

<b>Institution:</b> University of Northumbria at Newcastle		
<b>Unit of Assessment:</b> 28 (History)		
<b>Title of case study:</b> Reimagining Co-operation: Supporting the principles and practice of co-operative organisations in a time of crisis		
<b>Period when the underpinning research was undertaken:</b> 01/10/2013 – 17/07/2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Tony Webster	Professor	01/10/2013 – present
<b>Period when the claimed impact occurred:</b> 01/01/14 – 01/12/2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<b>1. Summary of the impact</b> (indicative maximum 100 words) <p>The financial crisis which engulfed the UK Co-operative Bank in 2013 threatened to undermine confidence in the broader co-operative model. Research undertaken and led by Professor Tony Webster at Northumbria University provided leading figures within the UK Co-operative Group, and associated organisations within the wider co-operative sector, with a better understanding of their global heritage and the continued relevance of commercial practices pioneered by the movement. The findings helped to renew confidence in the co-operative business model, improving the work of governing bodies such as the Co-op National Members Council. The research also supported new learning activities with local initiatives in the UK and recent collaborations with the social-enterprise sector in Australia, both of which helped to promote new community-led economic activity, aligned with co-operative principles.</p>		
<b>2. Underpinning research</b> (indicative maximum 500 words) <p>In 2013, the UK Co-operative Group (UK Co-op), the UK's largest co-operative organisation, faced the most serious financial crisis in its history. The near failure of The UK Co-operative Bank, part of the long fall-out from the global 'credit crunch' of 2007-8, threatened the existence of the UK Co-op and undermined international confidence in the consumer co-operative model. Research from Northumbria University by Webster examined the root causes of the UK Co-op's financial crisis, offering a comprehensive historical analysis of the challenges commercial pressure have posed to the sustainability and strength of the co-operative ethic. Webster's work has helped a range of key stakeholders, including the Bank of England, to see how the crisis was partly the culmination of the long-term weakening of the organisation's institutional and ideological values [R1-R6].</p> <p>Drawing on extensive archival research on the history of business in the British empire, and co-operatives specifically, studies led by Webster (in collaboration with the former President of the Association of Business Historians and researchers from the Co-operative College), demonstrated how the failure of the UK Co-op to influence Labour Party economic policy in the 1930s/40s, presaged the ineffectual reform initiatives that characterised its post-war decline [R1, R2]. This decline was compounded in the 1980s by the ascendancy of neoliberal economics which forced the UK Co-op to dilute its co-operative ethos in response to the increasingly hostile economic environment [R1, R2]. Webster's comparative historical framework provided new insights into co-operative movements in Britain, Germany, Austria, Finland, Norway, and Italy, exposing the strengths and weaknesses of centralised and federalised co-operative movements [R2, R3].</p> <p>Webster's research helps to explain the British co-operative movement's success in its heyday by challenging accounts that focus on the movement's domestic activities through seminal research on the global supply chains and trading system of the Co-operative Wholesale Society (CWS) (1863) and the Scottish Co-operative Wholesale Society (1868). Webster's monograph,</p>		

*Co-operation and Globalisation* (2019), provided the first comprehensive history of the CWS global network of depots, suppliers, plantations, factories, alliances, and partnerships, including those with several overseas governments [R4]. This study corrects the notion that the UK Co-op was necessarily haphazard or opportunistic by demonstrating how it developed significant capacity for transcontinental strategic planning and deployed significant political and commercial acumen. Placing key CWS figures in strategically advantageous commercial or political institutions enhanced the organisation's influence and access to valuable business intelligence [R4]. While the decision to allow societies to source supplies outside of the designated wholesales may have incited tension within the organisation, Webster demonstrated how such restrictions ultimately proved beneficial by acting to encourage CWS wholesalers to become more efficient and competitive at an international level [R1, R4, R5].

