

The Co-operative Option

Public perceptions of co-operatives in our
communities, workplaces and economy



thehive.

By...
CO-OPERATIVES UK


In partnership with...

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What is a co-operative?

From Barça football club to parmesan cheese, co-ops are everywhere. From the outside they might look like any other business. It is what happens inside that makes them different.

They are businesses that are owned and run by the people closest to them. Whether they are customers, employees, suppliers or local residents, the members of a co-operative control the business together – with an equal say in what it does and how its profits are shared.

Co-operatives are organisations that give people control over things that matter to them – the places they live and work and the businesses they use. There are nearly **7,000 co-operatives** operating right across the UK, owned by **15 million people** – and worth **£37 billion** to the economy.



"Working here is meaningful – whether I'm sweeping the floor or taking part in business decisions. Does being a part owner make a difference? Of course it does."

Joe Haydn, worker owner, Unicorn Grocery

The Co-operative Option

What if people had more control over the things that matter to them – their workplace, their football club, their mobile phone provider? What if they had influence over the big decisions made by the businesses they use or work for? What if there were more organisations that gave people, not just a say in what they do, but a real stake?

This short report highlights new evidence of discontentment with the amount of control people have over the economy, their workplace and their local community. It finds that people view co-operatives as a means to increased influence over large businesses and as a way to save community services and assets.

Based on research conducted in February 2016 by You Gov¹, the report reveals:

- 59% of people say they have no control over the economy. This rises to 62% for lack of influence over business
- More than two thirds of people would like their library, leisure centre, family's elderly care provider and main supermarket to be a co-operative
- 62% of people see co-operative businesses as fair while only 11% say the same of PLCs
- 68% of people in work feel they have no control in their workplace – a 10% rise from 2015 levels
- 72% of people have, or like the idea of, clubbing together with other people to save a community service or asset, particularly historical buildings, public parks, local shops and pubs

¹ Research carried out by YouGov between 9 and 10 February, 2016. Total sample size 2,016 adults. Figures weighted and representative of all GB adults (aged 18+).

A co-operative option for our economy

As the UK economy gradually picks up, we are seeing growth in key areas like employment and output. But there continues to be a sense of disconnection from the economy among the British people.

A total of 59% of people who expressed a view felt that – as customers, employees and suppliers – they have no control over the economy. And 62% said the same for the businesses they use.

Reasons for their concerns over the lack of control were clear when asked for views on big businesses. With a backdrop of tax avoidance stories, the lack of faith in PLCs is startling, with only 7% describing them as honest, 9% as ethical and 11% as fair.

Co-operatives, on the other hand, have positive associations. They are overwhelmingly seen as democratic (62%), fair (62%), ethical (60%), trustworthy (57%) and honest (55%).

Table one: Words associated with PLCs, co-ops and local businesses

	PLCs (%)	Co-operatives (%)	Local businesses (%)
Local	4	49	8
Trusted	12	57	48
Honest	7	55	45
Ethical	9	60	29
Democratic	21	62	18
Fair	11	62	34
Profitable	81	32	32
Innovative	38	37	26
Professional	67	38	33
Unprofessional	12	11	14
Old-fashioned	10	21	35
Inefficient	17	12	15

Co-operatives already have a strong presence in certain sectors of the economy – convenience retailing, funeral care and agriculture in particular. Evidence shows that people would like to see more co-operative businesses in the economy, particularly providing some of their core services.

Of those who expressed an opinion, 68% of people would like ownership of their local supermarket and health provider through a co-operative structure. Almost two thirds of people (66%) said the same of their energy provider and homecare provision. This rises to 69% when people considered their leisure centre or library.

