Innovations for a new economy

Research for The Co-operative Advantage has identified more than 50 innovations that could help boost the British economy. From agriculture to social care, sport to insurance, co-operation can contribute to a step change in business practice. Here are five examples of co-operative innovations.

1. Consumer co-ops

As technology has developed, so have online communities that are together developing open software and data. We are seeing the emergence of a new collaborative model, open co-ops, to address the challenges facing these communities. The contributions that people make are rewarded through an ownership stake. The resulting model is one of openness, with transparency on matters from rewards and resources to membership and taxation, software and data. Open co-ops, from FC United in football to the Swiss Health Bank in banking, are at the heart of the digital economy, as are open co-operatives, to address the challenges facing these communities.

2. Social care co-operatives

The market for data generates $156 billion of revenue in the US alone, but the subjects of this book have no direct way to benefit from data that is sold about them. In Switzerland, the Swiss Health Bank has developed as a co-operative model for pooling personal health data. The data is better quality, with fewer errors, and is more useful for pooling personal health data. The data is better quality, with fewer errors, and is more useful for improving health outcomes.

3. Freelancers union

Across the field of film, TV, and music, for example, freelancers are at risk from middlemen (producers, agents, etc.). A European model, whose business model is designed to strip away that potential revenue. Operating in a co-operative model, for example, the Freelancers Union has around 100,000 members in New York State, organized around advocacy and social care. A co-operative model allows the growing numbers of people who are self-employed, entrepreneurial but at risk to come together around shared values.

4. Payroll co-operatives

Private sector health and social care providers operate in a way that leaves high-cost care that are not pro-socially oriented – with centralised control, overpaid senior management and investor mentality. The social care co-operative model, such as the FC United Model, for example, gives live to the long-established social care profession, that the staff and users involved own the service that is provided.

5. Open co-operatives

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The Co-operative Advantage Innovation, co-operation and why sharing business ownership is good for Britain

Edited by Ed Mayo
Published 2015, by New Internationalist
Based on three years of research with the business co-operation experts, The Co-operative Advantage analyses growth sectors around which the co-operative model has come to edge in a time of competitive advantage – identifying fifty potential innovations that dovetail with emerging trends in markets and technology. The case studies involve the role of technology that we look at adding to 61% of overall GDP and account for 64% of total

Learn more about The Co-operative Advantage or order a copy at www.uk.coop/coopadvantage

The co-operative advantage

Innovation, co-operation and why sharing business ownership is good for Britain

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Thousands of businesses, one network

Co-operatives UK is the network for Britain's thousands of co-operatives. We work together to promote, develop and encourage 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.

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The innovation economy

Britain needs to nurture a new approach for economic success. A vital ingredient will be harnessing current innovation trends that encourage a far stronger dose of economic collaboration.

Many of the world's most successful firms are achieving results by embracing collaboration - creating informal networks, harnessing customers' ideas, empowering their employees.

Research for the 2015 World Economic Forum predicts that co-operative innovation will account for over 25% of the total revenues of Europe's largest businesses by 2030.

In an innovation economy, where knowledge is the new currency, businesses must co-operate to compete. We call this the co-operative advantage.

The co-operative advantage

The co-operative advantage is realised by giving the people involved in a business – the employees, the customers, the suppliers – a stake in it. Their participation has a triple effect.

Productivity

The boost from co-operation to the UK economy of higher employee engagement is estimated to be at least £59.4bn

Innovation

Innovation accounts for 70% of long-term economic growth in the UK, with the most common sources of innovation being employees and customers.

Entrepreneurism

Data on growth businesses shows that entrepreneurs are motivated to 'build business and create change through co-operative relationships', rather than acting as lone entrepreneurs.

The co-operative effect

Where 10% of GDP is generated through co-operative activity there is a significant set of social and economic benefits. An example of the co-operative effect is the Emilia Romagna province in Italy, the second wealthiest region in Europe. Around Bologna, Italy and the surrounding Emilia Romagna province, the area has the highest density of co-operatives in Europe, generating over 40% of GDP. This has brought about high levels of economic and social entrepreneurship, with networks of businesses producing high-quality products. Emilia Romagna is the region of Europe with the lowest social-economic inequality between the rich and the poor.

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