

Editorial

This issue provides an international profile of two key co-operative sectors — agriculture and credit unions. We look to North America for a focus on US dairy farming and then move to Indonesia to explore the potential of credit unions in supporting community development and creating social value.

Thomas Gray provides an overview and meta-analysis of member satisfaction surveys across US dairy co-operatives. He provides a useful introduction to user-owned and controlled co-operatives and highlights three guiding principles in relation to ownership, control and benefits. He points to the tensions between agricultural economics and rural sociology when studying and researching agricultural co-operatives, suggesting that these studies largely ignore the complexity of the socio-political-economic aspects in the history, development, and management of such co-operatives. Gray describes how, over time, agricultural co-operatives in the US and Canada have sought to expand through various means in order to survive. At the same time, this runs the risk of alienating members of the co-operatives. To examine this, the paper focuses on a number of internal management questions and operation issues and seeks to identify perceptions and opinions on these issues and how these link to member satisfaction.

As a rural sociologist/agricultural economist with the United States Department of Agriculture, Rural Development, Cooperative Programs and a scholar at the University of Saskatchewan Co-operative Centre, Gray is well-placed to interpret the knowledge gained from providing technical assistance to a number of dairy co-operatives. This paper draws on the results from four studies and different dimensions of satisfaction: co-operative services, pricing, member information, member connection to the co-operative, governance, operations, and selective practices of co-operative principles. Findings suggest that while members are concerned with the operational aspects of the co-operative and the economic benefit and return, there is a need to balance both the economic and the social; the concern for operations needs to run parallel with concern about members. Acknowledging this tension, Gray concludes, could preserve a sense of identity, ownership, and democratic participation that may be at risk.

Prasetyo, Chang and Lo provide an interesting focus on Indonesian credit unions and the concept of social value — sustainable economic development for communities. They have collected data from three case organisations over three years to examine the links between credit unions and social value generally and in particular in relation to South East Asia. They argue that credit unions, if remaining distinct from banks, can provide a platform for knowledge and learning for the sector as well as increased opportunities to generate broader social value through responsible business.

They also suggest that credit unions cannot rest on their traditions and assumptions of being rooted in local communities. Rather they need to be able to continually learn and engage members through improved communication and collaboration. To explore this more, they look at the potential of creating and developing knowledge networks, both internal to the organisation and externally, to support the creation and exchange of knowledge through positive feedback loops and active network activities.

The authors found that many of the activities undertaken by credit unions are not dissimilar to banks and it is therefore difficult to compete. This has been exacerbated by government interventions on behalf of banks. They also suggest that credit unions need to pull on their knowledge capabilities and formalise knowledge management systems, including empowering members to be more involved and to create increased awareness and loyalty by building social capital and community benefit.

The paper then goes on to detail a possible knowledge organising system and how this might be achieved for Indonesian credit unions. The authors point to practical obstacles, such as the

need to address financial literacy, and how workshops were organised to address some of these issues, resulting in increased member activity and satisfaction, which in turn resulted in growth in assets. Moreover, there was a marked increase in the number of members who shifted to regularly depositing and saving with the credit union.

We then journey back to the UK where we have a short paper from Steve Thompson which provides an overview of Sheffield Co-operative Development Group, based in the South Yorkshire region of England. It is timely to consider the role of co-operative development in a UK regional context particularly in relation to greater regional powers, combined local authorities, and city regions. Sheffield City region was established as a combined authority in 2014, and comprises nine local authority areas with a combined population of around 1.8 million people. In the same year, the Sheffield Social Economy Forum held an event focusing on how co-operatives support local economic development and the future of co-operative development in the region. As we can see from Thompson's paper, Sheffield City Council has played a major role in supporting co-operative development which continues today when the UK, as a whole, has seen a general decline in such support at a local level and with a focus on social enterprise rather co-operatives per se. We're hoping to hear much more about local and regional initiatives to support co-operative development not only in the UK but internationally and welcome practitioner papers that look at issues and opportunities in this field.

To complete this issue, we have a review of Peter Ranis's *Cooperatives confront capitalism: Challenging the neoliberal economy*, provided by Gerald Doyle. This fascinating book provides case examples of worker co-operatives, the co-operative movement and the social economy in the US, Argentina and Cuba. We featured a review of Ridley-Duff and Ball's *Understanding social enterprise: Theory and practice* when it was first issued and here we have a thorough review from Dan Crowe of the updated and revised second edition.

We hope you enjoy reading this summer issue.

Jan Myers
Editor