

Building Back Better – a Co-operative Recovery

Greater Manchester Co-operative Commission

Introduction

Co-operation and co-operative ways of working present Greater Manchester with a big opportunity for building back better after the ravages of Coronavirus – creating a fairer, sustainable and more resilient economy focussed on:

- Partnerships, inter-trading and support, and mutuality
- Community wealth building
- Solidarity, with a local, circular economy
- Strong relationships and shared risk
- Social, environmental and economic impact and sustainability

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Nobody foresaw a pandemic when the Greater Manchester Co-operative Commission [published its report](#) in January 2020. The way that people and organisations have responded to the pandemic show graphically how co-operation is a natural instinct in a crisis. But evidence given to the Commission also highlighted that compared with investor-owned businesses focussed on private gain, businesses that operate on a co-operative basis across many sectors bring something significantly different to a region. They are:

- Less likely to fail in the first five years of businessⁱ
- More resilient in times of economic crisisⁱⁱ
- Can reduce inequalities of powerⁱⁱⁱ and wealth^{iv v}
- Are better for workers (good employment),^{vi vii} communities (building wealth, empowerment and involvement),^{viii ix} consumers (ethical standards and quality) and small businesses (self-help, self-responsibility, self-worth).^{x xi}

What is co-operation?

Co-operation is an idea that brings together personal responsibility and collective support. It harnesses power from below, within communities, and builds from the bottom-up. It is all about fairness and justice, giving every individual a stake and a say. It is an idea which embeds sustainability because it thinks about tomorrow as well as today, providing for the wellbeing of future generations.^{xii} It is an idea for local communities but connected globally to a movement from Africa to Asia, from Europe to the Americas.^{xiii} Internationally, it has a major presence in financial services, retail, health and social care, housing and industry.

Underlying the idea of co-operation and what distinguishes it from traditional business are: equality – everybody has a part to play and an equal voice (you can't buy influence); equity or fairness – everybody receives a fair deal for what they put in because profits aren't used to reward investors; and sustainability – surplus value generated by trading is retained within the organisation and the community, not distributed to owners elsewhere.

Co-operation is an old idea but one which is highly relevant for today's challenging context which needs locally rooted businesses, keeps economic benefits local, and strives to treat customers, workers and neighbours fairly. It is designed to build community wealth through self-help, solidarity and self-responsibility, and instinctively works collaboratively with the foundational economy.

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What we have all witnessed

The clear evidence of the last few weeks and months is that in times of difficulty, community-based co-operation doesn't wait for permission, funding or structures: it just gets on with it. It is focussed on behaviour and doing immediate things, rather than formal arrangements and process. It doesn't need institutions or structures,^{xiv} just people working together for their own benefit and others round them.

The trust that people apparently lost during the political storms of Brexit is still there after all. Thankfully, meeting challenges collectively for everybody's benefit is a normal thing to do to. However, whilst the pandemic and the required lock-down in response have drawn out this normal instinct, we must recognise that the prevailing structures and processes of business are all to do with competing for private gain. What has happened over recent weeks is that the profit-driven and extractive ambitions have been put on hold, and local collaboration, community action and mutual aid have taken their place.

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But how do we retain that upsurge of community-based self-help, the citizen-driven initiatives created to support local communities, and use it as a foundation to build back cleaner, safer, stronger and fairer? First it is important to recognise that the exclusive focus on the pursuit of private gain is what was wrong with the previous status quo.^{xv} Second, strong but community-based leadership is needed to drive forward a change to something better. Third, it is necessary for space, encouragement and real practical support to be provided for those who have shown how much more can be done through collaboration and co-operation.^{xvi}

These are some of the things that the GM Co-operative Commission's recommendations call for (numbers in brackets relate to the recommendation number):

