

Co-operatives, Management Agency, Democracy and Failure: Why Governance Should Not Be Seen as the Issue

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Abstract: Co-operative failure is in the lack of vision informing co-operative management, which is resulting in widespread co-operative bankruptcy and demutualisation. The co-operative movement's emphasis on governance has produced three paradoxes and the continuation of a historic subversion of the Co-operative Commonwealth vision and its principle that none of the surplus should be divided. Communicating purpose rather than rehearsing co-operative methodology can replace co-operative inertia. Globalisation and industrialisation have turned the Co-operative Commonwealth from utopian dream to realistic alternative. Co-operative Management rather than managing co-operatives needs to be informed by co-operative purpose if governance is to be resolved and co-operation is to be a solution to the world's problems. Four models of Capitalism require different co-operative strategies.

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Introduction

The problem of duality and conflicting purposes at the heart of the co-operative enterprise has a long pedigree that is sometimes presented as the conflict between social and commercial aims and sometimes as conflict between management and elected boards (Goedhart, 1928, right up to Bòk,1992). Recently, 'managerialism' and loss of identity have been seen to require restatements and elaborations of principles (MacPherson, 1995), the conclusion being that poor governance is to blame for the failure in big co-operatives (Munkner, 2000; Birchall, 2000, 2013; Parnell, 2013; Fairbairn et al., 2015; Fulton & Girard, 2015; Couchman & Fulton, 2015; Cornforth, 2015). In the International Cooperative Alliance's (ICA) recent review of governance (Novkovic & Miner, 2015), the focus continues to be on the relationship between boards and professional management. This has been challenged as mistaking a symptom for the problem (Davis, 1995; Davis & Donaldson 1998; Davis, 1999, 2004, 2014, 2018). The problem, Davis and Donaldson have argued, lies in a focus on managing co-operatives rather than establishing the importance of *co-operative management*. The Davis and Donaldson analysis has been largely ignored in the academic evaluation of subsequent failures with the exception of Cornforth (2015). There is little or no attention to culture or purpose in these other accounts, the emphasis being more concerned with divisions of powers and roles (Novkovic & Miner, 2015).

In this paper the author reflects that the reason his and Donaldson's analysis has been largely ignored or opposed by the co-operative research and development communities is grounded in a blindness to the following three paradoxes.

Paradox 1: the co-operative academies are emphasising democratic governance when this is clearly not a strong selling point for the average co-operator and has led to the reverse of what it intended.

Paradox 2: as globalised market capitalism is clearly failing to optimise welfare, provide distributive justice or create a sustainable economy, the co-operative movement, instead of challenging with an alternative economic system and

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an alternative unifying vision addressing global responses to global crises, remains fragmented, often marginalised, and seen in many quarters as a 'tired brand' in retreat.

Paradox 3: by ignoring co-operative value based transformational leadership, co-operative developers weaken the development of a strong generic transformational brand identity. By focusing on democracy or mission – the 'how we do things around here' – they detract from the co-operative vision and purpose, the very elements that inspire engagement and change and would encourage employee and member motivation.

The paper discusses these three paradoxes in turn and then develops a clearer understanding of why the paradoxical juxtaposition of *co-operative* and *management* can lead to a new concept of co-operative leadership and followership and to a renewal of the co-operative business as a function of its transformational vision rather than merely an end in itself.

It suggests that a renewed, generic Co-operative Commonwealth brand as a focus for co-operative identity would provide renewed relevance and energy to the co-operative movement and its social philosophy. Investing in the common good challenges the postmodern obsession with power and its relativist, subjective, and practice-based philosophy along with a divisive politics based on cultural identity.

The penultimate section reflects on the alternative foundational ground upon which the Co-operative Commonwealth may claim to rest in the context of the possible power that a Commonwealth global generic branding strategy could have in rallying people from a variety of cultures and experience to challenge the existential threats humankind faces from both libertarian and authoritarian models of capitalism.

Three paradoxes

Paradox 1: the co-operative academies are emphasising democratic governance when this is clearly not a strong selling point for the average co-operator and has led to the reverse of what it intended.