Webster's research not only indicates that the contemporary questions and challenges surrounding global supply chains are far from new, but by challenging more conventional interpretations it also establishes how co-operatives and mutual societies functioned successfully in past liberal economic contexts. This work has since informed the broader post-2008 challenge to the dominant neoliberal concerns and assumptions of academic business studies and economics. Webster reveals how co-operative wholesales created a sophisticated form of trans-national supply chain management well over a century earlier than previously thought and provides historical context for the on-going development of social enterprises, charitable businesses, and co-operatives [R1, R5, R6].

Webster's understanding of the co-operative movement's historical successes and failures highlights the urgent need to rebuild the organisation as a member-driven operation, with its mission firmly rooted in the corporate governance mechanisms of the UK Co-op [R1]. The research has given co-operative members, and practitioners in the UK and overseas, the confidence to champion community-led social enterprise and promote co-operation as a viable economic, and ethical business model for the 21<sup>st</sup> century.

### 3. References to the research (indicative maximum of six references)

**R1. Tony Webster**, Shaw, L., Vorberg-Rugh, R., Wilson, J. F., and Snaith, I. 'Learning to swim against the tide: crises and co-operative credibility - some international and historical examples', in Tony Webster, Shaw, L., and Vorberg-Rugh, R. (eds), *Mainstreaming co-operation: An alternative for the twenty-first century?* 280-304 (Manchester: Manchester University Press, 2016) ISBN 9781526100993 Available on request

**R2. Tony Webster**, Shaw L., and Vorberg-Rugh R. 'Introduction' in Tony Webster, Shaw L., and Vorberg-Rugh, R. (eds), *Mainstreaming co-operation: An alternative for the twenty-first century?* 1-13 (Manchester: Manchester University Press, 2016)\* ISBN 9781526100993 Available on request

**R3. Tony Webster**, Wilson, J.\*, and Wong, N.\*\* (2020), 'Commerce with a bit of ethics or ethics with a bit of commerce? The conundrum of British consumer co-operation 1863-1990', *Journal of Management History*, [doi.org/10.1108/jmh-01-2020-0008](https://doi.org/10.1108/jmh-01-2020-0008)

**R4. Tony Webster**, *Co-operation and Globalisation: The British Co-operative Wholesales, the Co-operative Group and the World since 1863* (London: Routledge, 2019) ISBN 9781138501355. Available on request

**R5. Tony Webster**, Wilson, J. F., and Vorberg-Rugh, R., 'Going Global. The Rise of the CWS as an International Commercial and Political Actor, 1863–1950: Scoping an Agenda for Further Research' in Hilson, M., Neunsinger, S., and Patmore, G. (eds), *A Global History of Consumer Co-operation since 1850: Movements and Businesses*, 28, *Studies in Global Social History*, 559-583 (Leiden: Brill, 2017) ISBN 9789004336544 Available on request

**R6. Tony Webster**, 'The "third" sector: co-operatives, mutuals, charities and social enterprises' in Wilson, J., Toms, S. de Jong, A., and Buchnea E. (eds), *Routledge Companion to Business History*, 123-138 (London: Routledge, 2017) [doi.org/10.4324/9780203736036](https://doi.org/10.4324/9780203736036)

\*Research led by Webster with internal collaborators from UoA17, Wilson, J. (with Northumbria since 01/01/2017), and Wong, N. (since 01/09/2017). **NB** Webster is the lead author of R1 and R2; Webster's research provides the substantive content of R3 and R5.

### Research Funding

G1. Big Lottery Community Fund, 2016, GBP9,910

### 4. Details of the impact (indicative maximum 750 words)

As a consequence of the pan-European interest in Third Sector responses to the global economic crisis in 2008, Webster established a close working relationship with the UK Co-op to support the co-operative movement's revival in the early 21<sup>st</sup> century. When the UK Co-op was engulfed by a severe financial crisis in 2013, the group drew on Webster's research expertise to help the organisation understand its failings and renew its historic ethos. Initially, Webster's research informed the Myners Report (2014) and Kelly Review (2014) into the governance of the UK Co-op, and in 2015 he worked with Bank of England regulators, but his influence was soon manifest in other important ways. Webster's research since 2014, especially the insight it offers into the global aspect of co-operative history, has been used by senior management at the UK Co-op to gain a better understanding of the group's failings and to renew its historic ethos. Working with the UK Co-op, local initiatives, and the social-enterprise sector in New South Wales (Australia), Webster's research has helped the co-operative movement to **1)** renew its ethical values in a time of commercial crisis, **2)** establish learning and development initiatives, and **3)** promote community-led initiatives internationally.

