The co-operative economy 2015

An ownership agenda for Britain
Ownership matters

Ownership gives people control over things that matter to them. Without it, they have less of a stake in society and in the economy. The effect on business is detrimental, slowing down key determinants of economic success, like productivity, innovation and entrepreneurialism.

This is echoed by the British public, who feel they have no control – in their workplaces, over big business, or over the economy as a whole.

Co-operative ownership

Co-operatives offer a solution. On the outside they might look like any other business; it’s what goes on inside, because of the way they are owned, that makes the difference.

From high street retailers to farmer controlled businesses, credit unions to community pubs, co-operatives are mutual businesses that are owned and run together by their members, whether those members are the employees, the customers, local residents or suppliers.

They operate in the interests of the members, who have an equal say in how the business is run and decide how its profits are used. They give people control over things that matter to them and help them pull together.

The secret of success is... sharing it.
Perceptions of ownership

58% of those in work believe that they have no influence in their workplace

The figure rises to 70% for part-time employees

58% feel they have no say over the economy

59% feel they have no control over big business


“In the last few decades, the diversity of forms of business organisation has diminished and we need to reverse that trend.”

John Kay, Financial Times
“I can’t see myself working anywhere else where I couldn’t be part of the decision process.”
Debbie Harley, worker owner, Delta T Services

DELTA T DEVICES | Delta T is a worker-owned Cambridgeshire manufacturer that develops market leading instruments for environmental science research around the world. Its products are used by NASA, and can even be found measuring moisture levels on top of Kilimanjaro.
The co-operative advantage

By giving the people involved in a business – employees, customers, residents, suppliers – a stake in it, co-operation has a triple effect.

**Sharing ownership boosts productivity.**
The potential boost from co-operation to the UK economy of higher employee engagement alone is estimated to be at least £59.4bn.

**Sharing ownership harnesses innovation.**
Innovation accounts for 70% of long-term economic growth in the UK. The most common sources of innovation are employees and customers.

**Sharing ownership drives entrepreneurship.**
Data on growth businesses shows that entrepreneurs are motivated to build businesses and ‘create change through co-operative relationships', rather than acting as lone entrepreneurs.

“I see co-operatives as an essential innovation on the way to a good society.”

Professor Robert J Schiller, Economics Nobel Prize Winner
The UK co-operative sector 2015

The UK co-operative sector is diverse. Thousands of independent businesses work across the economy, from sports to social care. They range from micro enterprises and community organisations to famous brands and big businesses. What they share is that they are owned and run together by their members.

Contributing to the economy

Media reports over the last 18 months have pointed, superficially, to challenges in the co-operative sector. Whilst concerns at the Co-operative Group may have stolen the headlines, the sector as a whole has been performing well. Growth at customer and employee owned retailers like Midcounties Co-operative and the John Lewis Partnership have led to an overall growth of the co-operative sector’s turnover over the last five years.

Co-operatives contribute £37 billion a year to the British economy
An increase of 15% since 2010
Increasing business ownership

Co-operatives give people control over the businesses that affect them. Since 2010, more and more people have become members of co-operatives, whether customers owning the large retailers they use, fans owning their football clubs or local people owning nearby shops and pubs.

Nearly 15 million people own the UK’s co-operatives

An increase of 16% since 2010

Co-operative sector turnover

2015: £37 billion

2010: £32.1 billion
Most entrepreneurs are not motivated just by money and that those who are motivated for collaborative ends, to make a difference, tend to be more successful.”  
Rebecca Harding, *The Collaborative Entrepreneur*

Business resilience: co-operatives and the rest

Starting a business is risky. Only four in ten new businesses in the UK survive their first five years. Co-operatives buck this trend, however, with eight out of ten co-operatives created in the last five years still going strong. A combination of sharing risks, harnessing the ideas of many and the stake members have, means co-operatives demonstrate significant business resilience.


Co-operatives

80%

The rest

41%

Co-operatives are bubbling up everywhere, from local residents starting up community owned energy projects, to young people forming co-ops in the creative industries, residents saving their much loved local pub and employees buying their workplace. There are, now, nearly 7,000 independent co-operative businesses in the UK.

6,796

The number of independent co-operative businesses in the UK

Boosting entrepreneurship

Twice as many co-operatives survive the difficult first five years than other businesses.

“Most entrepreneurs are not motivated just by money and that those who are motivated for collaborative ends, to make a difference, tend to be more successful.”  
Rebecca Harding, *The Collaborative Entrepreneur*
“Not only is FC a great club but it’s mine. Along with thousands of fellow fans, I’m a part owner of my team.”