Economic democracy has often been cited as an important goal for reforming the way our economy works from the 19th Century Christian Socialists (Backstrom, 1974) to the Workers Control Movement and the Industrial Common Ownership Movement (Vanek, 1978; Jones, 1975; Coates, 1976; Chaves et al., 2004). The focus has been on worker ownership and control except in the largest and arguably most successful Mondragon Group of Co-operatives where a strong pro-co-operative management culture clearly exists. Overall, direct shop floor democracy can work but such a model necessarily confines the co-operative to small scale operations. Co-operative enthusiasts in other sectors like consumer, housing, and farming and fishing producer co-operatives advocate the importance of co-operative democratic governance but at the same time see governance as the co-operatives' biggest challenge. Yet genuine popular engagement with members is hard to find in modern co-operatives. The Co-operative emphasis on governance and democratic accountability results in a focus on training co-operative leaders (board members).

The view is that the elected board directs and supervises management on behalf of the membership. This claim overlooks Michels's (1962) argument concerning the incompetence of the general population and also misses the point that the elected boards themselves become a part of the problem as, representing the tiny number of members who actually bother to vote, they become an entrenched and unrepresentative elite (Michels, 1962, p. 88). Study after study following Michels has demonstrated bureaucracy is easily distorted (Lipset, 1961), which is unsurprising given management has privileged access to information. It is relatively easy to censor or manipulate information when the CEO has prior and privileged access. In the case of most co-operatives, professional managers are likely to have greater competence than the elected persons undertaking the role of governance. Michels's thesis is confirmed powerfully in one of the most extensive surveys carried out on the UK Consumer Co-operative Movement. It was funded and supported by the Co-operative Union Ltd. and involved 16 respondents, representing 31% of the total number of UK consumer societies and 70% of all the UK Co-operative Movement's retail trade in 2000. The survey found that 95% of all respondents' membership failed to engage in their society's governance (Davis & Donaldson, 2000, p. 160).

To enrol and engage people needs visionary leadership with goals that reflect their needs. It's co-operative projects not co-operative process that must be emphasised. Managers and member activists with the values and vision to inspire a followership will be attracted to the Co-operative cause when the co-operative brand reflects the Co-operative Commonwealth vision. Catherine Webb, the Co-operative historian writing in 1904, saw in the growing Co-operative Wholesale Society (CWS) an emerging Co-operative Commonwealth (Webb, 1904, p. 10). J.T.W. Mitchell, Chairman of the English Co-operative Wholesale Society (1874-1895), saw the idea of consumer co-operation, along with his contemporary the Social Scientist, Beatrice Webb, as an ideological foil to the worker owned industrial production co-operatives. The consumer ideological assault on the original vision of the Co-operative Commonwealth was assisted by the advocates of industrial worker co-operatives who, instead of defending the Commonwealth ideal, argued erroneously that the surplus rightly belonged to the workers. Managerialism, Neoclassical economic theory and Marxism combined to smother the original Utopian vision of the Co-operative Commonwealth - looked to in the UK Congresses of the 1830s - that none of the surplus should be distributed. Instead of a unifying vision, Co-operation descended into a set of business silos and warring factions.

Writers like Catherine Webb and her contemporary Beatrice Webb no doubt saw the idea of the consumer as a unifying principle. This was a mistake, of course, as some consumers have more disposable income than others and it is to this better off segment that the UK consumer movement appealed and in so doing lost much of its idealism (Carr-Saunders et al., 1938, pp. 33-36).

But the idea of the Commonwealth was never completely eclipsed. In 1926, in a foundational statement of its aims, the newly established UK *Co-operative Party* placed the achievement of the Co-operative Commonwealth as one of its primary aims (Barnes, 1926, pp. 34-35). The focus on governance rather than on purpose, however, has meant leading academics and activists alike have failed to discuss the issue of how to progress to the *Co-operative Commonwealth*. There have been occasional honourable exceptions in the forum of Co-operative historians. Yeo's (1988) edition of papers on co-operative history and values at least struck a more reflective note on co-operative purpose; but by the 150th anniversary of the co-operative movement, the history workshop papers published in the book *Towards the Co-operative Commonwealth* (Lancaster & Maguire, 1996) did not reflect its promising title.

