



Linking Theory
and Practice

Editorial

In this Autumn issue of the *Journal*, we begin with an article by Curtis Stofferahn and Aaron Ley which examines the impact of corporate management styles on co-operatives. The article approaches the issue by examining the deterioration of co-operative and trade union relations during a lock-out of workers at the American Crystal Sugar (ACS) Company in North Dakota and Minnesota's Red River Valley. ACS is a co-operative that was formed by sugar beet growers in the 1970s. It had previously enjoyed relatively good relations with the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM), but in August 2011, ACS workers were locked out and replaced by 900 new workers. The lock-out lasted until May 2013, a total of 22 months.

To analyse the lock-out, the article draws on "isomorphism", a concept from neo-institutional theory (DiMaggio & Powell, 1983) which is used to explain why organisations become increasingly similar to each other. Using Bager's (1994) framework for analysing the transformation of co-operatives, the article pinpoints three areas of tension in ACS: increasing rationalisation and bureaucratisation, the adoption of corporate culture, and the education of employees and professional organisation. The findings suggest that ACS was becoming increasingly corporate, with a more hierarchical organisational structure, centralised decision-making and a focus on the bottom line rather than members. The lock-out involving BCTGM workers was part of this corporate re-orientation. The article concludes by calling for further research into the relationship between co-operatives and unions, arguing that this case points to the increased corporatisation of co-operatives and a possible degeneration of relations between unions and co-operatives.

The second paper by Shrestha and Dhakal provides updates on the co-operative sector in Nepal. There are a wide range of co-operatives in Nepal, including the financial services, agriculture, food production and renewable energy sectors, and the majority were established to promote economic development and alleviate rural poverty in Nepal. Shrestha and Dhakal argue, however, that little is understood about how they contribute to the economy. The paper charts the development of co-operatives in Nepal, from the first co-operative established in 1957 and the Co-operative Act of 1960, to more recent developments arising from the new Co-operative Act 2017. The Act of 2017 organises co-operatives into four layers (local, district, provincial, and central) and sets out rules for co-operative governance in Nepal. Having explained the historical background of the sector, the paper then examines co-operatives' contributions to Nepal's GDP. While taking a narrow view of contributions to GDP and finding weak significance regarding the numbers of co-operatives and impact on GDP at a national level, the authors nevertheless demonstrate the positive economic (and by inference social) contribution at a local and provincial level. Shrestha and Dhakal conclude by calling for further provincial-level research on Nepalese co-operatives.

Vik and Wallace offer timely insights into the cost-of-living crisis by examining its impact on British credit unions and community lenders, namely community development finance institutions (CDFIs). Credit unions are generally understood to be resilient in times of crisis and this paper reports on research conducted between May and August 2022, giving up-to-date insights into developing trends. The paper reports on interviews with managers, as well as a focus group with loan officers, drawn from 17 credit unions and 8 CDFIs. The findings make for stark reading: members and customers are experiencing increased financial hardships; unsecured debt levels are rising; more loans are being refused; and borrowing is for essentials rather than discretionary spending. For the lenders, this is translating into reduced savings and increased loan delinquency. Vik and Wallace argue that these early findings suggest that credit unions and CDFIs are struggling to balance supporting low-income, financially vulnerable customers, while simultaneously managing their own financial viability. They conclude by arguing that further research is needed into the long-term effects of the cost-of-living crisis on community finance.

The Summer issue was dedicated to Johnson Birchall and included a re-print of a speech he gave on “Co-operatives in the Twenty First Century” (Birchall, 2022). In it, he suggested that care services could be a growth area for co-operatives. The short paper by Bird et al., members of union-coops:uk, responds to Birchall (2022) by proposing a model of social care based around a union co-operative structure. The paper begins by discussing the crisis of care in the current UK system, including increased demand, inequalities of provision, and a workforce crisis where around 73% of social care workers earn less than the living wage. The paper reframes social care around an ethics of care which prioritises co-operative governance, trade union voice, social justice and wider democratic participation in the sector for service users and workers alike. In its exploration of the shared interests between co-operatives and trade unions, the paper offers an interesting point of contrast with Stofferahn and Ley’s article.

Gagliardi and Gindis report on a new interdisciplinary research project that explores co-operatives for sustainable development. It is funded by the Independent Social Research Foundation and endorsed by the UK Society for Co-operative Studies. The short article begins by explaining that although there are significant similarities between the UN’s Sustainable Development Goals (SDGs) and co-operative values and principles, the potential contribution of co-operatives to SDGs goes unrecognised because they tend to have local, rather than national or international, visibility. Moreover, economic research has consistently championed capitalist firms over co-operative alternatives. This project aims to address these concerns by developing an analytical framework to understand the variety of co-operative forms and their success or failure over time. To do this, the project will draw on the interdisciplinary expertise of the team. Gagliardi and Gindis are co-leads on the project and the other members of the team include Chris Colvin (Queen’s University Belfast), Tine de Moor (Erasmus University Rotterdam), Elisavet Mantzari (University of Birmingham) and Rory Ridley-Duff (Sheffield Hallam University).

Nigel Todd (1948-2021) was described as “passionate to the end” about co-operatives. In this appreciation and review of his work by Jan Myers, we are treated to a warm account of Todd’s life, interests and publications. The piece explores Todd’s advocacy of adult education and lifelong learning, inspired by the formative influence of studying at Ruskin College. It also offers “choice snippets” from Todd’s writing, including material on the Wallsend Owenites and the story of Clousden Hill Free Communist and Co-operative Colony. The review concludes with a bibliography of Todd’s work. For those who knew him, the piece gives an opportunity to reflect on his contributions and activism. For those who did not know him, the review is an encouragement to find out more.

Finally, Marcelo Vieta’s book *Workers Self-Management in Argentina: Contesting Neo-Liberalism by Occupying Companies, Creating Cooperatives and Recuperating Autogestión* is reviewed by Alex Bird. This is a comprehensive account of the worker takeovers of failed firms in Argentina, based on Vieta’s original research. Readers can learn more about Argentina’s recuperated worker-owned enterprises in the next issue of the *Journal*.

Erratum

Please note that in the special issue on co-operation and journalism (Vol 54, Issue 4, 2022), the title of Fouquet et al.’s article was wrongly titled ‘Co-operative conversations in the newspaper industry: Navigating between the reefs towards success’ in the initial PDF and hard copy versions of the *Journal*. The title should read, “Co-operative conversions ...”. Apologies to readers and authors. Corrections have been made to the online copies.

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