Table two: Percentage of people preferring the co-operative option

Service	% in favour of it being run as a c-op
Leisure centre or library	69
Homecare provision	69
Main supermarket	68
Family's health care provider	68
Home energy provider	66
Mobile phone provider	64
TV station	56

A co-operative option for our work

Employment may be on the rise but so is the feeling of having no influence at work. In 2015 more than half those surveyed (58%) felt they had no influence at work. This has risen to 68% in 2016. The figure is even higher for part-time workers, with 70% reporting no influence in 2015 and 75% 12 months later.

"Our members make significant savings on a wide range of goods and services, from vehicles and building materials to telecommunications and animal health products."

Clarke Willis, CEO, Anglia Farmers



It is no surprise, in this context, that although only 9% of respondents who expressed a view are self-employed, 26% see it as their ideal employment status. A similar trend emerges in relation to co-operative jobs, with three times as many people wanting to work for a co-operative than currently do.

Starting a new business was viewed as a significant move. Most were put off by perceptions of insecurity and viewed starting a business as a burden to be shouldered alone, rather than something to be done in collaboration. More said they were likely to search the internet (32%) or ask family or friends (21%) rather than seek professional or specialist advice.

Table three: What would put you off starting your own business?

	% of people
Lack of security that comes from no guaranteed salary	69
Potential financial instability (e.g. losing my home, taking on more debts)	69
Fear of failure	68
Potential loss of earnings	68
Not having the same employment rights to fall back on if I suffer illness	66
Difficulty completing tax return forms	64
Extra workload/responsibility	56
I think it might be lonely to be self-employed	15

Starting a co-op is an appealing option for those worried about starting a business – offering a safer way to get off the ground with the risks and responsibilities shared. Evidence¹ shows that co-operatives are twice as likely to survive the difficult first five years than conventional businesses. While 80% of co-ops make it to their sixth year, just 41% of all businesses can say the same.

A co-operative option for our communities

With cuts to local authorities, vital public services under threat and the gradual shift away from high streets and independent shops, our local communities are being stretched like never before.

“When people come into the pub there’s a lot of pride that they’ve bought into something very special and part own it.”

Sue Pryor, member and owner, The Bell Inn



It is estimated that in the last five years, 550 libraries, 7,500 local pubs and 2,000 village shops have closed. Meanwhile, local authorities and charities are struggling to main historic buildings.

There is an alternative. People can club together, pool resources and save vital services and assets themselves. Between 2010 and 2015 some 57,000 people invested more than £60 million in community share schemes – saving local pubs, shops and buildings.

‘n the village of Hudswell in Yorkshire, for example, residents clubbed together to save their local pub from closure, where it

1 Co-operative Economy 2015: http://www.uk.coop/sites/default/files/uploads/attachments/co-op_economy_2015.pdf

now houses the village library too. In Bristol, a new local newspaper is owned by people across the city, giving a voice to all. In Scotland, residents of Portpatrick pooled resources to buy their harbour so they could take control of its redevelopment’

Evidence shows this is an appealing option. Of those who expressed a view, almost one in seven people had already worked with others to save a local service or asset. A further 58% would explore the option if something they valued in their local area was under threat. Survey respondents prioritised historical buildings, public spaces, cinemas and theatres, as well as local pubs and shops.

Table 4: What do people want to club together and save?

	% of people
Historical site/building	35
Local park or public space	25
Cinema or theatre	25
Local pub	25
A high street shop	23
Sports club	19
Leisure centre	16
Housing complex	8

Conclusion: Supporting the co-operative option

Polling evidence reveals the growing appeal of the co-operative option for consumers, employees and local residents alike. Co-operatives are already working right across the economy and with the right support the business model could expand further. With new legislation and regulation in place, there has never been a better time to start or run a co-operative.

Building better co-operative businesses

The Hive is a new business support programme designed for those wishing to start or grow co-operatively run organisations.

From renewables to retail, sports to social care, The Hive provides business support through a mix of online resources, training, advice and peer mentoring.

www.thehive.coop



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By...
CO-OPERATIVES UK
The logo for Co-Operatives UK, featuring the word 'COOP' in a red, stylized, lowercase font.

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