A strong advocate of the co-operative as an alternative business model, Parnell (1995) wrote that co-operatives are, "Enterprises run by their members, providing services to their members for the benefit of their members" (p. 67). Of course, at heart, co-operatives *should* do this when they are managed and led correctly. *The problem lies in the question of member benefits*. Many, in fact most, Co-operative Board members, managers and members see member benefits as identified with a dividend policy and short-term economies. This emphasis has led to a consumer co-operative pricing structure that has never engaged effectively with the poorest and has, in the end, been made redundant by discounter supermarkets with greater buying power and capital resources. Nor is short-term economic advantage as the grounds for understanding 'member benefits' a problem just for consumer co-operatives. In agricultural co-operatives and Building Societies, and in decisions to wind up worker co-operatives, the motive is often members' perception of short-term economic advantage without any concern for other issues. This idea that the rationale for co-operatives is for individual member benefits seen in short-term economic terms is completely at odds with the principle focus of the Co-operative Movement that was set out in 1832. Here the absolute definitive principle of a co-operative lay in its vision for social transformation summed up in the principle that *none of the surplus should be divided* (Webb, 1904, p. 58). This idea of continuous investment and reinvestment for growth was not for one or other business *but for an extension of business into a commonwealth or plurality of connected businesses that are equally accessible to all*.

It is the author's contention that losing our vision of the Commonwealth is Co-operation's biggest failure. We cannot change the world without it. If co-operation is to be a solution to the world's problems, we must promote an appropriate vision informing our mission *and therefore our operating strategies*. Without a vision there can be little that is not purely instrumental in our member and employee motivation. We need a vision that ignites local communities and generates supply chains in a united collaboration for distributive and social justice. This is the only true basis for individual freedom in the context of defending the environment and preventing climate change. A brand that does not promote a relevant vision cannot expect to evoke enthusiasm and loyalty. To brand

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Co-operatives as alternative business models dilutes and fragments the co-operative message just when it needs to be loud and clear as the viable alternative to Capitalism.

Paradox 2: as globalised market capitalism is clearly failing to optimise welfare, provide distributive justice or create a sustainable economy, the co-operative movement, instead of challenging with an alternative economic system and an alternative unifying vision addressing global responses to global crises, remains fragmented, often marginalised, and seen in many quarters as a 'tired brand' in retreat.

Another consequence of focusing on governance rather than values and purpose is that co-operative development has ignored management and professional leadership in favour of investing in elected 'leaders' in the co-operative boardroom. As a result, co-operatives have developed a variation of the civil service culture where the illusion that the board makes the policies and management simply executes them is encouraged by the democracy ideologues and the managers, the latter being quite content to pull the strings and present options which lead boards to take the decision the CEO wants. The result is compliant boards and rather poor managers in an alliance that has little incentive for member engagement. A business culture prevails in the various co-operative sectors (silos) with mixed or confused messages as to what co-operation is ultimately for (purpose) and what it is aiming to achieve (vision).

The ICA's recent review of governance (Novkovic & Miner, 2015) looked seriously at *implementation* of the principles laid down in 1995 but here the general emphasis of the ICA has remained a continuation of the 'Civil Service' model of co-operative governance. The privileged access to information, management's greater expertise, and the greater day to day familiarity with the co-operative's business gives the CEO enormous leverage over an elected part-time board of co-operative members (farmers, workers, or consumers). Mainly the CEO can steer the board to make their chosen decision – which may well be for the best – but if things go wrong, it's the Board not the CEO who carries the legal responsibility unless the board have co-opted the CEO as a full board member (a policy the author has long advocated (Davis, 2001, pp. 32-38)). The civil service model leads to a divided culture where the board is left to look after whatever it defines as the social aspects and the management gets on with managing a business just like any other.

Whilst their competitors strive to achieve unity of purpose and direction, co-operatives operate on the basis of divided cultures and mutual tensions. The tensions can be found described as between two factions – member activists and management – with neither side very bothered to involve the broad sweep of membership except in terms of their financial engagement (management v boards). Alternatively, the tension is perceived to be between commercial needs versus social objectives. Both only negate co-operative unity/solidarity and undermine growth and performance. The co-operative as a business model cannot effectively grow without co-operative managers from CEO down engaging with members, suppliers, and customers grounded in co-operative values, identity and vision. Without a co-operative management culture informing the management decision making system there cannot be a co-operative business only a co-operative label. The outstanding commercial and social performance of the UK Co-operative Bank under the leadership of CEO Terry Thomas who put co-operative values at the core of the Bank's strategy, operations, human resource management, and marketing (the latter pioneered at the time by the Bank's Head of Corporate Affairs, Simon Williams) demonstrated what can be achieved through a co-operative management culture engaging with its staff and customers or members (Davis, 2014). A business brand identity that lacks content or substance reflecting its constituency will fail as a brand and as a business. This truism is accepted throughout the literature.

