560.1548429980-503245459.1376662926](https://www.ica.coop/en/cooperatives/cooperative-identity?_ga=2.8631477.1271902560.1548429980-503245459.1376662926); accessed 25.01.19



So it's important to think about what kinds of education and learning are needed to support new initiatives and such intersections, particularly where new initiatives may not call themselves co-operatives but may be co-operatively organised. We need to think what the learning needs are and how we might address them in co-operative higher education. It may be partly around skill sets and partly around ways of thinking, organising and doing things differently. (**Linda Shaw**) The private sector is also looking less for conventional university graduates and more for creative, flexible and innovative mind-sets.

### **3. Reflecting on the future of co-operation (Nigel Todd, Alan Thomas, Roger Spear and audience participation)**

The third panel reflected on a number of dimensions with respect to the future of co-operation, including co-operative memberships as a significant resource, the presence or absence of discussion about co-operatives and related forms of association in higher education curriculum, or as ways forward for disadvantaged groups, and the strengths and weaknesses of co-operatives and whether and under what conditions they could contribute to wider structural change. One underlying question was how to address fundamental issues for the future such as climate change and its threats to human existence.

#### **Co-operative memberships (Nigel Todd)**

Co-operative memberships are a huge human resource, however it can be challenging to know what to do with them and to engage with them, particularly in large co-operatives. Co-operative memberships can be quite passive and the gap between co-operative societies and their memberships can be significant. However co-operative memberships can also be a gateway into learning for people who may not have had much involvement in adult education. They are an untapped resource for lifelong learning, about which the Co-operative College gave evidence to an all-party parliamentary group at Westminster. Earlier research has also shown that members appreciate learning new things by being part of a co-operative; membership expands their horizons and life experience.

This expansion of horizons and learning can be seen in a number of ways. Some research in Germany on consumer, housing and renewable energy co-operatives has shown that membership heightened environmental awareness. For example, housing co-operatives can be seen as a cheap source of housing however they also lead to increased consciousness about surroundings. This changing consciousness comes out of co-operative values - the motivating element. Focusing on values therefore needs to inform co-operative education. However, as noted by Linda, co-operative education needs to be done in an appropriate way that relates to the concerns and activities of the co-operative.

Another element that can come out of membership and the expansion of horizons is solidarity with others. An example is a motion that came to a College annual general meeting about supporting co-operatives in Rojava in Northern Syria, and where a social revolution changing the status of women has been taking place in the context of war. So how do co-operative educators support this process, particularly the regeneration of education? This is something the College will aim to look at in its Centenary year.

## **Co-operatives, poverty and development (Alan Thomas)**

A big question is why aren't co-operatives more visible? For example, in revising a new edition of a major textbook on poverty and development,<sup>17</sup> and in spite of many academics working on both co-operatives and international development, there is nothing on co-operatives in the book. Development is a powerful concept, whether seen as an organising idea, a myth or fallacy. It allows people to think about a better future. However, there is now a threat to that better future in terms of climate change. Moreover the model of development that projects a hopeful future and opportunities for self- or human development is predicated on economic growth. So mainstream ideas about development (as economic growth as well as human development) have now morphed into the idea of sustainable development. But the concept of sustainable development and the Sustainable Development Goals<sup>18</sup> rely both on market economics and on interventions to make sure social goals are met. Looking into the future suggests that this is not feasible.

So a question is whether ideas about SSE and co-operatives can present an alternative paradigm. At present this does not seem to be the case - the discussion of co-operatives and SSE tends to be focused on pockets of market economies. However the example of Rojava (and other social revolutions during wartime) suggests that an 'external enemy' may be needed to create an alternative that has political clout. Maybe climate change has that potential?

Another example is a UK organisation to promote a culture of welcome to asylum seekers (City of Sanctuary),<sup>19</sup> which has much in common with the principles of co-operation and is a movement of asylum seekers, refugees and supporters. However it's not thought of as a co-operative. All members of the 100 groups around the country have equal rights but City of Sanctuary doesn't have a co-operative constitution. Nor, in spite of common interests and the economic restrictions faced by members of the groups, has it set up any co-operative enterprises such as a credit union or something based on time banking (as asylum seekers are not allowed to work). So a question is, why not?

A final point is that within mainstream capitalism, people and organisations want to make money – adding all that up leads to development defined as economic growth. What is the theoretical and practical link between this, the social and solidarity economy and how individual co-operatives work?

## **The strengths and weaknesses of co-operatives (Roger Spear)**

Preliminary comments. First, there are claims that co-operatives can solve many problems. At the same time, although there is growing interest in 'hybridity' and the third sector, and the blurring of boundaries between public and private, there is not as much recognition of the diversity of enterprise that one might expect. In addition, there are different views on the future development of co-operatives, on one hand seeing co-operatives as addressing market failures and, on the other, arguing that they can promote structural change. The latter is now starting to be acknowledged by literature on social innovation. Second is the

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<sup>17</sup> Allen, T. and Thomas, A. (3<sup>rd</sup> edition, forthcoming) *Poverty and Development*, OUP. The first and second editions were produced by the Open University with OUP for undergraduate courses in international development.