#### 4.1 Renewed awareness of, and confidence in, the ethical values of UK Co-op group

Webster's research in relation to how the co-operative movement developed its global reach, while maintaining its co-operative ethos, has proved to be of considerable value to Senior Management at the UK Co-op [E1]. As its CEO noted, '*we believe you have to anchor your future based on understanding your past*' and Webster's research '*provided our membership and management with greater understanding of the pioneering business practices that made us such a commercially successful movement in the first place*', thus supporting '*our strategic aim to instil strong corporate governance mechanisms based on co-operative principles*' [E2].

To combat '*corporate irresponsibility and unaccountability*', the National Members' Council (NMC) was created to give grassroots membership greater oversight of the UK Co-op and to act as guardian of its principles [E1]. The NMC President confirmed that Webster's research has made an '*outstanding contribution*', helping the organisation to learn from its '*achievements, and, at times, mistakes of the past 150-years*' [E1]. Council delegates indicated that Webster's insights '*helped to improve their roles as Council members*' by fostering '*renewed thinking about how organisation of the Group and its affiliates might be improved in the future*' [E1]. The research thus played a '*vital role*' in helping to '*translate co-operative ideals into effective working practice*' [E1]. The Head of Co-operative & Local Engagement explained that by demonstrating '*how our predecessor organisations became leading operators on the global stage*', Webster's '*key findings*' can '*directly inform our future practices and operational strategy*' [E3]. Engaging with these research findings had '*a material impact*' on the capacity of the new democratic components of the UK Co-op to support '*our strategic goals in a new era of an engaged, member-led business model*' [E3].

One example of this impact, outlined by the NMC President, is the '*determinative role*' that the research played in the development of the 'Co-op Compass'. This scorecard tool allows the NMC to judge the activities and performance of the Groups businesses in terms of Member Value, Member Voice, as well as Ethical and Sustainable Leadership [E1]. By supporting such initiatives, the NMC President highlighted that Webster's work ultimately helped the UK Co-op to

establish 'a new, common language between Board and Council as to what success looks like for a co-operative of our scale and complexity' [E1].

#### 4.2 New learning initiatives to explore and foster community enterprise culture

Against the backdrop of austerity measures implemented in the UK from 2008 onwards, Webster's research has supported new learning initiatives to improve understanding about the benefits of community enterprise culture and co-operative principles. From 2015, Webster's historical expertise was drawn on by the Walker Enterprise Project (Big Lottery Funded), a two-year programme to develop community resilience in Walker, a suburb of Newcastle [E4a, p11], by helping the local employment charity *Building Futures East* (BFE) to 'reassess and adjust' how it interacted 'with organisations at a local level' and establish strategies for reaching 'those sections of the community which have not figured prominently in our work [before]' [E4b]. In particular, Webster was instrumental to the BFE project, 'Strengthening and Embedding Community Enterprise Culture in Walker', which researched and developed 'learning materials for people with limited education and experience looking to establish their own social enterprises' [E4b]. Consequently, Webster helped the BFE establish 'Community Conversations', an initiative that provided **1)** a programme of regular meetings that brought together people from different local groups and enterprises to discuss community work opportunities and **2)** a freely available online tool consisting of learning materials explaining how to establish a successful social enterprise [E4b]. BFE confirmed that Webster's research 'has left a potent legacy of strengthened recognition of the need for and benefits of social enterprise development, as well as a most useful practical tool to help potential social entrepreneurs from the poorest communities to build their own social businesses' [E4b].