This failure has seen the consumer movement in continuing post-war decline, punctuated with spectacular failures like the collapse of the London Co-operative Society, the bankruptcy of the Co-operative Retail Services (CRS) Ltd and most recently the Co-op Group's bungled intervention that bankrupted their only successful post war branded business, the Co-operative Bank. This cost so much that it required the sale of other parts of the Co-op Group to finance the losses (Davis, 2014). Such retrenchment is far from confined to the UK; other examples are Konsum, Austria, 1995; Co-op Dortmund, Germany, 1998; and Co-op Atlantic Canada, 2015 (Munker, 2000; Parnell, 2013; Fairbairn et al., 2015). In other sectors like the Building Societies, demutualization between 1989 and 1994 in the UK transferred a substantial proportion of all UK Building Society Assets to the private sector (Cook et al., 2001, pp. 15-17). In Australia, the US and Canada between 1994 and 2014 there were 25 demutualizations across agricultural

co-operatives, consumer co-operatives and financial services co-operatives (Fulton et al., 2015, Table 1, p. 43). In many of the demutualizations, political encouragement by pro libertarian capitalist governments and the prospects of immediate short-term incentives encouraged a member-led process to privatize. In other cases, such as the Canadian Wheat Pool, the demutualization process was actively led by management (Fulton et al., 2009). Even the fabled Basque Mondragon Co-operative Group has been forced to dissolve FAGOR, their largest manufacturer (Basterretxea et al., 2020).

In cases where widespread agricultural co-operation continues and is even celebrated (Novkovic & Webb, 2014, p. 4), it is merely to manage poor southern hemisphere farmers trapped within the lowest value-added section of the supply chain. These co-operators are sometimes victims of corrupt government control without any attempt by the consumer co-operatives to develop a global logistics capability to come to their aid (University of Leicester School of Business, 2022). The fair trade brand is something many consumer co-operatives have adopted but it was not initiated by them and leaves many small co-operative food producers out in the cold.

Paradox 3: by ignoring co-operative value based transformational leadership, co-operative developers weaken the development of a strong generic transformational brand identity. By focusing on democracy or mission – the ‘how we do things around here’– they detract from the co-operative vision and purpose, the very elements that inspire engagement and change and would encourage employee and member motivation.

The silos within which the co-operative movement sectors are managed, coupled to a restrictive business model and a civil service governance system, leads to a failure of one key but ignored co-operative principle, namely co-operation among co-operatives. Without leadership vision there can never be real co-operation among co-operatives. It was the late Will Watkins who wrote that Unity was the most important principle of co-operation ahead of democracy (Watkins, 1986, p.19). Even *within* its silos, the lack of co-operative unity is plain for all to see. In the credit union movement, the World Council of Credit Unions and the Asian Confederation of Credit Unions have still failed to develop their own visa card. The .coop domain is not managed as a co-operative with membership open to all co-operatives.

The failure of co-operatives to co-operate had perhaps one of its most significant consequences for the UK consumer movement when, at the time leading up the collapse of CRS Ltd, and after a continuous post war retrenchment fighting the growing onslaught of discounters, *the UK Consumer Co-operatives were still operating two rival buying groups*: CRS Ltd being members of the Consortium of Independent Co-operatives and CWS Ltd the Co-operative Retail Trading Group, which was established by a CWS executive later implicated in the city based attempted demutualization of CWS Ltd. The Co-operative Commission that followed the collapse of CRS and the failed demutualization of CWS Ltd was billed as laying the foundations for better governance and member engagement. However, as two later inquiries into the rebranded Co-operative Group's (formerly CWS Ltd) bungled merger of the Co-operative Bank and the Britannia Building Society commented, the Co-operative Group's new Board was unrepresentative, elected from a very small segment of the membership (Kelly, 2014). The board members were not given the right information by management concerning the merger and lacked the ability to recognize the flawed due diligence process that was being implemented, demonstrating that if anything, post Co-operative Commission 2000, the UK Co-op Group leadership, management and member engagement had gone backwards, resulting in a catastrophic destruction of UK co-operative assets. With the Co-operative Group's management culture contemptuous of co-operative values, it is hardly surprising that it gambled with a century of co-operative assets and lost (Davis, 2014). Again, fingers were pointed at failure of governance, but the real failure was a lack of professional co-operative leadership whose 'reforms' following the Commission Report of 2000 were really a maneuver to ensure the continued power of a bureaucracy. The Co-operative Group's top management team lacked any sense of co-operative purpose or vision for the direction for the Group's structure. In their eyes it made no economic sense and was unmanageable. The Co-op Commission 2000 restructuring obscured the reality that management culture had not changed. In order to change the culture, we need a new principle of Co-operative Management (Davis, 1995) driving co-operative management recruitment, selection and development programmes and possibly an "ideal type" model of what a co-operative leader is like and what their source of legitimation is based upon (Davis, 2018).

