

Editorial

Delineating the Co-operative Difference

A continuing interest of the UK Society for Co-operative Studies has been the exploration of the circumstances in which the terms 'co-operative difference' and 'co-operative advantage' become more than empty rhetoric. Co-operative difference is a term which resonates with many co-operators including those who dream of a co-operative commonwealth; a global society in which mutual benefit rather than individual gain is the driving dynamic, but it is when the word 'difference' is replaced by 'advantage' that such idealists are joined by those who discover co-operation from a more pragmatic perspective. The first term emphasises the social goals of the co-operative: the second its status as an economic entity and the circumstances in which co-operative organisation delivers a tangible economic advantage over conventional investor driven capitalistic enterprises. The recognition of this dual nature of co-operative organisations as social movements and economic entities is a common thread linking the papers published in this issue of the Journal.

A few years ago, the Society for Co-operative Studies commissioned a number of research studies which explored the nature of this duality in the UK consumer co-operative movement. Whilst a few successful societies adopted an inclusive approach in which there was an effort to integrate the social and commercial strategies within a distinctively co-operative culture, many societies adopted a more separatist approach. In the latter, it seemed that managers perceived the organisation as a conventional capitalist business, which, for largely historical reasons, had a co-operative dimension, tacked on to it.

This separation of co-operative thinking from the day today management of the business was particularly apparent when researchers examined human relations management practices within UK consumer societies. With few exceptions, the co-operative difference meant little to this aspect of their operations. Perhaps there are historic reasons for this. The early co-operative enterprises were of small scale

and the Rochdale Pioneers gave little thought to the role of co-operatives as employers when they first enunciated their co-operative principles. The paper by Tom Webb explores this issue further. He examines co-operative and capitalistic approaches to human resource development and concludes that the situation is all too often one of wasted opportunity. He uses an architectural metaphor and suggests that managers and boards have tended to import plans developed for building upon someone else's foundations: those of investor driven businesses rather than upon their own distinctively co-operative foundations. For example, he contrasts the quality circle within a conventional capitalistic paradigm with the potential for a 'co-operative circle' in which the purpose is to add co-operative as well as purely economic value through the participation of co-operative employees.

The theme of wasted opportunity is also apparent in the paper on the history of the co-operative movement in India. The suggestion is that the socio-political framework within which co-operatives have developed is one, which has not been favourable to the co-operative difference becoming a co-operative advantage.

In a major refereed paper in this journal, Vladislav Valentinov adopts an innovative economic perspective to developing a sharper focus on the circumstances in which co-operative forms of organisation deliver a tangible advantage. He recognises the dual nature of co-operative organisations but notes the on-going process of co-operative 'economisation'. This is the process by which, in their culture, corporate mindset and governance mechanisms become increasingly capitalistic. The paper reviews established economic studies, which sought to offer a rationalisation of the emergence of co-operative rather than capitalistic institutional arrangements in particular circumstances. In particular, he examines transactional cost approaches. An alternative approach is developed using the increasingly discussed concept of social capital to explain the 'double nature' of co-operatives, the

distinctions between co-operative and capitalistic governance and to explore the circumstances in which the 'co-operative difference' becomes a 'co-operative advantage' in offering a more effective way of organising.

The papers published in this issue also reflect a desire expressed in the first issue of this volume of the Journal in introducing our revised format. This was the aim of encouraging reflective and theoretical contributions from both academic and practitioner contributors. If academic papers submitted for peer review are restricted to presenting the findings of (often fairly esoteric) empirical studies whilst short papers are largely descriptive, there is a risk that the Journal takes on a fairly schizophrenic character. Instead of acting as a bridge

between academics and practitioners, it runs the risk of catering separately for the two audiences. The hope is that a greater emphasis on academics and practitioners engaging with each other in reflective and theoretical discussion will strengthen the bridge and enable the UK Society for Co-operative Studies to contribute to the shaping of a co-operative research agenda. To this end, the guidelines for contributors will be amended during the coming year to encourage a wider variety of submissions likely to stimulate thought and discussion amongst both co-operative practitioners and researchers into co-operation.

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