Webster's research has also been 'instrumental' to educational and outreach work undertaken by the Co-operative Heritage Trust, the charity responsible for preserving the heritage assets of the UK co-operative movement, including the Rochdale Pioneers Museum (RPP) and National Co-operative Archive (NCA) [E5]. From 2016, Webster's insights supported a range of activities, including contributions to public lectures, which the Trust confirmed 'have helped change perceptions of the co-operative movement in a positive way, highlighting its long history as an innovator in the field of international commerce' [E5]. The research was also central to the delivery of 'Rochdale SOUP'. This one-off series of grassroots micro-granting events was coordinated by the RPP and fostered new enterprise projects within the Rochdale borough [E5]. The trust confirmed how this became 'a catalyst for other community initiatives designed to put the values and principles of co-operation to use for positive change' [E5]. Webster was made Chair of the Heritage Advisory Committee in recognition of the benefits derived from his research, 'he and his work are powerful assets with which the Trust have and can reach out to wider audiences in the community' [E5].

Furthermore, since 2017 Webster has worked closely with the Co-operative College, which focuses on improving the ability of co-operators to run successful and ethical co-operative enterprises. His research enabled college management 'to draw together a community of co-operative research practitioners from across five HEI's in the region. Tony's wise guidance in relation to building this network ...has been immense' [E6].

#### 4.3 Promoting Cooperative Business Models to New International Audiences.

The international perspectives underpinning Webster's research has given it particular traction in Australia. Webster was invited to address the 14<sup>th</sup> International Co-operative Alliance Asia and Pacific's Research Conference in December 2019, a high-profile event that enables knowledge exchange between academics and industry figures, vigorously promoted by the Co-operative Business Peak Body [E7]. The Conference Coordinator praised the intellectual and practical support Webster provided, explaining how the research improved attendees 'understanding of the historic relationship between British and Australian co-operation and the potential benefits of future collaboration between them', helping 'put Australia and the Australian Co-op sector on the map both domestically and in the Asia Pacific region' [E7]. In addition, Webster's work with the Business Council of Co-operatives and Mutuals, senior planners from Newcastle Council (New South Wales), and the New Economy Network Australia (NENA), helped accelerate the



development of 'a Civil Society Strategy for the region' through the establishment of the new Regional NENA hub strategy. This seeks to transform NSW's economic system through local initiatives that focus on achieving ecological health and social justice as an integral part of the economy [E7].

The promotion of cooperative ideals on the international stage has been praised by the CEO of the UK Co-op, who noted that '*Webster's recent work in Australia*' illustrates the '*role his research is playing, in the U.K. and overseas, in championing confidence in co-operation as a viable and ethical business model for the 21<sup>st</sup> century*' [E2].

**5. Sources to corroborate the impact** (indicative maximum of 10 references)

Ref.	Source of corroboration	Link to claimed impact
E1	Testimonial - President of the National Members' Council, UK Co-op Group	Demonstrates how research improved awareness of, and renewed confidence, in the ethical principles of UK Co-op Group
E2	Testimonial - CEO, UK Co-op Group	Demonstrates how research improved awareness of, and renewed confidence, in the ethical principles of UK Co-op Group
E3	Testimonial - Head of Local Engagement, UK Co-op Group	Demonstrates how research improved awareness of, and renewed confidence, in the ethical principles of UK Co-op Group
E4	a) Report - Centre for Local Economic Strategies (2015) b) Testimonial - CEO, Building Futures East	Demonstrates how research supported WEA project and learning to promote community enterprise culture in Walker
E5	Testimonial - Co-operative Heritage Trust Manager	Demonstrates how research supported Co-Op Heritage Trust to promote learning about community enterprise and co-op history
E6	Testimonial - Vice Principal, Co-operative Education and Research, Co-operative College	Demonstrates how research supported Co-Op College to promote learning about co-op history. Helped to foster new learning network (CERN)
E7	Testimonial - Conference Coordinator, International Co-operative Alliance Asia and Pacific's Research Conference	Demonstrates how research helped to promote co-op business Models to new international audiences