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Does *Co-operative Management* mean something different to managing co-operatives? Anders Ortenblad (2010) has argued in the context of the controversy of the terms 'Knowledge' and 'Management' that bringing together terms that appear to be incompatible or at least odd or paradoxical can be useful in developing new insights and perspectives. He identifies three philosophical approaches to such a strategy. A fragmentary approach that creates a summation of the two terms' meanings, an interpretative approach that seeks to see meaning in how the term is used in practice, and thirdly, a Wholeness approach (Ortenblad, 2010, pp. 445-446) where the combination of concepts creates an entirely different concept. It is the latter approach that is taken here. The author contends that co-operation when combined with the term management implies not a managerial leadership evaluated and committed to a controlling discipline of 'scientific' criteria based upon efficiency as measured by Return on Capital Employed, but a management leadership measured by its developmental impact on the people it serves and animates - not controls - through a process of engagement and mobilization of human capital in their community context. Efficiency is measured in terms of human welfare and the common good as the product of the combination of capital and labour in the context of common ownership and universal access. Such a new approach will facilitate a true profession of Co-operative Management whose legitimation for leadership in co-operatives is grounded on their commitment to serving the Co-operative Commonwealth vision and the co-operative members, other stakeholders, and society at large whose welfare and development is restricted only in so far as these objectives do not impinge on the common good. The author has suggested a Weberian "ideal type" template as a basis for recruitment, selection and development (Davis, 2018, p. 120).

Toward a renewed co-operative vision

A Co-operative Commonwealth strategy will perhaps realistically always be a work in progress but, for it to succeed at all, it must create a focus and rallying point as an inclusive economic system reaching out to all who are revolted by the existing state of affairs or are its victims. There needs to be positive brand identification. Here we can take a leaf from Capitalism's book. How did diamonds become the most popular stone for engagement rings? The answer is several decades of generic brand promotion to reach out and manage values and aspirations. Who reading this paper has not heard of the 'diamonds are forever' tag line (Hart, 2002, pp. 145-146)? Today the Co-operative Commonwealth needs a generic brand that speaks to the aspirations of the millions of protesting youth, the millions of enraged and alienated oldies, the millions of courageous human rights and habitat defenders, and the billions of victims of globalization and corporate capitalism. A *Commonwealth Co-ops* brand – one that is committed to re-investing all the surplus for their members' and wider societies' security and development – could become one that all disaffected and those needing a means for self-help and mobilization could identify with and rally to. The author believes such co-ops will be a minority at the start but the hope for an alternative better future will draw the very best humanity has to offer to them. They will become the focus for innovation and co-operation among co-operatives.

Such co-operatives need first and foremost to recognize the threats and opportunities that the current political and technological environments have created, and the risks posed by the state, big business and organized crime.

The global political context and the co-operative strategic response

A global and transformational Co-operative Movement needs strategies to respond to the realities of four different models of capitalism currently operating in the global economy.

Social Democratic Capitalism, primarily located in the European Union, is where the working classes are best organised both politically and industrially. Here co-operative transformational strategies and the co-operative movement have the only real chance of a productive partnership with the state. But even here the co-operative movement must avoid dependency and retain their own independent agency.

In the American libertarian model of capitalism there are strong individual rights, partially due to America's revolutionary past, and a state hostile to collective organisation by working people and dominated by its billionaire elites. Here social polarization and entrenched poverty and racial divisions have spawned organised criminal activity that can and has proved destructive of genuine labour organisation and made reaching out to the very poorest communities challenging. This is also true in Latin America and Africa. Although North American co-operatives have

in the past been very successful, their management and boards often demonstrate a strong business culture creating a barrier for outreach to the idealistic, and often vibrant co-operative-minded but poorer sections of US civil society. But there are clear opportunities for the Co-operative Commonwealth brand in North America (USA and Canada).