John Connolly, fan and owner, FC United
Alston is the geographical centre of Britain, the highest market town in England, and home to the largest number of co-operatives per person in the country. It has a co-operative baker, wholefood store, school, community owned shop and post office, broadband service and Co-operative Food outlet.

Co-operative hotspots

The places with the highest number of co-operatives per person in the UK:

<table>
<thead>
<tr>
<th>No. of Co-ops</th>
<th>Hotspot</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>Calderdale</td>
</tr>
<tr>
<td>43</td>
<td>Powys</td>
</tr>
<tr>
<td>50</td>
<td>Brighton</td>
</tr>
<tr>
<td>105</td>
<td>Highlands and Islands</td>
</tr>
<tr>
<td>118</td>
<td>Bristol</td>
</tr>
<tr>
<td>125</td>
<td>Cornwall</td>
</tr>
<tr>
<td>131</td>
<td>Devon</td>
</tr>
<tr>
<td>133</td>
<td>County Durham</td>
</tr>
</tbody>
</table>

Co-operatives across the nations

<table>
<thead>
<tr>
<th>UK Nation</th>
<th>No. of Co-ops</th>
<th>Turnover (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>5,527</td>
<td>30.2</td>
</tr>
<tr>
<td>N. Ireland</td>
<td>250</td>
<td>1.1</td>
</tr>
<tr>
<td>Scotland</td>
<td>567</td>
<td>4.2</td>
</tr>
<tr>
<td>Wales</td>
<td>452</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Co-operatives across the country

Co-operatives are everywhere, from Ipswich to Inverness, with co-operatives performing well in each of the UK nations. Like many models for innovation, clusters of co-operatives form when the idea, and the success, of shared ownership spreads. There are co-operative hotspots in cities like Brighton and Bristol, and rural areas like Cornwall and the Highlands.
“We’ve managed to provide more local employment as our business expanded on the back of what we’ve been doing with the co-op. It’s nice working with businesses which have a like-minded approach in family values towards business.”

Robert Strathern of Fairfields Farm, supplier to East of England Co-operative
“You can see it in the way we bounce ideas off each other, the way we engage. Because we are the owners we all have a stake in the future of the business... There’s pride.”

Jeff Powell, worker owner, Care and Share Associates

CARE AND SHARE ASSOCIATES | CASA provides social care to thousands of adults across the North of England. It is a worker owned business with a combined turnover of £10 million. It puts its high levels of care and productivity down to its 850 employees owning the business.
Co-operatives work across the economy. Three sectors in particular are performing well, seeing significant growth. The second largest part of the co-operative sector, farmer co-operatives has grown by almost a third, whilst co-operatives operating in health and social care have grown by half again. The biggest area of growth is in energy, an increase powered by the combination of a flourishing renewable energy co-operative sector and the start-up of Co-operative Energy in 2010, which now supplies 213,000 customers.

“Co-operation is as vital an ingredient in economic development as ‘survival of the fittest’ individualism.”

Eric Beinhocker, The Origin of Wealth
## Sector snapshot

Turnover and number of co-operatives

### Key

<table>
<thead>
<tr>
<th>NUMBER OF CO-OPERATIVES</th>
<th>TURNOVER</th>
<th>£bn billions</th>
<th>£m millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail</strong></td>
<td>416</td>
<td>£26.1</td>
<td></td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>621</td>
<td>£6.2</td>
<td></td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>619</td>
<td>£500</td>
<td></td>
</tr>
<tr>
<td><strong>Health and Social Care</strong></td>
<td>111</td>
<td>£60</td>
<td></td>
</tr>
</tbody>
</table>

“Innovation trends are encouraging more economic collaboration. This is co-operating in order to compete.”

Ed Mayo, editor, The Co-operative Advantage: Innovation, co-operation and why sharing business ownership is good for Britain
Across the economy

The co-operative sector has always been strong in retail and agriculture, where a small number of businesses generate a significant amount of turnover. Yet co-operatives operate across the economy, from sports to social care. Whilst 2014 saw the strength of co-operative banking drop, it was balanced by the success of credit unions at a local level as well as growth in sectors from energy to education.

* This include clusters of co-operative schools. Overall, according to the Co-operative College, there are now 834 co-operative schools.

The full data report can be read online at www.uk.coop/economy2015 – including access to sector statistics. Following extensive work on data over recent years, we are releasing this on an open data platform and welcome the engagement of members and partners in the development of our knowledge base on the co-operative sector.
Co-operatives UK is the network for Britain’s thousands of co-operatives. We work to promote, develop and unite member-owned businesses across the economy. From high street retailers to community owned pubs, fan owned football clubs to farmer controlled businesses, co-operatives are everywhere and together they are worth £37 billion to the British economy.

www.uk.coop