- Establish a Co-operative Zone, helping to provide access to finance (12), to equip business advisors with the relevant basic practical understanding (21), to improve access to expert advice and support (23), to help family-owned SMEs to plan for ownership succession (22)
- Train procurement officers about the benefits of co-operative ownership (10), corporate strategies to emphasis procurement of social value (9), embed the principle of co-operation into GMCA's constitution (2), all GM local authority strategies to address engagement of citizens and communities (5), establish a democratic charter promoting involvement of users, employees, volunteers and citizens (3)
- Employment for the gig economy through SMART for GM (28), consult on arrangements for SME participation in big digital projects (38), expand GM's digital infrastructure through a co-operative approach (39), launch a GM user-investment vehicle for full fibre (40)
- Support small organisations in GM to co-operate in delivering public services (7), with a toolkit and learning programme to address this (8), promote funding of community-based initiatives through community share offers (13), promote credit unions (15)

Inspiration

The Report sets out inspiring examples of co-operative and other member-based business initiatives already in existence within Greater Manchester, or elsewhere in the UK, or beyond the UK, and argues that these provide a vision of what can be achieved where there is a recognition of the need to do something different and a will to follow this through. These include:

- Pioneering examples of collaborative organisations within GM such as [Inspiring Communities Together](#), [Rochdale Boroughwide Housing](#), [Unicorn](#), [Salford Community Leisure](#), [Wigan Deal](#) and [Abram Ward Community Co-operative](#)

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- International examples of successful co-operation such as [co-operative schools in Spain](#), [children's day care co-operatives](#) in Sweden, [social care co-operatives](#) in Italy, and the [SMART](#) co-operative providing employment in the gig economy in Belgium
- Co-operation evident in transport such as [West Oxfordshire Community Transport](#) (local bus), [Taxi App UK](#) in London, [City Cabs](#) in Edinburgh and [Co-Wheels Car Club](#) in Salford
- Support for co-operative development such as the [Hive](#) (Co-operatives UK with the Co-operative Bank), the [Plunkett Foundation](#) including its [More than a Pub](#) programme

Seizing the initiative

The current situation provides an opportunity to help people recognise that the previous approach, entirely focussed on value extraction and individual return on investment, wasn't working; that the wide-spread spirit of collective endeavour and co-operation which so many people and organisations have displayed in a crisis should be what informs every aspect of our recovery planning, and that at every step on the path of recovery we should be rooting our actions in collaborating for the common good of Greater Manchester, not competing to serve private gain elsewhere.^{xvii}

This simply will not happen without an acceptance of and willingness to break the mould of the past and build forward differently. Unless we are happy to return to the way things were before, then we need to take steps now, whilst the memory is still fresh and the evidence is still before us, to build a consensus to do things differently, to change the hardwiring. This requires political leadership, underpinned by grass-roots support. Without collective agreement that the old ways aren't working, and that together we must explore and test different ways, then obviously things will just revert to the way they were before.

The following are essential:

- increase paid-for and subsidised specialist advice for co-ops and other social enterprises, to help them adapt business models, develop new products and increase productivity/efficacy
- support the development of a values-based Greater Manchester wide co-operative learning initiative for everyone - from community activists to business advisors - to create strong businesses, develop co-operative identity, promote decent work and collective care, and build co-operative communities
- support the #1MillionOwners agenda, which aims for a fivefold expansion in employee and worker ownership by 2030, by allocating funding for business support that helps the creation of new worker co-ops and the conversion of existing businesses to employee ownership, as part of planned succession and post-pandemic renewal
- refocus the UK Shared Prosperity Fund on inclusive and sustainable growth, earmark 25 per cent for community-led economic development, prioritising participation of people in more deprived places

It isn't enough just to agree to take a different view. We must now start doing things which set a different course. Businesses must be incentivised and opportunities must be created for them to explore other forms of ownership and governance. Workers must be given a voice and the chance to become active participants in commercial endeavour. Customers, clients, passengers and patients must be encouraged to behave differently, to have different expectations.

The Commissioners have been asked to help push forward co-operative initiatives which will help Greater Manchester to [build back better](#) and to make sure that what follows the pandemic will not be a return to business as usual, but something better, cleaner and fairer. The pandemic will hit hardest the most challenged communities and essential sectors, but these are the place where co-operation can provide the most help.

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We are passionate about wanting people and institutions to continue co-operating out of lock-down: not to lapse back into competing with each other at the first opportunity. The Co-operative Commission wants to play its part working with GMCA to build a better future for the region.