The third model, Crony Capitalism, is widespread in Africa, the Middle East, Central Asia, Eastern Europe, Latin America and the Asia Pacific. It presents a wide degree of variation of conditions on the ground. In the worst cases of Crony Capitalism, democratic processes are largely a fraud and, in many, criminal and corrupt practices by the elites go relatively unchallenged and, in places, co-operatives themselves become tools for elite manipulation. At the other end of this spectrum, democratic reforming parties can and do get elected and here the scope for co-operative action is wide ranging. However, such regimes, when they threaten the economic interests of bigger powers, have been short lived and provoked often bloody dictatorships.

Finally, there is the authoritarian capitalism found in China. There is little chance for a genuine autonomous co-operative movement here and advocacy would lead almost certainly to imprisonment, torture and death. Nevertheless, it would be wrong, in the author's view, to exclude Chinese co-operatives or co-operatives from any other country, from collaborating with the wider movement where practically possible.

A central goal in the liberation of humankind by co-operatives has to be the facilitation and promotion of social democracy and peaceful, incremental, and largely non expropriation-based development. Reforming states towards a Social Democratic model of capitalism is an essential evolutionary strategy for global transformation. Political and religious neutrality does not, in the author's view, mean standing back from the promotion of a tolerant and free, welfare grounded, and social democratic state. However, the growth of authoritarian capitalism via populist politics promoted via unaccountable sources through social media should not be underestimated in Co-operative Strategy. We should not be blind to the threats posed to Social Democracy by the Libertarian and Authoritarian models whose elites see various threats to their own power demonstrated in the Social Democratic Model.

The technological challenge and opportunity

Today, humanity is sleepwalking into an abyss. This 'sleepwalk' may well be orchestrated. In a world without privacy, can democracy and human rights survive?

When it comes to the future of urban modelling, the development of small, autonomous robots that can "listen in" and deliver feedback and solutions when required could become the next step in this ever-changing technology world. (Allam, 2018, p. 799)

In the use of social media,

...consider Clearview AI: a tiny, secretive start up that became the subject of a recent investigation by Kashmir Hill in The New York Times. According to the article, the company scraped billions of photos from social-networking and other sites on the web—without permission from the sites in question, or the users who submitted them—and built a comprehensive database of labelled faces primed for search by facial recognition. Their early customers included multiple police departments (and individual officers), which used the tool without warrants. Clearview has argued they have a right to the data because they're "public". (Zittrain, 2020)

In terms of manipulation of people for commercial and political purposes, those at the very cutting edge of the Social Media ecology have given dramatic accounts of the unexpected consequences of their inventions (Skyler et al., 2020). Their testimony has demonstrated how the new technologies cast a fundamental shadow over the idea of democracy, consumer choice and consumer sovereignty, both important ideological justifications for capitalism.

As labour continues to be devalued and even replaced by privately owned technology via robotics and AI, can the labour market be an effective mechanism for equitable sharing in wealth creation?

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New technologies tend to favour some particular skills while devaluing and making others redundant, but also lowering the demand for them by firms that use such new technologies. The literature describes this trend as 'skill-biased technological change'. (Dachs, 2018, p. 6)

Studies exploring the 'Polarization theses' are suggesting that in big cities the shrinking middle class are creating real barriers to social mobility and the distance between the top strata and the rest is also growing across a number of measures (Chiu & Lui, 2004; Reeves & Joo, 2016). Thus, technology is undermining another justification for the continuation of capitalism: the idea of equal opportunities for upward social mobility.

The consequences of the current inequality of access to work opportunities and wealth are articulated starkly in the latest Oxfam global report published in January 2022, *Inequality Kills*, showing the extent and consequences of the accelerating polarization and concentration of economic power. The ideological response to the collapse of the neo classical model of the market as a functioning reality for most economic activity today has been to rely on entrepreneurship to move and shake the economy out of monopoly and oligopoly towards growth and reform (Schumpeter, 1942, p. 117). Business Schools argue the entrepreneur is a force for the common good: while billionaires rocket their egos into space, one person every four seconds dies of a poverty related illness (Oxfam, 2022, p. 8). Whilst the wealth of the 10 richest men has doubled during the Covid-19 crises, the incomes of 99% of humanity are worse off, and these ten men's combined wealth is equal to the combined wealth of the world's poorest 3.1 billion citizens (Oxfam, 2022, p. 9).

