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Co-operative Principles and Co-operative Law. By Hans-H Münkner.

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Co-operative Principles and Co-operative Law

By Hans-H Münkner

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This textbook is a revised second edition of what is deemed to be a classic on co-operative law that was originally written in 1973. This second edition helpfully gives an introduction to the first edition which sets the scene by discussing various definitions of the ideas, principles and practices of co-operation including that provided by W P Watkins in his essay, *The Nature of Co-operative Principles* that there needs to be development of the distinction between the “fundamental concept of co-operation” and “modes of action” which stem from these concepts and are used to implement the theoretical concept of co-operation in practice. The text suggests that, to date there has been a tendency to use the co-operative principles to do both and the ICA Commission has yet to make a distinction between the two.

Münkner acknowledges that this second edition is an attempt to add to and update the text of the first edition in line with changes in the global socio-economic landscape along with the revision of the ICA co-operative values and principles. The structure of the main text remains largely unchanged, we are led through a description of each co-operative principle presented in the first edition but in addition, Münkner adds two additional areas of discussion for each principle (1) presenting new trends and (2) describing and discussing new provisions of co-operative law. It is worth noting that the co-operative principles Münkner presents, although correlating with the ICA principles are not quoted verbatim, instead he seeks to interpret the ICA principles through a combination of concept and action. For example, his first principle — “Mutual assistance through association based on solidarity and personal co-operation” takes elements from the definition (association of persons), values (self-help, solidarity, self-responsibility) and principles (co-operatives are self-help organisations of their members) outlined in the ICA statement.

Before the text examines each principle in detail, Münkner identifies several general co-operative current trends; in particular he identifies the efforts by co-operatives to manage the delicate balance of maintaining their local roots and closeness to members and the need to grow to participate in global markets. To avoid becoming “commercial combines” Münkner suggests co-operatives should develop vertically integrated co-operative systems to compete against “international combines”. At the other end of the scale, he also highlights the emergence of special provisions for small co-operatives in co-operative legislation, providing an example from Italian legislation where small co-operatives are defined as small if they have a minimum of three members but less than nine or less than 20 members and less than €1000,000 of assets. He has also observed that there has been a tendency to promote general interest co-operatives by public authorities, but in doing so there is a problem in trying to motivate citizens to become involved and caution to be shown in ensuring that the development of these co-operatives do not relieve the state of their public duty to provide public services. By drawing on two case study schemes, Samahang Nayon in the Philippines and Ujaamaa (Villagisation) in Tanzania he also highlights the dangers that can occur when the state takes on the role as promoter of co-operative development which in practice creates government controlled co-operatives.

Münkner adopts a structured approach to examining each principle, by considering the meaning of it, how the principle affects the law in specific countries, how the principle is reflected in the ICA statement and the emergence of new trends. To illustrate, it is fundamentally important in a co-operative for members to understand their rights and responsibilities and to exercise

them in a purposeful way – this is in essence, the principle of promotion of education and is expressed in ICA principle 5. However, in most co-operative laws this principle is not mentioned and only in recent years have some amended their co-operative legislation to include education and training – but more still needs to be done and one Münkner suggestion is for a minimum standard of member education should be required prior to registration of any co-operative or for an education fund to be created and for a small percentage of a co-operative's turnover to be allocated to it. New and encouraging trends of the promotion of education in action are offered, for example in Southern European Countries, rules have been developed where co-operatives are obliged to invest in promoting education and training of their members.

Münkner offers a series of conclusions to this edition of the text, in particular, by suggesting areas of caution for countries when making co-operative laws, more autonomy for co-operatives to adapt to their own needs provided that the tenets of self-help and promoting the interests of members are maintained and overall and in line with the ICA *Blueprint of Co-operation* to create clarity on what a co-operative is and how they work so that they can compete on a level playing field in the global economy.

The Reviewer

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