Cliff Mills, Anthony Collins Solicitors, Commissioner, on behalf of the Greater Manchester Co-operative Commission
28th May 2020

ⁱ Co-operatives UK (2019). *Co-operative business survival*. Available at:

https://www.uk.coop/sites/default/files/uploads/attachments/co-operative_survival_1.pdf

ⁱⁱ Birchall, J. & Ketilson (2009). *Resilience of the co-operative business model in times of crisis*. Available at:

https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKewi25_T CmMHIAhWlIFwKHU6gAuMQFjAAegQIARAH&url=https%3A%2F%2Fwww.ilo.org%2Fwcmsp5%2Fgroups%2Fpublic%2F---ed_emp%2F---emp_ent%2Fdocuments%2Fpublication%2Fwcms_108416.pdf&usg=AOvVaw1XlkOx0Bg4ziLwSkuENGTO

ⁱⁱⁱ Birchall, J. (2017). *The Governance of large co-operative businesses*. Available at: <https://www.uk.coop/res/Biroures/governance-large-co-operative-businesses-0>

^{iv} Pérotin, V. (2016). *What do we really know about worker co-operatives?* Available at:

https://www.uk.coop/sites/default/files/uploads/attachments/worker_co-op_report.pdf

^v Co-operatives UK (2018). *Gender pay gap report*. Available at: <https://www.co-operative.coop/ethics/gender-pay-gap-report>

^{vi} Pérotin, V. (2012). *The performance of worker co-operatives*. In P. Battilani & H. G. Schröter (Eds.) *The Co-operative Business Movement*. Cambridge, UK: Cambridge University Press

^{vii} Mayo E (2015). *The Co-operative Advantage: Innovation, co-operation and why sharing business ownership is good for Britain*. Manchester: Co-operatives UK

^{viii} Thornton, E., Litchfield, A., Brooks, S., Britt, R. & Hitchin, J. (2019). *Community Business Fund evaluation: Interim report*. Available at: <https://www.powertochange.org.uk/wp-content/uploads/2019/03/CB-funding-Evaluation-DIGITAL.pdf>

^{ix} Plunkett Foundation (2019). *Community shops: A better form of business*. Available at: https://plunkett.co.uk/wp-content/uploads/PF_BB_SHOPS19_web-version-1.pdf

^x Dellot, B., & Wallace-Stephens, F. (2017). *The self-organising self-employed: Empowering grassroots collaboration in the new economy*. Available at: <https://www.fsb.org.uk/docs/default-source/fsb-org-uk/self-organising-self-employed---final.pdf>

^{xi} Directorate-General for Competition (European Commission) (2017). *Study on producer organisations and their activities in the olive oil, beef and veal, arable crops sectors*. Available at <https://op.europa.eu/en/publication-detail/-/publication/de1d238b-28f9-11e9-8d04-01aa75ed71a1>

^{xii} The combination of open membership, providing for members on leaving a coop to be repaid their capital, but for capital surpluses to be retained to build resilience and reserves, means that coops both build community wealth but also build a heritage asset for future generations. <https://wales.coop/why-co-operatives-are-essential-for-the-well-being-of-future-generations/>

^{xiii} The International Co-operative Alliance is the global body for the movement <https://www.ica.coop/en>

^{xiv} That is not to say that structures are unnecessary; they are helpful and useful when they are designed in a way which helps to deliver a purpose. The danger is that the structure distorts or becomes the purpose, or it simply gets in the way and defeats the purpose.

^{xv} See *Building a Co-operative Recovery*, Jo Platt and Cliff Mills, <https://gmcommission.coop/building-co-operative-recovery>

^{xvi} See *Co-operation not Competition*, Cliff Mills <https://medium.com/@cliff.mills1/co-operation-not-competition-db0f3ad3b6a2>

^{xvii} "... although a co-operative is trading for the benefit of its members, it is effectively a self-help mechanism enabling people collectively to meet their shared needs in a broader social context. It has a purpose which goes beyond the immediate business itself ... looking outward to wider interests including others affected by the business, wider society and future generations." Alcock, A. and Mills, C., *Co-operation for the Common Good* available at: <https://www.anthonycollins.com/resources/downloads/co-operation-for-the-common-good/>