On climate change, the evidence suggests that the poorest are likely to suffer the consequences first and hardest. The UN Climate Panel has given the world just eight years (from 2022-30) to reduce carbon emissions by 45% if we are to avoid irreversible and calamitous climate change (Intergovernmental Panel for Climate Change, 2022). China does not expect to start reducing its emission levels *before* 2030 and most of US President Biden's promises to the world on climate change have been stalled by Congress. People are increasingly packed into mega cities while industrialisation of agriculture further invades what remain of the world's natural habitats. Estimates vary widely but all agree the situation is serious and due to human activities not "natural background rates". "Harvard biologist E. O. Wilson estimates that 30,000 species per year (or three species per hour) are being driven to extinction" (Centre for Biological Diversity, 2022).

Co-operative promotional agencies and individual co-operatives prefer to keep within the safety of mainstream Corporate Social Responsibility (CSR) and Business Ethics (BE) narratives. These narratives are failing and ignore the hegemonic ambitions and wars generated by so called superpowers. Disarmament may be a futile dream currently but a movement for peaceful dialogue surely ought to be within reach. This must include the extension of mutually beneficial trade relationships *and recognition of the mutual need for security as essential for peace*. Here the International Co-operative Alliance has a track record of success in maintaining member unity across political divides and in its promotion of world peace (Rhodes, 1995, p. 29).

Another challenge to Co-operative Social Theory arises from postmodernist critical theory, which currently influences much leftwing intellectual activity. This has focused on the theories of Manuel Castells, Alain Touraine, Alberto Melucci, and Jurgen Habermans whose contributions are central to the large body of New Social Movement theorizing (Strydom, 1990). "Identity Theory and Social Identity Theory" both address the social nature of self as constituted by society, and eschew perspectives that treat self as independent of and prior to society" (Hogg et al., 1995, p. 255).

In such a relativistic view of humanity "nothing is fundamental" (Foucault, 1991, p. 247), yet, of course, when nothing is fundamental, there is always the recourse to power as *the* fundamental.

Power is the most fundamental process in society, since society is defined around values and institutions, and what is valued and institutionalized is defined by power relationships. Power is the relational capacity that enables a social actor to influence asymmetrically the decisions of other social actor(s) in ways that favour the empowered actor's will, interests, and values. (Castells, 2009, p. 10)

Castells never suggests there is no possibility for resistance to power, quite the contrary; however, such power relationships always suggest an element of individual acceptance of the legitimation in the power relationship, which is why Foucault advocates an ethic of permanent resistance. The co-operative answer to this line of philosophy is to insist that the dignity of the individual is an a priori foundational principle for all human-centered social theory and that the grounds for this assertion lies in the human primate's unique capacity for *agape* or self-sacrificial love not just for family and children - all animals will try to protect their young - but for abstract ideas and for total strangers. The rule of love not the exercise of power is the foundational principle which ultimately is the grounds for solidarity within the Co-operative Commonwealth project and its capacity is what truly distinguishes humans from the rest of the natural world and also unites us across all cultures.

Conclusion

This paper and my work more generally are grounded in a mix of Co-operative History, Thomist Realism, Natural Philosophy, Walter Crane and the 19th Century Romantics, all somewhat eclectically combined with insights from the management literature produced by the Business Schools. My approach has been subject to criticism from the co-operative research community and could be seen by the postmodern left as a naive presentation of a reconciled human community, a normative utopia, that is belied by historical observation. I have brought these strands together, however, to remind the Co-operative Movement to consider not so much Rochdale Principles as the Rochdale Purpose. In this endeavour, I remain unapologetic. My claim is that today more than ever the original Rochdale purpose remains valid. If one accepts the purpose, it is self-evident surely that this purpose informs both the job description and the person specification for a *Co-operative Manager*. Co-operatives while they survive will always remain a contested terrain precisely because within their structures and philosophy the historic purpose that I remind co-operators of remains a potentiality and, therefore, a threat to our ruling elites.

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