<sup>18</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>19</sup> Alan Thomas was national Chair of City of Sanctuary for 5 years.

argument that a pluralistic economy is a resilient one (it was observed, for example, that co-operatives tended to be resilient in the financial crisis of 2008), and moreover that co-operatives have an educational role in civil society about participation. Third is the idea that co-operatives can be transformational and change the economy into a co-operative commonwealth.

To outline some of the strengths and weaknesses of co-operatives: core strengths are:

- Their resilience
- They tend to be risk averse
- They produce trust
- Members benefit from profits
- Co-operatives develop social capital
- They can mobilise disadvantaged people (for example, against market power or in support of equity through fair trade)
- They produce solidarity.

Some weaknesses are:

- Quite a few experiences of failure
- State over-involvement and control
- Challenges of developing skills: entrepreneurial, organisational, democratic governance
- Democratic degeneration (the iron law of oligarchy and a lack of regeneration of boards – although there are also examples of regeneration of democracy and re-engagement of members and boards)
- Isomorphism: becoming like other conventional businesses.

There are theories about different kinds of co-operatives having different attributes, one set of issues being around the homogeneity and heterogeneity of memberships and the implications for how and which elements or concerns become dominant.

Finally do co-operatives have an entrepreneurial problem? In economic theory they do because capitalist firms aim to maximise their return and would therefore exclude people from owning the enterprise. However co-operatives have tended to blossom when they have been linked to social movements and/or other organisations such as co-operative development agencies or fair trade. This suggests that the development of an ecosystem of supporting organisations and structures around co-operatives is important for their future and for their role in a pluralist vision of the economy and society.

## Discussion

***Co-operatives in international development: (Amanda Benson)*** It's important to bring co-operatives into curriculum such as that on international development or business studies and open up debate on their different forms and on the roles and approaches of co-operative support organisations. **(Fenella Porter)** It may be that the role of co-operatives in international development comes through practice rather than theory. For example, Oxfam has something called the Future of Business Initiative<sup>20</sup> which enables people to think about

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<sup>20</sup> <https://www.oxfam.org/en/research/oxfams-future-business-initiative>

different business models, including co-operatives. Another dimension is the connection between practical and strategic needs, where practical solutions to problems raise wider issues (such as housing co-operatives leading to debate about the cost of housing and the role of unpaid social care). **(Linda Shaw)** It's also important to note that co-operatives are not necessarily on the margins of society: in many countries, they are much bigger than appreciated. The ILO is trying to document the different types that exist and capture the contribution that they make. Furthermore, their absence from international development textbooks is a significant issue, however historians have been trying to document their role both in development and the global economy in more depth.

**Future thinking: (Peter Wood)** Peer to peer online activity and campaigns have often been quite anti-capitalist, and phenomena such as crowd-funding is almost a semi-collective welfare state. So what is the role of internet-based activity which doesn't easily fit into current consumer, worker or producer co-operative categories? **(Roger Spear)** Crowdfunding and the open source area are interesting however there are also challenges to the concepts of openness and membership. At the UK Society for Co-operative Studies conferences, there has been some discussion about platform co-operatives and their potential to promote structural change rather than providing products and services in more conventional ways. **(Nigel Todd)** Climate change is indeed a massive issue and there may be opportunities for co-operative forms of solidarity in relation to climate change adaptation or mitigation. Equally, the co-operative movement has an important role to play in education, based on its long history. At the end of the 19<sup>th</sup> Century, there were attempts to have representation on school boards to promote having co-operative education in the curriculum – without success. A 1930s study by Carr Saunders<sup>21</sup> of consumer co-operation in Britain also proposed that the movement should sponsor Chairs in universities. In terms of the future, it's important that the co-operative movement lends its support to a co-operative university. Finally, the visibility of co-operatives has been an enduring problem, particularly in terms of consumer co-operatives: what makes your local co-operative shop different? This difference needs to be much more visible in the future. **(Alan Thomas)** Relatedly, there is the challenge of isomorphism in the co-operative movement because it is still based on profit accounting. For example, do the 20% who bank with co-operative banks across Europe think they are part of a different kind of economy? **(Roger Spear)** Statistics about co-operatives are always going to be challenging too because of how they are categorised in different countries. The perception is that they are fewer than they actually are. On the other hand there is a lot of interesting experience coming out from the social innovation literature (work partly funded by the EU) on new frameworks and movements, and the development of niches and landscapes for social innovation.

### **Final reflection (Hazel Johnson)**

It is important to remember and reflect on the characteristics of co-operatives that differentiate them from other forms of capitalist enterprise, such as:

- Collective ownership
- Democratic decision-making and governance
- Control over labour processes in worker co-operatives

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<sup>21</sup> Carr-Saunders, A.M. (Sir) et al. (1938) *Consumers' Co-operation in Great Britain: an examination of the British Co-operative Movement*, George Allen and Unwin.

- The use of profits
- Redistributive potential
- Ethical production and trade
- Ethical investment
- Networks between co-operatives
- Solidarity
- Addressing social issues
- Addressing democratic deficits (for example, co-operative councils)
- Providing open data.

