

## **Guest Editorial**

### **Background to the Confidence Project**

The two reports that follow are based on the UK and Italian experience of financial participation by employees in co-operatives.

The Confidence Project was EU funded and headed by the Trentina Federation of Co-operatives from South Tirol in Italy, with the Co-operative College in the UK, the Mondragon Co-operative Corporation in Spain and other partners. The project derived from the growing interest in CSR in the private sector, through to which companies are required to take into account the interests of stakeholders other than their shareholders, ie including employees. Recent changes in Italian law led their co-operatives to become concerned of the dangers of co-operatives simply mimicking private sector on incentive schemes, rather than looking for methodologies for financial participation by employees consistent with co-operative values.

The timing of the project, which was completed in June 2004 was particularly useful for us in the UK. It provided an opportunity to review employee incentive schemes introduced in UK co-operatives since the successful campaign by Co-operatives<sup>UK</sup> that enabled all employee share ownership schemes (AESOPs) to be extended to members of co-operatives.

We hope that the papers that follow will help stimulate debate on the original aims of the project – the need to generate greater financial involvement by co-operative employees as distinct stakeholder groups in their enterprises, but in a way that is consistent with co-operative values and principles, and does not create distortions by advantaging one group of stakeholders against another.

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