Co-operatives are both sources of innovation and are themselves forms of social innovation – both in the past and in their newly changing forms and activities. Co-operatives are not residuals in this respect and their values and principles mean that co-operatives are not simply an organisational form but a way of thinking about the social and the economic. So the big question is whether they can go beyond areas of market and state failure and inform different ways of organising the economy and wider society into the future. This is why we need to engage in co-operative education: to building on past lessons, create new knowledge and propose ways forward in seriously challenging times.

## Speakers

**Amanda Benson** is Projects and Research Officer at the Co-operative College. Her PhD examined women farmers' access to resources in India. She has worked in both the UK and overseas in community and international development, gender and agriculture. At the Co-operative College, Amanda works on both international and UK-based projects through research and teaching as well as managing projects.

**Alexander Borda-Rodriguez** is a Research Fellow in the Strategic Research Area in International Development and Inclusive Innovation at The Open University. Over the last four years his research has been focused on inclusive organisational structures such as co-operatives and related forms of association in Latin America. His PhD (Open University) examined the politics of knowledge for development and development aid in Bolivia.

**Sally Hartley** gained her PhD at The Open University on *Learning for Development through Co-operation: The engagement of youth with co-operatives in Lesotho and Uganda*. She has since worked as an independent consultant on youth and development with, amongst other organisations, Restless Development, and is an Associate of the Co-operative College as well as Visiting Research Fellow at the OU.

**Hazel Johnson** is Professor (Emeritus) in Development Policy and Practice at The Open University. She has interests in collective organisation, social learning and development. With Linda Shaw, she gained an ESRC studentship on youth learning in co-operatives and led a Leverhulme Trust funded research project on co-operative resilience in Malawi. Hazel is a trustee of the Co-operative College, focusing on international development and co-operative higher education.

**Fenella Porter** is a founding member of the RED Learning Co-op (Research, Education and Development for Social Change). As well as having worked at Ruskin College, Fenella has a long history working with and on women's organisations. Currently Senior Advisor (gender

justice and women's rights) at Oxfam GB and a Trustee of Womankind Worldwide, her PhD (Open University) focused on institutional learning on gender equality in international NGOs.

**Cilla Ross** is Vice-Principal of the Co-operative College and Visiting Research Fellow at the Institute of Place Management, MMU. Her background is in higher and adult education in the UK with a teaching and research focus on the sociology of work and radical and transformational adult education. She is co-editing and co-authoring *Reclaiming the university for the public good: experiments and futures in co-operative higher education* (with Malcolm Noble, Palgrave, forthcoming). She is also a member of The Centenary Commission on Adult Education (see: <https://www.co-op.ac.uk/adult-education>).<sup>22</sup>

**Roger Spear** is Emeritus Professor of Social Entrepreneurship at The Open University, Member of Ciriec (International Centre of Research and Information on the Public, Social and Co-operative Economy) Scientific Committee, and founder member of the EMES research network on social enterprise. He is currently guest professor in the Centre for Social Entrepreneurship at Roskilde University (Denmark) contributing to an International Masters in Social Entrepreneurship.

**Linda Shaw** is former Vice-Principal of the Co-operative College, Manchester, and was lead for the College on an Open University-Co-operative College research project on co-operative resilience in Malawi. Linda is editing and co-authoring two books: *Learning for a co-operative world: education, social change and the Co-operative College* (with Tom Woodin, Trentham Books, forthcoming) and *The Co-operative College 1919-2019: internationalism, co-operativism and learning* (with Tom Woodin and Keith Vernon, Palgrave/Macmillan, forthcoming).

**Alan Thomas** previously worked at The Open University in Systems and was a member of the former Co-operatives Research Unit. He then taught and researched international development and development management at the OU before taking up a Chair at Swansea University. After retirement, he worked as Chair of UK City of Sanctuary (2011-2016) and is currently Co-Chair of Swansea City of Sanctuary. He is currently co-editing a third and new edition of *Poverty and Development* (with Tim Allen, OUP, forthcoming).

**Nigel Todd** is Chair of the Board of Trustees of the Co-operative College. He has a longstanding involvement in adult education and learning as a former WEA Regional Director, Chief Executive of the North East Open College Network, and Co-operative Member Education Officer. He is also centrally involved in environmental issues in Newcastle where he lives (Greening Wingrove) and has a strong interest in the co-operative movement's engagement in environmental change.

**David Wield** is Professor of Innovation and Development at the Open University. He was Director of the Edinburgh-OU ESRC Innogen Centre from 2007-2014 and remains a Visiting Professor at Edinburgh. David has extensive experience of working in East and Southern Africa. His interdisciplinary research focuses on: innovation, learning and knowledge in the life sciences, engineering and innovation in developing countries, international research policy and capacity building, and the policy and management of technology.

Other names mentioned in the text are audience participants.

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<sup>22</sup> The members of the steering group are: the Co-operative College, the Raymond Williams Foundation, the University of Nottingham, University of Oxford and the Workers' Educational Association.